



UNITED STATES INTERNATIONAL TRADE COMMISSION



WASHINGTON, DC 20436

STEEL: MONITORING DEVELOPMENTS IN THE DOMESTIC INDUSTRY

INV. NO. TA-204-9

PREHEARING REPORT TO THE COMMISSION

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PREFACE

On March 5, 2003, the Commission instituted investigation No. TA-204-9¹ under section 204(a)(2) of the Trade Act of 1974 (the Act)² for the purpose of preparing a report to the President and the Congress on the results of its monitoring of developments with respect to the domestic steel industry since the President imposed tariffs and a tariff-rate quota on certain imported steel products effective March 20, 2002.³

Section 204(a)(1) of the Act⁴ requires that the Commission, so long as any action taken under section 203 of the Act remains in effect, monitor developments with respect to the domestic industry, including the progress and specific efforts made by workers and firms in the domestic industry to make a positive adjustment to import competition. Section 204(a)(2) of the Act requires that whenever the initial period of an action under section 203 of the Act exceeds 3 years, the Commission shall submit a report on the results of the monitoring under section 204(a)(1) of the Act to the President and the Congress not later than the mid-point of the initial period of the relief, or by September 19, 2003, in this case.

Section 201(b)(1) of the Act⁵ states that a positive adjustment to import competition occurs when (A) the domestic industry (i) is able to compete successfully with imports after actions taken under section 204 terminate, or (ii) the domestic industry experiences an orderly transfer of resources to other productive pursuits; and (B) dislocated workers in the industry experience an orderly transition to productive pursuits.

Section 201(b)(2) of the Act⁶ states that the domestic industry may be considered to have made a positive adjustment to import competition even though the industry is not of the same size and composition as the industry at the time the investigation was instituted under section 202(b) of the Act.

¹ See, 68 FR 12380, March 14, 2003.

² 19 U.S.C. § 2254(a)(2).

³ See, Presidential Proclamation 7529 of March 5, 2002 (67 FR 10553, March 7, 2002).

⁴ 19 U.S.C. § 2254(a)(1).

⁵ 19 U.S.C. § 2254(b)(1).

⁶ 19 U.S.C. § 2254(b)(2).

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INTRODUCTION AND GENERAL OVERVIEW

PART I: INTRODUCTION

BACKGROUND

This investigation was instituted on March 5, 2003, for the purpose of preparing the report to the President and the Congress required by section 204(a)(2) of the Trade Act of 1974 (the Act)¹ on the results of its monitoring of developments with respect to the domestic steel industry since the President imposed tariffs and tariff-rate quotas on imports of certain steel products,² effective March 20, 2002.

Information relating to the background of this investigation is presented in table OVERVIEW I-1.

Table OVERVIEW I-1
Chronology of investigation No. TA-204-9

Date	Action
March 5, 2003	Commission institutes investigation No. TA-204-9
March 14, 2003	Commission publishes its notice of institution in the <i>Federal Register</i> ¹
July 10, 2003	Proposed date of Commission's hearing concerning stainless steel products ²
July 17, 2003	Proposed date of Commission's hearing concerning tubular products ²
July 22, 2003	Proposed date of Commission's hearing concerning flat steel products ²
July 24, 2003	Proposed date of Commission's hearing concerning long steel products ²
September 19, 2003	Commission's transmittal of report to the President and Congress

¹ 68 FR 12380, March 14, 2003, presented in app. A.
² A list of witnesses appearing at the hearing is presented in app. B.

Source: *Federal Register* notice 68 FR 12380, March 14, 2003.

¹ 19 U.S.C. § 2252(a)(2).

² Subheadings 9903.72.30 through 9903.74.24 of the Harmonized Tariff Schedule of the United States cover the steel products included in these safeguard measures as well as specifying products and sources excluded from the safeguard measures. In the 2003 HTS, subheadings 9903.72.30 through 9903.72.48 cover carbon and alloy steel slabs; subheadings 9903.72.50 through 9903.73.39 cover carbon and alloy steel flat-rolled products (including plates and other hot-rolled steel, cold-rolled steel other than grain-oriented steel, and clad, coated, and plated steel); subheadings 9903.73.42 through 9903.73.62 cover certain carbon and alloy steel bars, rods, and light shapes; subheadings 9903.73.65 through 9903.73.71 cover carbon steel concrete reinforcing bars (rebars); subheadings 9903.73.74 through 9903.73.86 cover certain carbon and alloy steel non-seamless pipes and tubes; subheadings 9903.73.88 through 9903.73.95 cover certain tube and pipe fittings; subheadings 9903.73.97 through 9903.74.16 cover stainless steel bars, rods, angles, shapes, and sections; and subheadings 9903.74.18 through 9903.74.24 cover stainless steel wire.

PREVIOUS SECTION 204 STEEL INVESTIGATIONS

The Commission has conducted two previous section 204 steel investigations. On March 15, 2001, the Commission instituted investigation No. TA-204-5 concerning certain circular welded carbon quality line pipe,³ and on March 16, 2001, the Commission instituted investigation No. TA-204-6 concerning certain steel wire rod.⁴

INVESTIGATION NO. TA-201-73

In June 2001, the Commission instituted investigation No. TA-201-73 under section 202 of the Act⁵ to determine whether certain steel products are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. In October 2001, the Commission made its determinations with respect to injury.^{6 7} In December 2001, the Commission made its recommendations with respect to remedies.⁸

³ 66 FR 16066, March 22, 2001. *See, Certain Circular Welded Carbon Quality Line Pipe: Monitoring Developments in the Domestic Industry*, Inv. No. TA-204-5, Pub. 3450, September 2001.

⁴ 66 FR 16496, March 26, 2001. *See, Certain Steel Wire Rod*, Inv. No. TA-204-6, Pub. 3451, August 2001.

⁵ 19 U.S.C. § 2252.

⁶ *See*, 66 FR 54285, October 26, 2001.

⁷ Product groups included in investigation No. TA-201-73 determined not to be increasing or not to be a substantial cause of serious injury (or the threat of serious injury) to a domestic industry, and therefore not covered in the remedy or included in the current investigation are: (1) grain oriented silicon electrical steel (GOES), (2) carbon and alloy steel ingots, billets, and blooms, (3) carbon and alloy steel rails and railway products, (4) carbon and alloy steel wire, carbon and alloy steel strand, rope, cable, and cordage, (5) carbon and alloy steel nails, staples, and woven cloth, (6) carbon and alloy steel heavy structural shapes and sheet piling, (7) carbon and alloy steel fabricated structural units, (8) carbon and alloy steel seamless products, (9) welded oil country tubular goods (OCTG), (10) tool steel, all forms, (11) stainless steel ingots, billets, and blooms, (12) stainless steel cut-to-length plate, (13) stainless steel woven cloth, (14) stainless steel rope, (15) stainless steel tubular products, and (16) stainless steel flanges and fittings.

⁸ *See*, 66 FR 67304, December 28, 2001.

SECTION 203 SAFEGUARD MEASURES

Following receipt of a report from the Commission in December 2001 containing determinations and remedy recommendations by the Commission under section 201 of the Act,⁹ the President, pursuant to section 203 of the Act,¹⁰ imposed import relief in the form of tariffs and tariff-rate quotas on imports of certain steel products for a period of 3 years and 1 day effective March 20, 2002. Table OVERVIEW I-2 presents a compilation of *Federal Register* notice citations concerning the section 203 safeguard measures. Table OVERVIEW I-3 presents information on the steel products covered by the safeguard measures and corresponding tariff and tariff-rate quota remedies.

The section 203 safeguard measures apply to imports of subject steel products from all countries except for Canada, Israel, Jordan, and Mexico,¹¹ and developing countries that are members of the World Trade Organization (WTO),¹² as long as a developing country's share of total imports of the product, based on imports during a recent representative period, does not exceed 3 percent, provided that imports that are the product of all such countries with less than 3 percent import share collectively account for

⁹ See, *Steel*, Inv. No. TA-201-73, USITC Pub. 3479, December 2001. For additional information on the Commission's section 201 investigation, report, and remedy recommendations, see, <http://www.usitc.gov/steel/>.

¹⁰ 19 U.S.C. § 2253.

¹¹ See, paragraph 11 of the President's Proclamation of March 5, 2002 (67 FR 10553, March 7, 2002).

¹² See, paragraph 12 of the President's Proclamation of March 5, 2002 (67 FR 10553, March 7, 2002). The following countries are classified as WTO developing countries: Albania, Angola, Antigua and Barbuda, Argentina, Bahrain, Bangladesh, Barbados, Belize, Benin, Bolivia, Botswana, Brazil, Bulgaria, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Chile, Colombia, Congo (Brazzaville), Congo (Kinshasa), Costa Rica, Cote d'Ivoire, Croatia, Czech Republic, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Fiji, Gabon, the Gambia, Georgia, Ghana, Grenada, Guatemala, Guinea, Guinea Bissau, Guyana, Haiti, Honduras, Hungary, India, Indonesia, Jamaica, Jordan, Kenya, Kyrgyzstan, Latvia, Lesotho, Lithuania, Macedonia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Moldova, Mongolia, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Romania, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sierra Leone, Slovakia, Solomon Islands, South Africa, Sri Lanka, Suriname, Swaziland, Tanzania, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Uruguay, Venezuela, Zambia, and Zimbabwe.

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Table OVERVIEW I-2
Federal Register notices regarding the section 203 safeguard measures

Date	Federal Register citation	Title	Description
March 7, 2002	67 FR 10553	Presidential Proclamation 7529– To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products	Announcement of the section 203 remedy; identification of products and countries covered by the relief; and list of initial products excluded from relief
March 7, 2002	67 FR 10593	Presidential Memorandum of March 5, 2002–Action Under Section 203 of the Trade Act of 1974 Concerning Certain Steel Products	Memorandum for the Secretary of the Treasury, the Secretary of Commerce, and the United States Trade Representative
March 19, 2002	67 FR 12635	Technical Corrections to the Harmonized Tariff Schedule of the United States	Corrects several inadvertent errors and omissions in the Annex to Presidential Proclamation 7529 of March 5, 2002 (67 FR 10553) so that the intended tariff treatment is provided
June 4, 2002	67 FR 38541	Technical Corrections to the Harmonized Tariff Schedule of the United States	Corrects several inadvertent errors and omissions in the Annex to Presidential Proclamation 7529 of March 5, 2002 (67 FR 10553) so that the intended tariff treatment is provided
July 12, 2002	67 FR 46221	Exclusion of Particular Products from Actions under Section 203 of the Trade Act of 1974 With Regard to Certain Steel Products; Conforming Changes and Technical Corrections to the Harmonized Tariff Schedule of the United States	USTR's determination that particular products should be excluded from actions under section 203 with regard to certain steel products
August 30, 2002	67 FR 56182	Exclusion of Particular Products From Actions Under Section 203 of the Trade Act of 1974 With Regard to Certain Steel Products; Conforming Changes and Technical Corrections to the Harmonized Tariff Schedule of the United States	USTR's determination that particular products should be excluded from actions under section 203 with regard to certain steel products
November 14, 2002	67 FR	Technical Corrections to the Harmonized Tariff Schedule of the United States	Corrects several inadvertent errors and omissions in the Annex to Presidential Proclamation 7529 of March 5, 2002 (67 FR 10553) so that the intended tariff treatment is provided
February 11, 2003	68 FR 6982	Technical Corrections to the Harmonized Tariff Schedule of the United States	Corrects several inadvertent errors and omissions in the Annex to Presidential Proclamation 7529 of March 5, 2002 (67 FR 10553) so that the intended tariff treatment is provided
March 31, 2003	68 FR 15494	Exclusion of Particular Products From Actions Under Section 203 of the Trade Act of 1974 With Regard to Certain Steel Products; Conforming Changes and Technical Corrections to the Harmonized Tariff Schedule of the United States	USTR's determination that particular products should be excluded from actions under section 203 with regard to certain steel products
Source: Various <i>Federal Register</i> notices.			

Table OVERVIEW I-3
Section 203 safeguard measures imposed on March 20, 2002, by products¹

Products	Measures
FLAT:	
Slab	A tariff-rate quota of 4.90 million metric tons in the first year of the measure, 5.35 million metric tons in the second year, and 5.81 million metric tons in the third year, with no increase in duties for imports below the within-quota level and an increase in duties of 30 percent <i>ad valorem</i> for imports above the within-quota level in the first year of the measure, 24 percent in the second year, and 18 percent in the third year
Plate (cut-to-length and clad)	An increase in duties of 30 percent <i>ad valorem</i> in the first year of the measure, 24 percent in the second year, and 18 percent in the third year
Hot-rolled	An increase in duties of 30 percent <i>ad valorem</i> in the first year of the measure, 24 percent in the second year, and 18 percent in the third year
Cold-rolled (other than grain-oriented electrical steel)	An increase in duties of 30 percent <i>ad valorem</i> in the first year of the measure, 24 percent in the second year, and 18 percent in the third year
Coated	An increase in duties of 30 percent <i>ad valorem</i> in the first year of the measure, 24 percent in the second year, and 18 percent in the third year
Tin	An increase in duties of 30 percent <i>ad valorem</i> in the first year of the measure, 24 percent in the second year, and 18 percent in the third year
LONG:	
Hot bar	An increase in duties of 30 percent <i>ad valorem</i> in the first year of the measure, 24 percent in the second year, and 18 percent in the third year
Cold bar	An increase in duties of 30 percent <i>ad valorem</i> in the first year of the measure, 24 percent in the second year, and 18 percent in the third year
Rebar	An increase in duties of 15 percent <i>ad valorem</i> in the first year of the measure, 12 percent in the second year, and 9 percent in the third year
TUBULAR:	
Welded products (other than oil country tubular goods (OCTG))	An increase in duties of 15 percent <i>ad valorem</i> in the first year of the measure, 12 percent in the second year, and 9 percent in the third year
Fittings (other than tool steel)	An increase in duties of 13 percent <i>ad valorem</i> in the first year of the measure, 10 percent in the second year, and 7 percent in the third year
STAINLESS:	
Stainless bar	An increase in duties of 15 percent <i>ad valorem</i> in the first year of the measure, 12 percent in the second year, and 9 percent in the third year
Stainless rod	An increase in duties of 15 percent <i>ad valorem</i> in the first year of the measure, 12 percent in the second year, and 9 percent in the third year
Stainless wire	An increase in duties of 8 percent <i>ad valorem</i> in the first year of the measure, 7 percent in the second year, and 6 percent in the third year

¹ The remedy is currently in its second year. See, 68 FR 15494, March 31, 2003.

Source: 67 FR 10553, March 7, 2002.

not more than 9 percent of total imports of the product.¹³ Countries covered by the section 203 relief are referred to as “covered sources” while countries not covered by relief are referred to as “noncovered sources,” except as noted.

Section 204 (a)(1) of the Act¹⁴ requires that the Commission, so long as any action under section 203 of the Act remains in effect, monitor developments with respect to the domestic industry, including the progress and specific efforts made by workers and firms in the domestic industry to make a positive adjustment to import competition. Section 204 (a)(2) of the Act requires that whenever the initial period of an action under section 203 exceeds 3 years, the Commission shall submit a report on the results of the monitoring under section 204(a)(1) to the President and the Congress not later than the mid-point of the initial period of relief, or in this case by September 19, 2003.

¹³ Based on these criteria, several noncovered developing countries have products that are covered by relief: Brazil (slabs and flat products (except for tin mill products)); India (carbon flanges); Moldova (rebar); Romania (carbon flanges); Thailand (carbon flanges and welded pipe); Turkey (rebar); and Venezuela (rebar).

¹⁴ 19 U.S.C. § 2254(a)(1).

WTO STEEL SAFEGUARD PROCEEDINGS

Following the announcement of the U.S. measures, several steel exporters to the U.S. market requested consultations with the United States under the WTO Safeguards Agreement, and following their implementation requested consultations with the United States under the WTO Dispute Settlement Understanding (DSU). Following consultations, Brazil, China, the EC, Japan, Korea, New Zealand, Norway, and Switzerland requested establishment of a panel under the DSU, and a panel was composed on July 25, 2002. The panel conducted its proceedings principally during fall 2002. In February 2003, the chairman of the panel indicated that the panel likely would complete its work by the end of April 2003.¹⁵ As of mid-June 2003, the panel had not released its report.

¹⁵ United States – Definitive Safeguard Measures on Imports of Certain Steel Products, WT/DS248/16, WT/DS249/10, WT/DS251/11, WT/DS252/9, WT/DS253/9, WT/DS254/9, WT/DS258/13, WT/DS259/12, Communication from the Chairman of the Panel, February 20, 2003, WTO doc. # 03-1123, available at <http://www.wto.org>.

TITLE VII STEEL ORDERS

A list of outstanding antidumping and countervailing duty orders on the subject steel products is presented in table OVERVIEW I-4. There are currently 120 outstanding antidumping and countervailing duty orders on the subject products.

Since March 20, 2002, the effective date of the section 203 measure, the Commission has conducted only one investigation concerning the subject steel products. On August 27, 2002, the Commission determined that an industry in the United States is not materially injured or threatened with material injury by reason of imports of certain cold-rolled steel products from Australia, India, Japan, Sweden, and Thailand.¹⁶ On October 16, 2002, the Commission determined that an industry in the United States is not materially injured or threatened with material injury by reason of imports of certain cold-rolled steel products from Argentina, Belgium, Brazil, China, France, Germany, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Taiwan, Turkey, and Venezuela.¹⁷

¹⁶ See, 67 FR 58074, September 13, 2002. See also, *Certain Cold-Rolled Steel Products from Australia, India, Japan, Sweden, and Thailand*, Invs. Nos. 731-TA-965, 971-972, 979, and 981 (Final), USITC Pub. 3536, September 2002.

¹⁷ See, 67 FR 68685, November 12, 2002. See also, *Certain Cold-Rolled Steel Products from Argentina, Belgium, Brazil, China, France, Germany, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Taiwan, Turkey, and Venezuela*, Invs. Nos. 701-TA-423-425 and 731-TA-964, 966-970, 973-978, 980, and 982-983 (Final), USITC Pub. 3551, October 2002.

Public Version

Table OVERVIEW I-4
Outstanding antidumping and countervailing duty orders on subject steel products

Order date	Continued date	Product	Source	ITC investigation number	Commerce investigation number
06/13/1979	12/15/2000	Carbon steel plate	Taiwan	AA-197	A-583-080
05/07/1984	08/22/2000	Small diameter carbon steel pipe	Taiwan	731-TA-132	A-583-008
03/07/1986	08/22/2000	Welded carbon steel pipe	Turkey	701-TA-253	C-489-502
03/11/1986	08/22/2000	Welded carbon steel pipe	Thailand	731-TA-252	A-549-502
05/12/1986	08/22/2000	Welded carbon steel pipe	India	731-TA-271	A-533-502
05/15/1986	08/22/2000	Welded carbon steel pipe	Turkey	731-TA-273	A-489-501
12/17/1986	01/06/2000	Carbon steel butt-weld pipe fittings	Brazil	731-TA-308	A-351-602
12/17/1986	01/06/2000	Carbon steel butt-weld pipe fittings	Taiwan	731-TA-310	A-583-605
02/10/1987	01/06/2000	Carbon steel butt-weld pipe fittings	Japan	731-TA-309	A-588-602
03/27/1989	08/22/2000	Light-walled rectangular tube	Taiwan	731-TA-410	A-583-803
05/26/1989	08/22/2000	Light-walled rectangular tube	Argentina	731-TA-409	A-357-802
07/06/1992	01/06/2000	Carbon steel butt-weld pipe fittings	China	731-TA-520	A-570-814
07/06/1992	01/06/2000	Carbon steel butt-weld pipe fittings	Thailand	731-TA-521	A-549-807
11/02/1992	08/22/2000	Circular welded nonalloy steel pipe	Brazil	731-TA-532	A-351-809
11/02/1992	08/22/2000	Circular welded nonalloy steel pipe	Korea	731-TA-533	A-580-809
11/02/1992	08/22/2000	Circular welded nonalloy steel pipe	Taiwan	731-TA-536	A-583-814
11/02/1992	08/22/2000	Circular welded nonalloy steel pipe	Mexico	731-TA-534	A-201-805
08/17/1993	12/15/2000	Carbon steel plate	Sweden	701-TA-327	C-401-804
08/17/1993	12/15/2000	Carbon steel plate	Spain	701-TA-326	C-469-804
08/17/1993	12/15/2000	Carbon steel plate	Germany	701-TA-322	C-428-817
08/17/1993	12/15/2000	Carbon steel plate	United Kingdom	701-TA-328	C-412-815
08/17/1993	12/15/2000	Carbon steel plate	Mexico	701-TA-325	C-201-810
08/17/1993	12/15/2000	Carbon steel plate	Brazil	701-TA-320	C-351-818
08/17/1993	12/15/2000	Carbon steel plate	Belgium	701-TA-319	C-423-806
08/17/1993	12/15/2000	Corrosion-resistant carbon steel flat products	France	701-TA-348	C-427-810
08/17/1993	12/15/2000	Corrosion-resistant carbon steel flat products	Korea	701-TA-350	C-580-818
08/17/1993	12/15/2000	Corrosion-resistant carbon steel flat products	Germany	701-TA-349	C-428-817
08/19/1993	12/15/2000	Carbon steel plate	Romania	731-TA-584	A-485-803
08/19/1993	12/15/2000	Carbon steel plate	Brazil	731-TA-574	A-351-817
08/19/1993	12/15/2000	Carbon steel plate	United Kingdom	731-TA-587	A-412-814
08/19/1993	12/15/2000	Carbon steel plate	Poland	731-TA-583	A-455-802
08/19/1993	12/15/2000	Carbon steel plate	Finland	731-TA-576	A-405-802
08/19/1993	12/15/2000	Carbon steel plate	Mexico	731-TA-582	A-201-809
08/19/1993	12/15/2000	Carbon steel plate	Germany	731-TA-578	A-428-816
08/19/1993	12/15/2000	Carbon steel plate	Belgium	731-TA-573	A-423-805
08/19/1993	12/15/2000	Carbon steel plate	Spain	731-TA-585	A-469-803
08/19/1993	12/15/2000	Carbon steel plate	Sweden	731-TA-586	A-401-805
08/19/1993	12/15/2000	Corrosion-resistant carbon steel flat products	Canada	731-TA-614	A-122-822
08/19/1993	12/15/2000	Corrosion-resistant carbon steel flat products	Korea	731-TA-618	A-580-816
08/19/1993	12/15/2000	Corrosion-resistant carbon steel flat products	Australia	731-TA-612	A-602-803
08/19/1993	12/15/2000	Corrosion-resistant carbon steel flat products	Japan	731-TA-617	A-588-826
08/19/1993	12/15/2000	Corrosion-resistant carbon steel flat products	France	731-TA-615	A-427-808
08/19/1993	12/15/2000	Corrosion-resistant carbon steel flat products	Germany	731-TA-616	A-428-815

Table continued. See footnote at end of table.

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Table OVERVIEW I-4--Continued
Outstanding antidumping and countervailing duty orders on subject steel products

Order date	Continued date	Product	Source	ITC investigation number	Commerce investigation number
12/01/1993	08/02/2000	Stainless steel wire rod	India	731-TA-638	A-533-808
01/28/1994	08/02/2000	Stainless steel wire rod	France	731-TA-637	A-427-811
01/28/1994	08/02/2000	Stainless steel wire rod	Brazil	731-TA-636	A-351-819
02/21/1995	04/18/2001	Stainless steel bar	Brazil	731-TA-678	A-351-825
02/21/1995	04/18/2001	Stainless steel bar	Japan	731-TA-681	A-588-833
02/21/1995	04/18/2001	Stainless steel bar	India	731-TA-679	A-533-810
03/02/1995	04/18/2001	Stainless steel bar	Spain	731-TA-682	A-469-805
07/02/1996	11/16/2001	Clad steel plate	Japan	731-TA-739	A-588-838
04/17/1997	03/26/2003	Steel concrete reinforcing bar	Turkey	731-TA-745	A-489-807
10/24/1997		Carbon steel plate ¹	Russia	731-TA-754	A-821-808
10/24/1997		Carbon steel plate ¹	South Africa	731-TA-755	A-791-804
10/24/1997		Carbon steel plate ¹	Ukraine	731-TA-756	A-823-808
10/24/1997		Carbon steel plate ¹	China	731-TA-753	A-570-849
09/15/1998		Stainless steel wire rod	Korea	731-TA-772	A-580-829
09/15/1998		Stainless steel wire rod	Spain	731-TA-773	A-469-807
09/15/1998		Stainless steel wire rod	Sweden	731-TA-774	A-401-806
09/15/1998		Stainless steel wire rod	Taiwan	731-TA-775	A-583-828
09/15/1998		Stainless steel wire rod	Japan	731-TA-771	A-588-843
09/15/1998		Stainless steel wire rod	Italy	731-TA-770	A-475-820
09/15/1998		Stainless steel wire rod	Italy	701-TA-373	C-475-821
06/29/1999		Hot-rolled carbon steel flat products	Japan	731-TA-807	A-588-846
07/06/1999		Hot-rolled carbon steel flat products ¹	Brazil	701-TA-384	C-351-829
07/06/1999		Hot-rolled carbon steel flat products	Brazil	731-TA-806	A-351-828
07/12/1999		Hot-rolled carbon steel flat products	Russia	731-TA-808	A-821-809
02/10/2000		Carbon steel plate	Korea	701-TA-391	C-580-837
02/10/2000		Carbon steel plate	Indonesia	701-TA-389	C-560-806
02/10/2000		Carbon steel plate	Japan	731-TA-820	A-588-847
02/10/2000		Carbon steel plate	India	731-TA-817	A-533-817
02/10/2000		Carbon steel plate	India	701-TA-388	C-533-818
02/10/2000		Carbon steel plate	Indonesia	731-TA-818	A-560-805
02/10/2000		Carbon steel plate	Korea	731-TA-821	A-580-836
02/10/2000		Carbon steel plate	Italy	701-TA-390	C-475-827
02/10/2000		Carbon steel plate	Italy	731-TA-819	A-475-826
02/10/2000		Carbon steel plate	France	731-TA-816	A-427-816
02/10/2000		Carbon steel plate	France	701-TA-387	C-427-817
08/28/2000		Tin mill products	Japan	731-TA-860	A-588-854
09/07/2001		Steel concrete reinforcing bar	Moldova	731-TA-879	A-841-804
09/07/2001		Steel concrete reinforcing bar	Poland	731-TA-880	A-455-803
09/07/2001		Steel concrete reinforcing bar	Ukraine	731-TA-882	A-823-809
09/07/2001		Steel concrete reinforcing bar	Indonesia	731-TA-875	A-560-811
09/07/2001		Steel concrete reinforcing bar	Korea	731-TA-877	A-580-844
09/07/2001		Steel concrete reinforcing bar	Belarus	731-TA-873	A-822-804
09/07/2001		Steel concrete reinforcing bar	China	731-TA-874	A-570-860
09/07/2001		Steel concrete reinforcing bar	Latvia	731-TA-878	A-449-804

Table continued. See footnotes at end of table.

Table OVERVIEW I-4--Continued
Outstanding antidumping and countervailing duty orders on subject steel products

Order date	Continued date	Product	Source	ITC investigation number	Commerce investigation number
09/11/2001		Hot-rolled carbon steel flat products	Argentina	701-TA-404	C-357-815
09/19/2001		Hot-rolled carbon steel flat products	South Africa	731-TA-905	A-791-809
09/19/2001		Hot-rolled carbon steel flat products	Argentina	731-TA-898	A-357-814
11/21/2001		Hot-rolled carbon steel flat products	Kazakhstan	731-TA-902	A-834-806
11/29/2001		Hot-rolled carbon steel flat products	Ukraine	731-TA-908	A-823-811
11/29/2001		Hot-rolled carbon steel flat products	Taiwan	731-TA-906	A-583-835
11/29/2001		Hot-rolled carbon steel flat products	Netherlands	731-TA-903	A-421-807
11/29/2001		Hot-rolled carbon steel flat products	China	731-TA-899	A-570-865
11/29/2001		Hot-rolled carbon steel flat products	Thailand	731-TA-907	A-549-817
11/29/2001		Hot-rolled carbon steel flat products	Romania	731-TA-904	A-485-806
12/03/2001		Hot-rolled carbon steel flat products	Indonesia	701-TA-406	C-560-813
12/03/2001		Hot-rolled carbon steel flat products	India	731-TA-900	A-533-820
12/03/2001		Hot-rolled carbon steel flat products	Indonesia	731-TA-901	A-560-812
12/03/2001		Hot-rolled carbon steel flat products	India	701-TA-405	C-533-821
12/03/2001		Hot-rolled carbon steel flat products	South Africa	701-TA-407	C-791-810
12/03/2001		Hot-rolled carbon steel flat products	Thailand	701-TA-408	C-549-818
12/06/2001		Welded large diameter line pipe	Japan	731-TA-919	A-588-857
02/27/2002		Welded large diameter line pipe	Mexico	731-TA-920	A-201-828
03/07/2002		Stainless steel bar	Italy	731-TA-915	A-475-829
03/07/2002		Stainless steel bar	Germany	731-TA-914	A-428-830
03/07/2002		Stainless steel bar	Korea	731-TA-916	A-580-847
03/07/2002		Stainless steel bar	France	731-TA-913	A-427-820
03/07/2002		Stainless steel bar	United Kingdom	731-TA-918	A-412-822
03/08/2002		Stainless steel bar	Italy	701-TA-413	C-475-830
10/22/2002		Carbon steel wire rod	Brazil	701-TA-417	C-351-833
10/22/2002		Carbon steel wire rod	Canada	701-TA-418	C-122-841
10/29/2002		Carbon steel wire rod	Brazil	731-TA-953	A-351-832
10/29/2002		Carbon steel wire rod	Canada	731-TA-954	A-122-840
10/29/2002		Carbon steel wire rod	Indonesia	731-TA-957	A-560-815
10/29/2002		Carbon steel wire rod	Mexico	731-TA-958	A-201-830
10/29/2002		Carbon steel wire rod	Moldova	731-TA-959	A-841-805
10/29/2002		Carbon steel wire rod	Trinidad & Tobago	731-TA-961	A-274-804
10/29/2002		Carbon steel wire rod	Ukraine	731-TA-962	A-823-812

¹ Suspended.

Source: Commission's web site: http://www.usitc.gov/7ops/ad_cvd_orders.htm.

ORGANIZATION OF THE REPORT AND GENERAL ISSUES

The presentation of information collected in this investigation has been organized into five major parts: (1) introduction and general overview; (2) carbon and alloy flat products; (3) carbon and alloy long products; (4) carbon and alloy tubular products; and (5) stainless and tool steel products.

The introduction and general overview includes information on U.S. market participants, general product information, an overview of developments in the global steel industry, and an overview of developments in the U.S. steel industry. The remaining four parts contain information, by product groups, on product descriptions and tariff classifications, the U.S. market, U.S. industry trade and financial data, U.S. producers' adjustment efforts, pricing, and foreign industry data. A summary of data collected is presented by products in appendix C.

Much of the data used in the preparation of this report are from information received in response to the Commission's questionnaires;^{18 19} although, secondary sources (*e.g.*, official Commerce statistics for U.S. imports) are used, where appropriate.

The Commission mailed questionnaires to approximately 800 U.S. producers, 300 U.S. importers,²⁰ and 1,800 U.S. purchasers believe to either have produced, imported, or purchased one or more of the subject steel products during April 2000-March 2002. In addition to mailing questionnaires to domestic firms, the Commission posted all steel questionnaires on its website.²¹ The Commission also posted the foreign producer questionnaire on its website and informed all persons indicating an interest

¹⁸ Due to the vast number of questionnaires received, Commission staff are currently seeking revisions for incorrect data reported by responding firms. The preliminary data presented in this prehearing report will be revised accordingly to reflect these changes in the final report.

¹⁹ The Commission anticipates receiving a questionnaire response from International Steel Group (ISG) that should include the data of ISG, Bethlehem Steel, and LTV. To the extent practical, staff will generate updated tables incorporating these firms' data and submit them to the Commission and Parties prior to the hearing.

²⁰ U.S. producers also received the U.S. importers' questionnaire.

²¹ Electronic copies of these questionnaires were posted on the Commission's web site at http://www.usitc.gov/investigation/204_9/.

in this investigation via email that hard copies of the foreign producer questionnaire would not be mailed by the Commission but should be downloaded electronically for a response.²² For additional information on questionnaire responses received by the Commission, *see Part II: U.S. Market Participants* in the introduction and general overview section of this report.

²² To date, the Commission has received responses from 104 foreign producers.

PART II: U.S. MARKET PARTICIPANTS

U.S. Producers

The Commission sent questionnaires to approximately 800 firms believed to possibly produce the subject steel products during January 2000-March 2003.¹ One-hundred-eight firms reported producing the subject products during this period:² 39 firms produced flat products; 31 firms produced long products; 34 firms produced tubular products; and 20 firms produced stainless products.

A list of U.S. producers that responded to the Commission's request for information, including the products produced by each firm, is presented in table OVERVIEW II-1. A list of responding U.S. producers' positions with respect to the section 203 relief is presented in table OVERVIEW II-2.

U.S. Importers

The Commission sent questionnaires to approximately 300 firms believed to import the subject steel products during January 2000-March 2003.³ Approximately 200 firms reported importing the subject steel products during this period: 112 firms imported flat products; 72 firms imported long products; 62 firms imported tubular products; and 55 firms imported stainless products.⁴

¹ U.S. producers were identified from the section 201 investigation mailing list. Firms that had reported in the 201 investigation that they did not produce the 14 products being examined in this section 204 investigation were not sent questionnaires. However, all firms reporting production of any of the 14 products being examined in this investigation plus all firms that did not respond in the 201 investigation were sent questionnaires.

² Some firms reported more than one category of steel products.

³ U.S. producers also received an importers' questionnaire.

⁴ Several importers did not provide usable data.

Table OVERVIEW II-1
Steel: U.S. producers, by products, April 1, 2000 to March 31, 2003

* * * * *

Table OVERVIEW II-1--Continued
Steel: U.S. producers, by products, April 1, 2000 to March 31, 2003

* * * * *

Table OVERVIEW II-1--Continued

Steel: U.S. producers, by products, April 1, 2000 to March 31, 2003

* * * * *

Table OVERVIEW II-2

Steel: U.S. producers' positions with respect to the section 203 import relief, by firms and by products

* * * * *

Table OVERVIEW II-2--Continued

Steel: U.S. producers' positions with respect to the section 203 import relief, by firms and by products

* * * * *

Table OVERVIEW II-2--Continued

Steel: U.S. producers' positions with respect to the section 203 import relief, by firms and by products

* * * * *

U.S. Purchasers

The Commission sent questionnaires to approximately 1,800 firms believed to purchase the subject steel products during January 2000-March 2003. Purchaser questionnaires were mailed at a later date than the producers' and importers' questionnaires and have only recently been returned to the Commission. As a result, staff has been unable to incorporate purchaser information in this prehearing report. Purchaser information will be presented in the final staff report.

PART III: MANUFACTURING PROCESSES, BROAD PRODUCT DESCRIPTIONS, AND USES¹

MANUFACTURING PROCESSES

The manufacturing processes for steel products are summarized below. In general, there are three distinct stages that include: (1) melting or refining raw steel; (2) casting molten steel into semi-finished forms; and (3) performing the finishing operations that produce the final product. The melting and casting processes produce and transform molten steel into a solid form ready for rolling and do not, by themselves, produce a finished product. More detailed information on specific products is included in subsequent chapters.

Melt Stage

Steel is produced either by the integrated or nonintegrated process.² The nonintegrated, or scrap-based process (also referred to as the “minimill” process) produces molten steel by melting scrap or scrap substitutes in an electric arc furnace.³ The integrated process typically smelts iron ore using coke in a blast furnace to produce molten iron, which is subsequently poured into a steelmaking furnace, generally a basic oxygen furnace, together with a lesser amount of scrap metal.⁴ The hot metal is processed into steel when oxygen is blown into the metal bath. Lime is added to serve as a fluxing⁵ agent; it combines with impurities to form a floating layer of slag, which is later removed. The molten steel is poured or “tapped” from the furnace to a ladle⁶ to be transported to a ladle metallurgy (or secondary steelmaking) station, and then to casting.

¹ This section is based on information presented in the Commission’s section 201 steel report, and has been updated to reflect changes since October 2001. *See, Steel*, Inv. No. TA-201-73, USITC Pub. 3479, December 2001. The information in this section has been

² Carbon and many alloy steels are made using both processes, but stainless steel is almost always made using the nonintegrated process.

³ Scrap often has high levels of undesirable elements. To improve steel quality, all of the new thin-slab flat-rolled mills are making some use of scrap substitutes such as direct-reduced iron, hot-briquetted iron, and iron carbide.

⁴ Open hearth furnaces are also used in the integrated process, but have been supplanted by basic oxygen furnaces in most countries.

⁵ A flux is a substance added to the molten steel for purification purposes.

⁶ The ladle is a vessel into which the molten steel is poured from the furnace for transfer to the next processing stage.

Regardless of whether they use the integrated or nonintegrated process, it is now common for steelmakers to utilize a ladle metallurgy station. Shifting the final refining stages to the ladle metallurgy station allows shorter cycles in the primary steelmaking vessel, effectively raising steelmaking capacity. Steelmakers employ additional techniques to further refine and improve the steel.⁷ Steelmakers may adjust the chemical content by adding alloying elements or by lowering the carbon content (de-carburization), and may adjust the temperature of the steel for optimum casting. While carbon content may be reduced further by subsequent hydrogen annealing of the coiled steel, the steel's essential characteristics are established prior to the casting stage.

Casting Stage

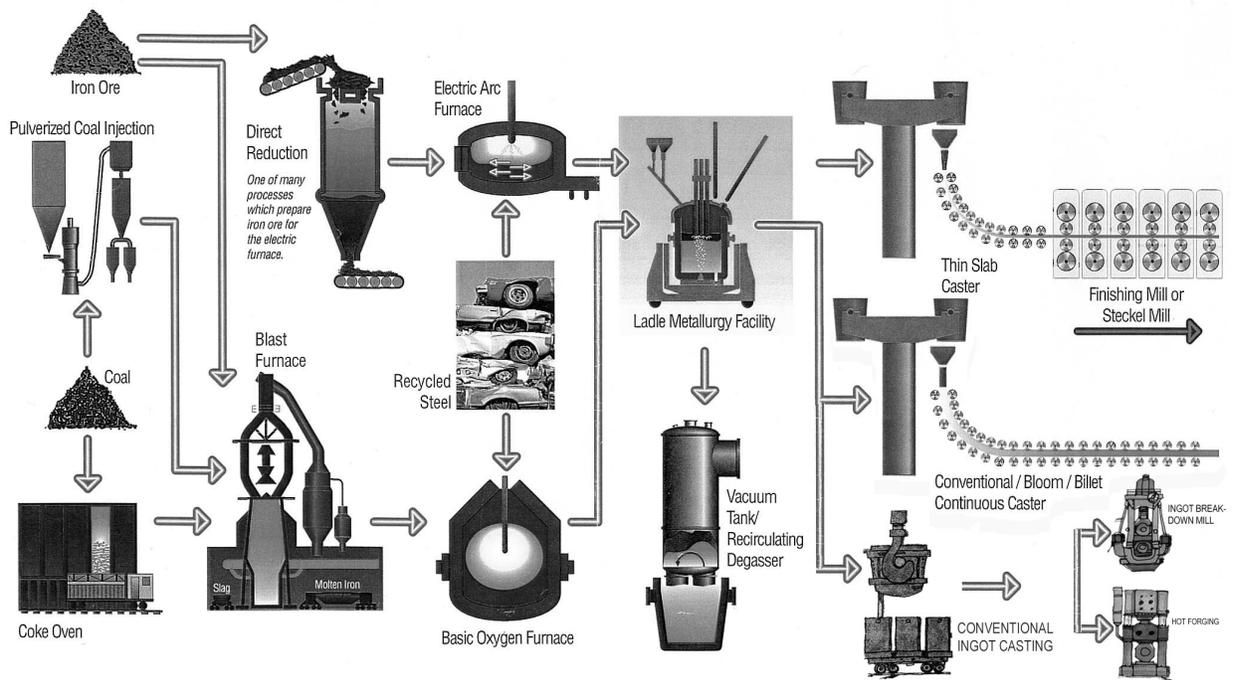
Following the production of molten steel with the desired properties, the steel is typically continuously cast into one of three semifinished forms that can be further processed: slabs, billets, or blooms. Slabs are cast in a rectangular form with a thickness from 2 to 10 or more inches and a width between 30 and 80 inches. Billets are normally 2 to 6 inches square while blooms are similar in shape to billets but typically have cross-sections greater than 6 inches.⁸ Producers also formerly used ingot teeming to cast steel, but continuous casting is now the preferred, lower-cost method and the vast majority of steels now produced in the United States are continuously cast.

In continuous casting, the molten steel is poured into a mold that has the cross-sectional shape of the desired semifinished form (see figure OVERVIEW III-1 from the American Iron and Steel Institute (AISI)). The mold is slightly tapered. The steel is poured continuously into the mold and solidifies as it passes through and out the bottom portion of the mold. The solidified steel is cut off below the mold into the desired lengths for further processing.

⁷ The goals of secondary steelmaking include controlling gases (e.g., decreasing the concentration of oxygen, hydrogen, and nitrogen, called degassing), reducing sulfur, removing undesirable nonmetallic inclusions such as oxides and sulfides, changing the composition and/or shape of oxides and sulfides that cannot be completely removed, and improving the mechanical properties of the finished steel. U.S. Steel, *The Making, Shaping, and Treating of Steel*, 10th edition, p. 671.

⁸ Billets and blooms may also have non-rectangular cross-sections.

Figure OVERVIEW III-1
Steelmaking flowchart



Source: AISI.

Public Version

Although continuous casting is used by most steelmakers worldwide, some steel is cast into ingots before processing into semifinished forms (also depicted in figure OVERVIEW III-1). In the ingot process, molten steel is poured into an ingot mold where it solidifies. After solidification, the ingot is removed from the mold and placed into a furnace to bring the ingot to a uniformly high temperature throughout. The ingot is then placed into a mill that shapes the ingot into a semifinished form.

Subsequent Processing

A semifinished product is transferred to a rolling mill where it is heated prior to rolling. The form is passed through one or more sets of revolving rolls that reduce its thickness and/or change its shape in a process known as “hot-rolling.” After cooling, some of these products are then subjected to another rolling stage, called “cold-rolling” because the steel is at ambient temperature when it is rolled, which further reduces the thickness of the steel and improves its strength and surface quality. Other processing steps the steel may undergo include controlled reheating and cooling (annealing), cleaning in a bath of acid (pickling), a special cold-rolling that improves the texture or imparts a certain texture to the steel (temper rolling), cutting, slitting, shearing, and/or using a coiler to wind the product into a coil. The subject finished products produced from the semifinished forms are discussed below.

Slabs

Slabs are generally used to produce flat products and, subsequently, welded pipes. Specific products produced directly and indirectly from slabs include the following:

- **Cut-to-length or discrete plate.**—Flat-rolled product that typically ranges between about 3/16 of an inch to more than 12 inches in thickness. In the most common production process a slab is reduced on a reversing rolling mill to the desired thickness.
- **Hot-rolled coils.**—Flat rolled product produced on a hot strip (continuous) or Steckel-type (reversing) mill and wound into coils at the end of the process. The difference between coiled sheet, strip, and plate consist of differences in thickness and width. Only the lighter thicknesses of plate can be produced in a coiled form. Sheet and strip are thinner than 3/16 of an inch; sheet is rolled to a width of about twenty four inches or more while strip is narrower.
- **Cold-rolled flat products.**—Hot-rolled flat products that are cold-rolled, improving the steel’s surface quality and strength.

- **Corrosion-resistant and other coated flat products.**—For hot dipped zinc or aluminum coatings, sheet and strip are cleaned so the coating will stick better to the steel, then the steel is put into a bath of hot zinc and/or aluminum. As the strip emerges from the bath, it is cooled and the coating solidifies. Electrogalvanized products are produced by passing the steel through a solution containing dissolved zinc, which is deposited on the steel by an electrolytic reaction. For painted products, the steel is cleaned and the surface prepared for painting. The steel then moves to a paint coater where a primer is applied. After the strip moves to a baking oven to cure the primer, it is then cooled and conveyed to a second paint coater where the finishing coat is applied with rollers. The strip then enters another oven for curing and cooling.
- **Tin mill products.**—Frequently, the steel used for making tin mill products goes from cold-rolling through an annealing process, after which it is temper rolled or cold-rolled again. The steel is cleaned in a dilute acid solution, then it is electroplated with tin in a process similar to electrogalvanizing.
- **Welded pipe.**—Indirectly made from slabs in that it is formed by bending either flat-rolled sheet or plate so that the edges meet to form a cylinder. The edges are then welded together to form the pipe.

Blooms and Billets

Blooms and billets are generally used to produce long products, and subsequently, seamless pipe.

Specific subject products produced directly and indirectly from blooms and billets include the following:

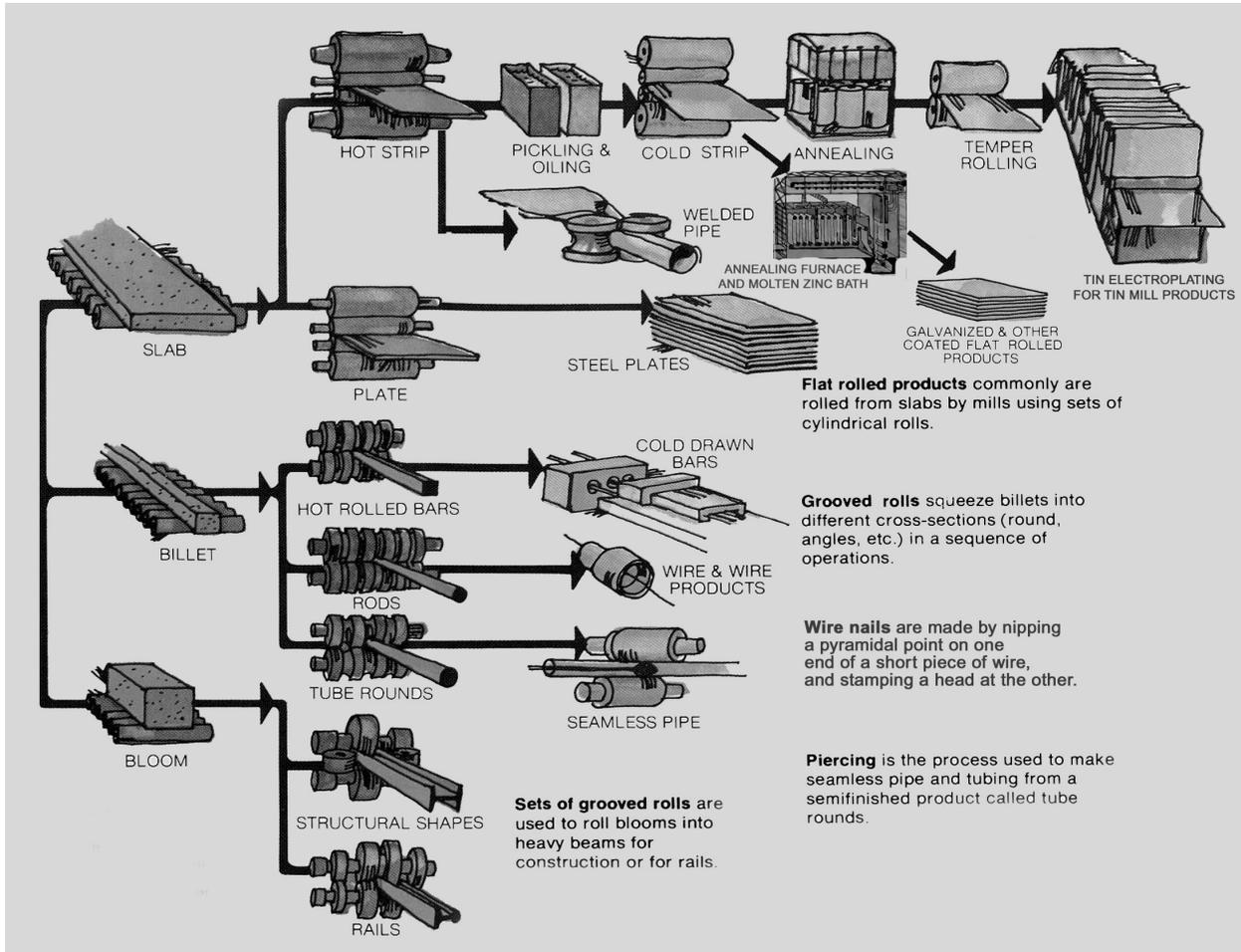
- **Hot-rolled bar and light shapes.**—A billet is reheated, then passed through a set of grooved rolls to produce the desired shape for the bar or light shapes and cut into straight lengths. Bars may have a round, square, rectangular, or other solid polygonal cross-section. Light shapes include angles, channels, tees, etc. with no cross-sectional dimension greater than about 3 inches.
- **Cold-finished bar.**—Hot-rolled bars that are cold-finished undergo certain other processes after cooling to ambient temperature, including cold-rolling, cold-drawing, machining, and grinding.
- **Rebar.**—Hot-rolled bar in which indentations such as grooves and ribs are rolled onto the surface.
- **Rods.**—Rods are rolled from reheated billets and coiled at the end of the process. Rods are usually of circular cross section. They are often considered a semifinished product as they have limited uses without further processing.
- **Wire.**—Wire is drawn from rods. The rods are cleaned with acid, rinsed with water, treated with lime to neutralize the acid, then thoroughly dried. The rod is then drawn through a die to produce wire. Wire may go through subsequent processes such as heat treating, and galvanizing.
- **Flanges and fittings.**—Flanges are mostly forged parts made from billets which are forged through a closed-die process. The forgings typically are heat treated and finished by machining all sides to exact dimensions. Fittings are also typically made by a forging process

whereby the billet is first made into a seamless tube which is then heated and forged into the required shape. Some fittings (e.g., nipples) can also be made from welded or seamless tubular forms by cutting and threading to specifications.

A flowchart of the steel processing for the above-mentioned products is provided in figure

OVERVIEW III-2.

Figure OVERVIEW III-2
Steel processing flowchart



Source: AISI.

USES

Table OVERVIEW III-1 presents information on the primary end markets for major subject steel products.

**Table OVERVIEW III-1
Major markets for various subject steel products**

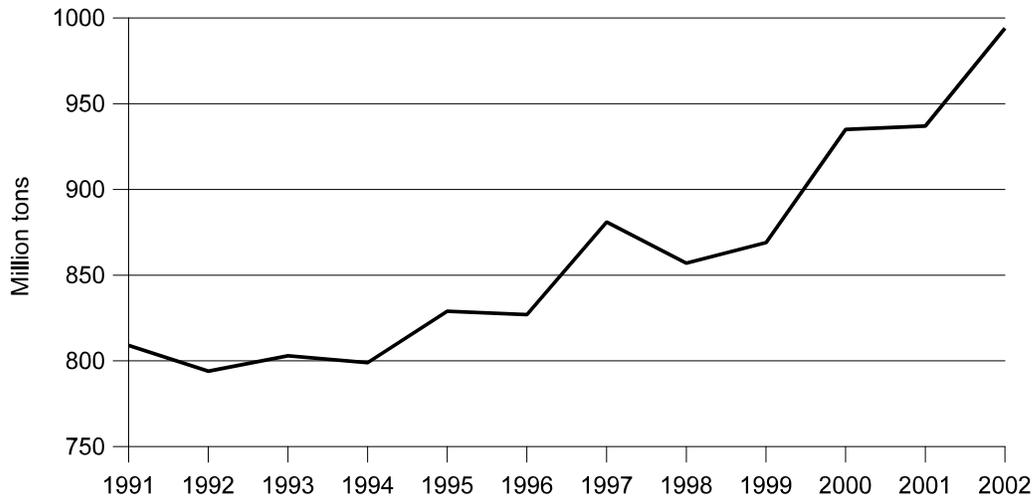
Product	End use markets
Flat:	
Plates (uncoated)	Construction, automotive, rail transportation, construction and materials handling equipment
Tin plate	Containers, packaging and shipping material
Tin coated sheets	Automotive; containers, packaging and shipping material
Sheets, hot-rolled	Automotive, construction
Sheets, cold-rolled	Automotive, electrical equipment, appliances, utensils, and cutlery; other domestic and commercial equipment, construction
Sheets, galvanized	Automotive, construction
Long:	
Bars	Construction, automotive
Wire rods	Construction
Tubular:	
Standard pipe	Oil and gas industry, electrical equipment, construction
Line pipe	Oil and gas industry
Source: AISI	

PART IV: GLOBAL DEVELOPMENTS (1991-2002)¹

GLOBAL PRODUCTION, CAPACITY, AND EMPLOYMENT TRENDS

Between 1991 and 2002, world crude steel production increased by almost 23 percent, from 809 to 994 million tons per year (figure OVERVIEW IV-1).² From 1991 to 1999, production increased by an average of less than 1 percent each year, although there were some sharp year-to-year increases during this period. Production again increased rapidly from 1999 to 2002, rising more than 14 percent. During the first three months of 2003, world crude steel production was 250 million tons, up almost 6 percent from the comparable period in 2002.³

Figure OVERVIEW IV-1
World crude steel production, 1991-2002



Source: IISI, *World Steel in Figures*, 2003 and previous years.

¹ This section is based on information presented in the Commission's section 201 steel report, and has been updated to reflect changes since October 2001. See, *Steel*, Inv. No. TA-201-73, USITC Pub. 3479, December 2001. The information in this section has been

² International Iron and Steel Institute (IISI), *World Steel in Figures*, 2003 and earlier editions. IISI data are in metric tons, and were converted to short tons using .907 metric ton = 1 short ton.

³ IISI, "Monthly Crude Steel Production," *IISI 102*, May 19, 2003.

Public Version

In both 1991 and 2002, the USSR/its former republics, Japan, the United States, China, and the EU/its composite countries accounted for more than 70 percent of world production as shown in the following tabulation:⁴

Country	Share of world production in 1991	Share of world production in 2002
	Percent	
USSR/former republics ¹	18	11
Japan	15	12
United States	11	10
China	10	20
EU ²	20	18
¹ Data for 1991 are for the USSR; data for 2002 are for Azerbaijan, Byelorussia, Estonia, Georgia, Kazakhstan, Latvia, Lithuania, Moldova, Russia, Ukraine, and Uzbekistan. ² EU production for 1991 is based on production in the 15 countries which presently comprise the EU.		

China's share of world production grew from 10 percent in 1991 to 20 percent in 2002. The 18 percent share produced by the USSR in 1991 declined to 11 percent for Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Latvia, Lithuania, Moldova, Russia, Ukraine, and Uzbekistan in 2002. Japan's share of world production declined from 15 percent in 1991 to 12 percent in 2002, and the U.S. share declined slightly from 11 percent to 10 percent. The 15 countries which today comprise the EU collectively accounted for 20 percent of world steel production in 1991. In 2002, the EU member countries produced slightly less than 18 percent of the world's steel.⁵

During the last 10 years, the proportion of steel produced using the oxygen process remained almost constant, at just under 60 percent of world production. The proportion of production by the electric arc process increased from 28 percent in 1991 to 34 percent in 2002, while production by the open hearth process declined from 14 percent of world production in 1991 to less than 4 percent in 2002.⁶ Russia and Ukraine continue to produce significant amounts of steel using the open hearth process. In

⁴ IISI, *World Steel in Figures*, 2003 and 1992.

⁵ Ibid.

⁶ Ibid.

2002, the open hearth process accounted for almost 24 percent of the steel produced in Russia, and more than 47 percent of the steel produced in Ukraine.⁷

World production capacity is more difficult to quantify than actual production. All estimates suggest that global steel production capacity exceeds both actual production and current market demand. The difficulty in estimating capacity is two-fold. First, there may be significant differences between stated capacity and effective capacity. In almost all production facilities, effective capacity is less than stated production capacity. Second, stated capacity may be inflated by the inclusion of projected, inoperative, or obsolete capacity. Estimated annual global production capacity for 2002 is 1.2 billion tons.⁸

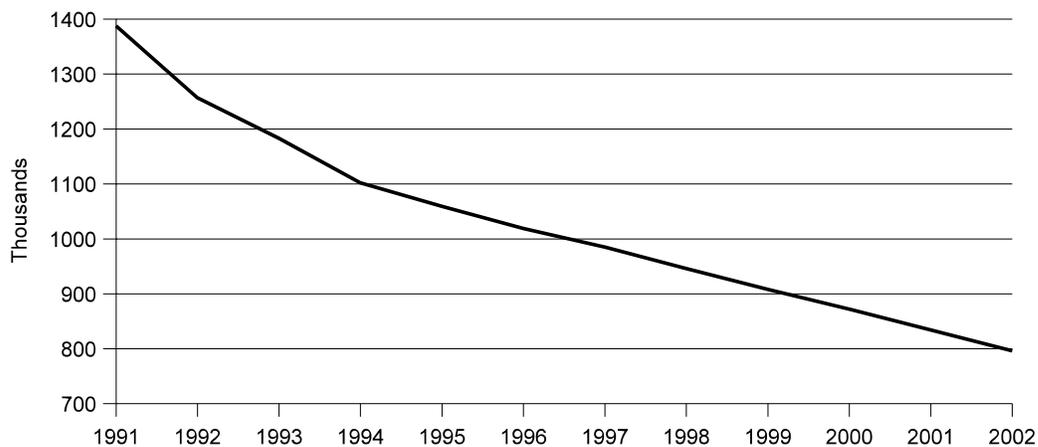
While world steel production increased between 1991 and 2002, measurable employment in steel production decreased (employment can be measured for almost 70 percent of world steel production during each year of the period examined). Employment data for steel production in China and the USSR/its former republics (collectively accounting for up to 31 percent of annual world production during 1991-2002) are not comparable to employment data for the rest of the world. Typically, China and the USSR/its former republics count all workers in steel-producing locales as steel production workers. In addition, labor policies intended to provide full employment in those countries distort the relationship between the number of employees and the quantity of output.

⁷ IISI, *World Steel in Figures*, 2003.

⁸ Organisation For Economic Co-operation And Development, *OECD Observer*, December 19, 2002.

For the part of world steel production for which meaningful data are available, employment decreased by more than 43 percent between 1991 and 2002 (figure OVERVIEW IV-2).⁹ Almost 70 percent of the employment decrease occurred during the first 6 years of that period, as steel employment dropped from 1.4 million production workers at the beginning of 1991 to 1.0 million by the end of 1996. By the end of 2002, fewer than 0.8 million workers produced almost 70 percent of the world's steel.

Figure OVERVIEW IV-2
World steel industry employment, 1991-2002



Source: IISI, *World Steel in Figures*, 2003 and previous years.

GLOBAL IMPORT AND EXPORT TRENDS

Between 1991 and 2001, world trade in steel increased by 69 percent.¹⁰ As a percentage of world steel production, exports rose from 28 percent in 1991 to 40 percent in 2001.¹¹ More than 50 percent of the increase in exports occurred between 1991 and 1994.

⁹ IISI, *World Steel in Figures*, 2003 and earlier editions.

¹⁰ IISI, *World Statistical Yearbook*, 2002.

¹¹ In the report for investigation TA-201-73, crude steel equivalents were used to measure world trade in steel. Because conversion efficiencies continue to increase, finished steel exports are a more consistent measure of export activity over time.

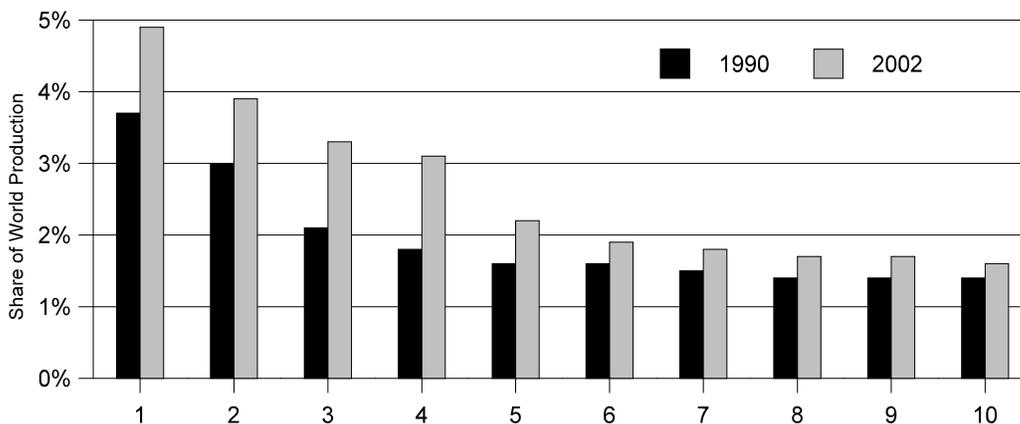
MARKET CONSOLIDATION TRENDS

Despite continuing mergers between European producers, alliances between Asian producers, and increasing foreign investment by producers throughout the world, global steel production remains fragmented. In 2002, 75 competing firms produced more than two-thirds of the world’s steel. However, between 1990 and 2002, the largest producers collectively captured an increased share of world production as shown in the following tabulation:¹²

Largest firms	Percent of world production in 1990	Percent of world production in 2002
5 largest firms	12	17
10 largest firms	20	26
20 largest firms	28	38

In 1990, the individual production shares of the 5 largest producers ranged from 1.6 percent to 3.7 percent of total world production, with an average share of 2.5 percent. In 2002, their individual production shares ranged from 2.2 percent to 4.9 percent, with the average individual share increasing to 3.5 percent. Average individual production shares for the 10 largest producers increased from 2.0 percent in 1990 to 2.6 percent in 2002 as shown in figure OVERVIEW IV-3.

Figure OVERVIEW IV-3
Shares of world steel production, 10 largest producers, 1990 and 2002



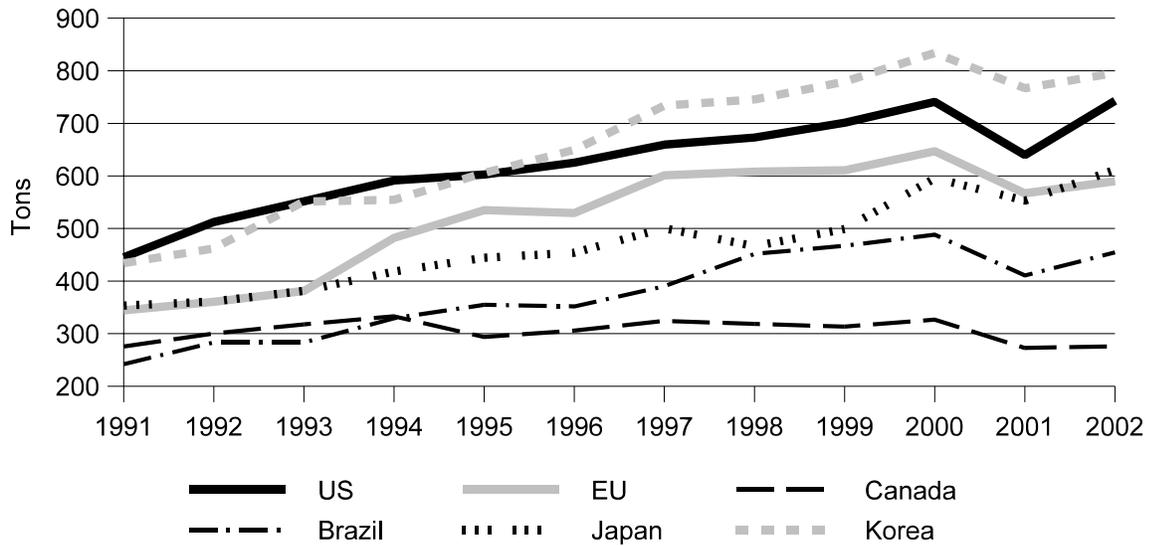
Source: IISI, *World Steel in Figures*, 1991 and 2003.

¹² IISI, *World Steel in Figures*, 2003 and 1991.

PRODUCTIVITY

Figure OVERVIEW IV-4 shows annual productivity as measured by IISI, in tons of crude steel produced per employee, for Canada, Brazil, the EU, Japan, Korea, and the United States during 1991-2002. These data are primarily useful for observing trends within national industries over time.

Figure OVERVIEW IV-4
Annual crude steel production per employee for selected countries, 1991-2002



Source: IISI, *World Steel in Figures*, 1991 through 2002.

TECHNOLOGY TRENDS

For the decade beginning in 1991, the development and implementation of new technologies was evident in the investment behavior of steel companies in the United States and around the world.

Although steel companies had historically developed much of their technology themselves, by the 1990s equipment suppliers had firmly taken the lead with respect to the development of major new production equipment. New technology needed to enhance quality and improve productivity had become readily available to steel makers in any country willing and able to invest adequate levels of capital. Adoption rates for new technology, therefore, have varied widely by company, country, and technology.

Several broad trends developed, affecting the make-up of the industry, its options with respect to raw materials and its composition. The major trends started, completed, or under way since 1991 include:

- The adoption of the basic oxygen process of steelmaking as the dominant process for producing steel from iron ore. The basic oxygen process was developed in the 1950s and flourished with widespread adoption through the 1960s and 1970s. In 1991, the last operating open hearth steelmaking facility in the United States was shut down, replaced by a basic oxygen process facility, making 1991 the final year during which the process that had dominated the industry for over one-half of a century was utilized in this country. However, the energy- and labor-intensive open hearth method still accounts for a significant share of production in some of the less advanced industries, such as Russia, Ukraine, and China.
- Continued growth of electric arc furnace steelmaking, which is the preferred method of producing steel from scrap. While the amount of steel produced by the basic oxygen process was relatively constant in the United States since 1991, the amount of steel produced by electric arc furnaces has increased more than 50 percent. This increase was the result of heavy investment in new, greenfield electric-arc furnace plants and in capacity increases in existing plants, including the conversion of some plants from integrated to nonintegrated production.
- The adoption of continuous casting for converting molten steel into semifinished steel products. This process, which offers significant energy, labor, and capital savings compared to the ingot casting process, was developed in the 1960s, and was widely adopted during the 1970s and 1980s. In 1991, 76 percent of the steel produced in the United States was continuous cast. Since 2000, with continued implementation and the shut-down of obsolete ingot casting facilities, over 97 percent of steel produced in the United States has been continuous cast, a similar share to that in other advanced industries around the world, such as Japan, Korea, and the EU.
- The commercialization and widespread adoption of thin-slab casting for the production of flat-rolled products. This new technology was demonstrated in 1989 and was quickly adopted, especially in the United States. Thin slab casting makes the production of flat-rolled products

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practical in a mini-mill with annual capacity of 1 to 2 million tons, with a much lower capital cost than would be required for an integrated blast furnace/basic oxygen process mill with a capacity of between 4 and 6 million tons. Minimills utilizing thin-slab technology accounted for most of the increase of capacity in the U.S. steel industry since 1990.

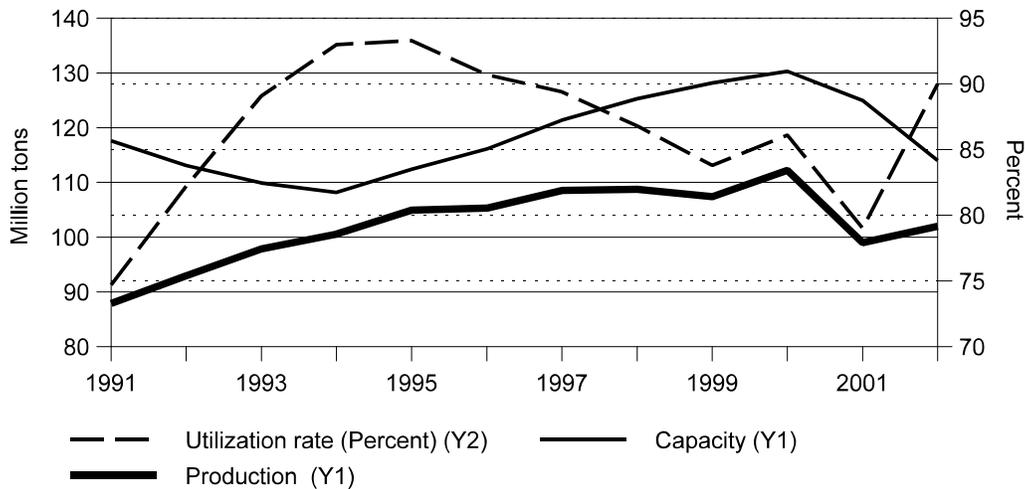
- The building of new finishing capacity to meet the growing demand for corrosion-resistant products, including hot-dip galvanizing, electrogalvanizing, zinc-aluminum coating, and fully alloyed zinc-iron coating. The demand for these products is partly to replace uncoated carbon steel in applications such as automotive.
- The trend for steel companies to increase their capacities for producing higher value-added products to capture more of the total value of the products as used by the ultimate consumers and avoid low commodity-type pricing that has come to characterize the market for plain hot-rolled products.
- Incremental upgrading of existing technologies:
 - Improvements to blast furnace technology over the decade have resulted in increased production per furnace, reductions in fuel use, and increased life of furnaces between major rebuilding events. Greater flexibility in fuel use has been achieved through widespread adoption of pulverized coal injection and the use of natural gas and fuel oil, all reducing the amount of coke required.
 - Improvements in steelmaking technology include widespread adoption of ladle-refining, in which the refining of molten steel is completed in a ladle after its removal from the steelmaking furnace. This increases the overall productivity of the operation and allows the operator to perform a variety of refining and finishing processes that result in the production of cleaner (more defect free) steel of more consistent quality and of new grades that cannot be practically produced without such refining.
 - Improvements in electric melting furnaces have involved the replacement of older furnaces with ones of larger heat size and, usually, much higher rates of heat input, resulting in greatly increased productivity. New electric-arc furnaces and the adoption of new operating practices have resulted in increased productivity, with lower unit energy consumption, and improved quality.
 - Rolling mill technology improved during the decade. Although the large hot strip mills that are operating in the United States today were built before the 1990s, most of them dating from the 1960s, they were extensively modernized and upgraded during the 1990s. Investments have been made in instrumentation and control, and in equipment to enable the production of steel of more consistent quality with less variation in properties, matching the capabilities of newer equipment installed in more recently developed industries such as those of Korea and Japan.
 - The development of new products, taking advantage of the capabilities of the new ladle refining technologies, has made steel products available to the market that were not available at the start of the decade. The new products have combinations of strength and formability not previously available.

PART V: U.S. DEVELOPMENTS (1991-2002)¹

CAPACITY, PRODUCTION, SHIPMENTS, INVENTORIES, AND MATERIAL COSTS

The United States was the third-largest steel producer in the world in 2002, producing 102 million tons of raw steel (11 percent of the world total raw steel output), a 16 percent increase from the 1991 level of 88 million tons but down from a peak of 112 million tons in 2000 (figure OVERVIEW V-1).² Indiana leads all states in steel production, followed by Ohio.³

Figure OVERVIEW V-1
Raw steel production, capacity, and utilization rate, 1991-2002



Source: AISI, *Annual Statistical Report*, 2002.

During 1991-1994, total domestic raw steel capacity decreased from 118 million tons to 108 million tons, a reduction of about 9 percent. However, capacity began to increase significantly in 1995, spurred by an 84 percent increase in the capacity of flat roll minimills that year.⁴ Although production

¹ This section is based on information presented in the Commission's section 201 steel report, and has been updated to reflect changes since October 2001. See, *Steel*, Inv. No. TA-201-73, USITC Pub. 3479, December 2001. The information in this section has been

² American Iron and Steel Institute, *Annual Statistical Report-2001*, p. 4. Preliminary AISI data for 2002.

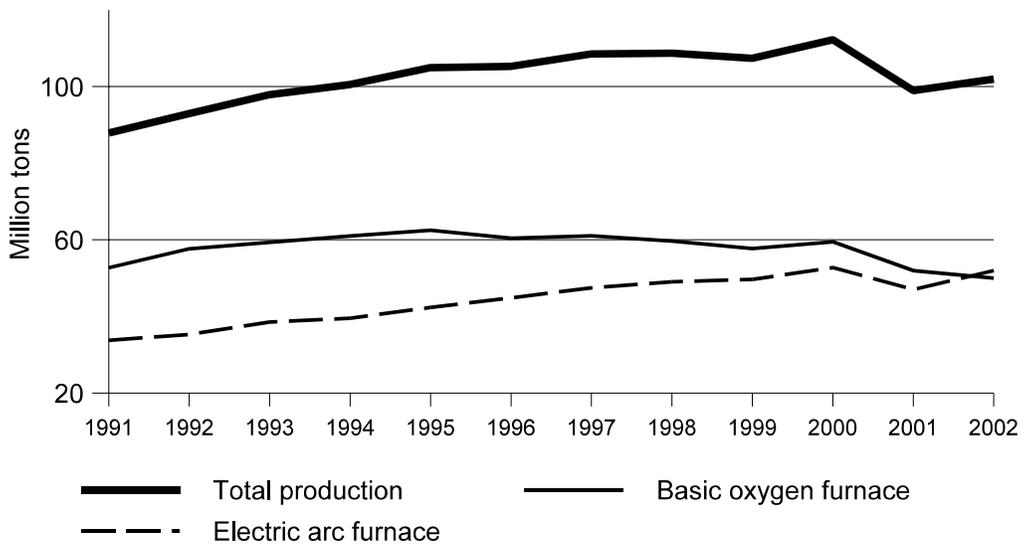
³ Ibid.

⁴ In 1995, minimills increased their capacity of thin-slab and flat-rolling capacity by 3.3 million tons. See, World Steel Dynamics, *Steel Strategist No. 27*, July 2001, exh. N (2 of 8), p. 145.

rose over 10 percent during 1994-2000, capacity increases exceeded production increases,⁵ leading to a long term decrease in utilization rates from the 1995 peak of 93.3 percent to 86.1 percent in 2000. Although capacity fell in 2001, production fell by a larger degree resulting in a further decrease in capacity utilization to 79.0 percent in 2001. However, this declining trend was reversed in 2002 as a result of many plant closings while production increased slightly, raising the utilization rate to 90 percent in that year.

Production in electric arc furnaces has grown almost continuously since 1991 while production in basic oxygen furnaces peaked in 1995 and has generally decreased since then (figure OVERVIEW V-2). Although the basic oxygen furnace method accounted for most of total production during 1991-2001, its share of total production decreased. In 2002, the electric arc process surpassed the basic oxygen process as the leading source of raw steel production in the United States.

Figure OVERVIEW V-2
Annual raw steel production, by processes, 1991-2002

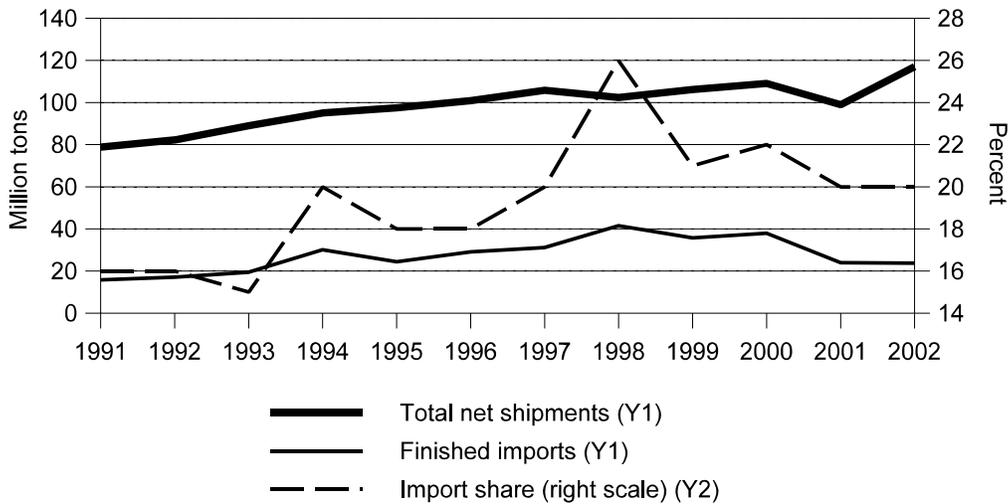


Source: AISI, *Annual Statistical Report*, 2002.

⁵ Imports increased from 19.5 million tons to 30 million tons within one year. American Iron and Steel Institute, *Annual Statistical Report-2001*, p. 4.

During 1991-2002, total net shipments as reported by AISI increased about 21 million tons, or 27 percent,⁶ while imports increased roughly 17 million tons, from 16 million tons in 1991 to 33 million tons in 2002 (figure OVERVIEW V-3).⁷ The share of apparent consumption accounted for by finished steel imports rose from 15.8 percent in 1991 to a peak of 26.4 percent in 1998, before declining to 20.4 percent in 2002.⁸ By contrast, U.S. exports remained at a low level, peaking at 7 million tons in 1995 and remaining at approximately 6 million tons during 1997-2002.

Figure OVERVIEW V-3
Steel: Total net shipments, imports, and finished import share of apparent consumption, 1991-2002



Source: AISI, *Annual Statistical Report*, 2002.

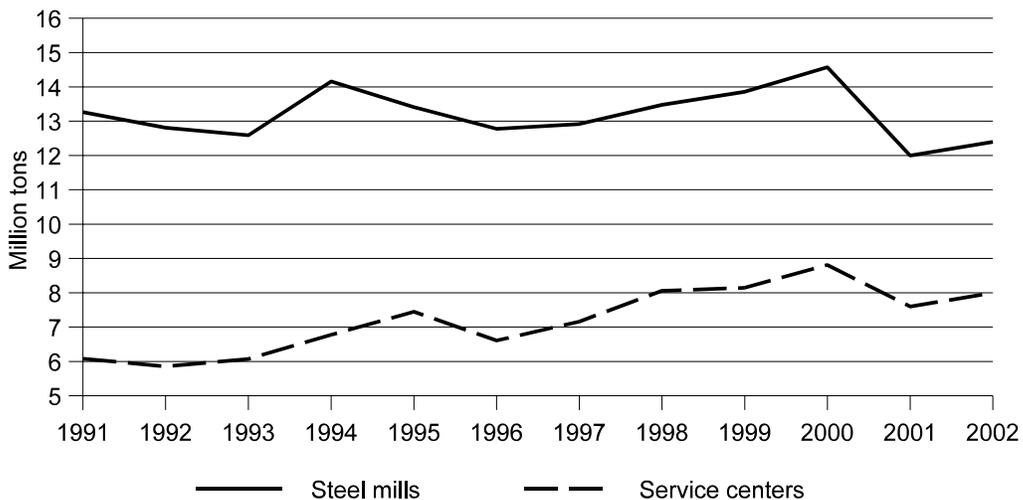
⁶ Steel shipments increased from 79 million tons to 117 million tons during 1991-2002. See American Iron and Steel Institute, *Annual Statistical Report-2001*, p. 4. AISI preliminary data for 2002.

⁷ Shipment data on the products specifically covered in the scope of this investigation are not publicly available. The data shown in this figure depict general trends for the industry and are presented for illustrative purposes.

⁸ American Iron and Steel Institute, *Annual Statistical Report-2001*, table 1A, p. 4. Preliminary AISI data for 2002.

Steel inventories are held by numerous market participants, including producers, end-users, importers, and service centers. Public data on inventory holdings are only available for those inventories held in storage at steel mills or at service centers. As shown in figure OVERVIEW V-4, the quarterly average inventories held by these two sources both exhibited generally increasing trends during 1996-2000, although examination of monthly data shows more variation in short-term movements.⁹ In 2001, the inventory levels held decreased substantially (for steel mills, to the lowest level during 1991-2002) before recovering only slightly in 2002.

Figure OVERVIEW V-4
Steel: Inventory levels based on quarterly averages, 1991-2002

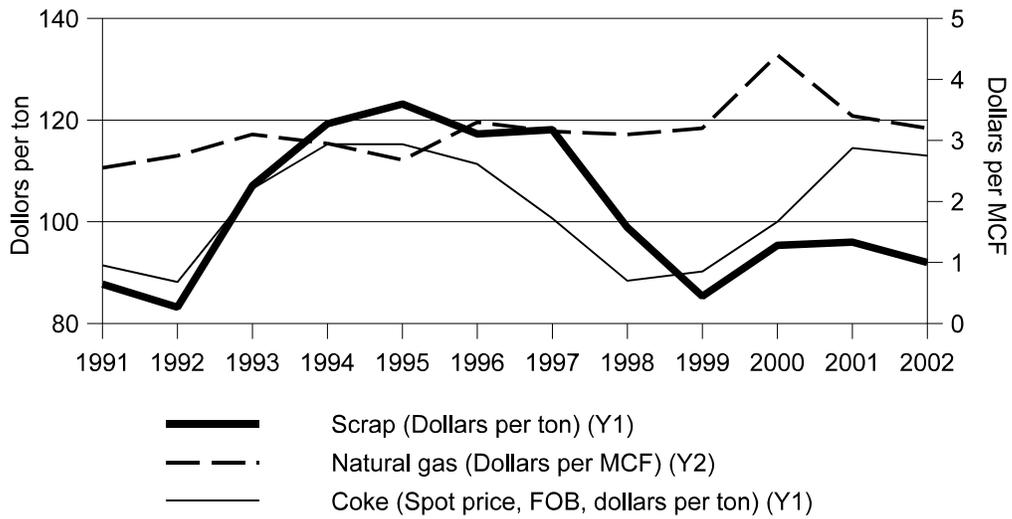


Source: U.S. Department of Commerce, *Current Industrial Reports*, various years.

⁹ As above, the products included in this data do not exactly match the scope of the investigation.

The production of raw steel requires a variety of raw materials and energy inputs. The average nominal prices for some of these inputs, such as iron ore, coal, and electricity, have been relatively steady between 1991 and 2002 and have experienced modest declines over the period. However, average prices for coke, scrap, and natural gas have been more dynamic and were on an upward trend as the decade ended, although they all exhibited downward prices in 2002 (figure OVERVIEW V-5).

Figure OVERVIEW V-5
Average price for scrap, natural gas, and coke, 1991-2002



Source: World Steel Dynamics, *Steel Strategist* No. 27.

EMPLOYMENT AND RELATED COST ISSUES

Employment

In contrast to the trend for manufacturing in general, which has had both periods of increase and decline, employment in the U.S. steel industry has shown an almost steady decline since 1991 (table OVERVIEW V-1).

Table OVERVIEW V-1

Employment: All manufacturing, basic steel products, and blast furnaces and steel mills, 1991 and 2002 period

SIC code	Industry	Employment (1,000 workers)		Change	
		1991	2002	Number	Percent
20-39	All manufacturing	18,406	16,724	-1,682	-9
331	Basic steel products ¹	263	188	-75	-29
3312	Blast furnaces and steel mills	199	124	-75	-38

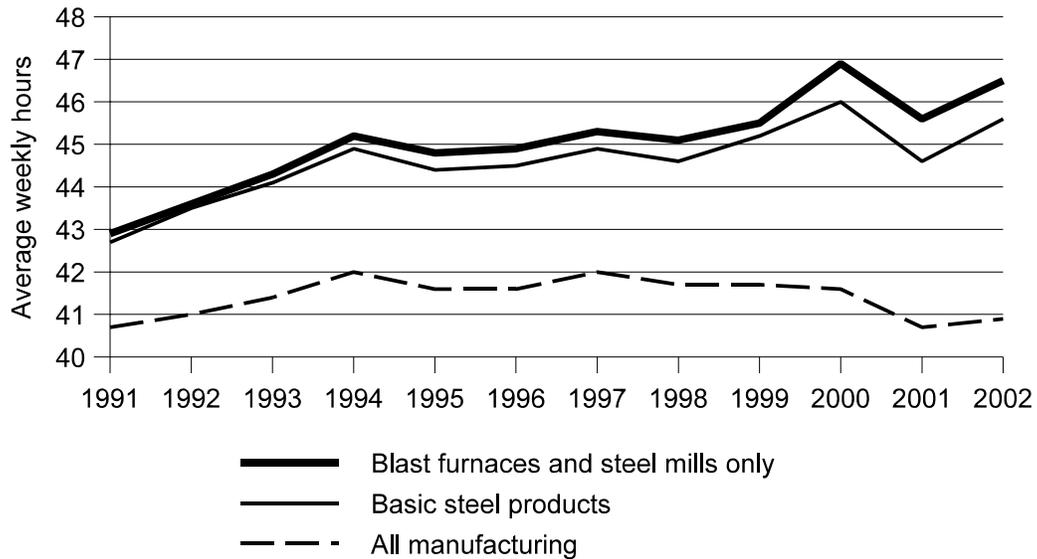
¹ Includes blast furnaces, steel mills, and manufacturers of basic steel products produced from purchased steel (for example, certain pipe and wire manufacturers).

Note.—Calculations are made from unrounded figures.

Source: Source: Bureau of Labor Statistics, *Current Employment Survey*.

The trend in average hours worked, including overtime, for production workers for manufacturing in general and the steel industry in particular show the same general trend until 1998 (as the Asian financial crisis ended). While the average hours worked per employee in the manufacturing sector generally continued to decline after 1998, they generally increased in the steel industry, a reflection of continued job losses as production levels rebounded. Production workers in the industry were averaging 46 to 47 hours per week in 2002 (figure OVERVIEW V-6).

Figure OVERVIEW V-6
Average weekly hours of production workers: All manufacturing, basic steel products, and blast furnaces and steel mills only, 1991-2002

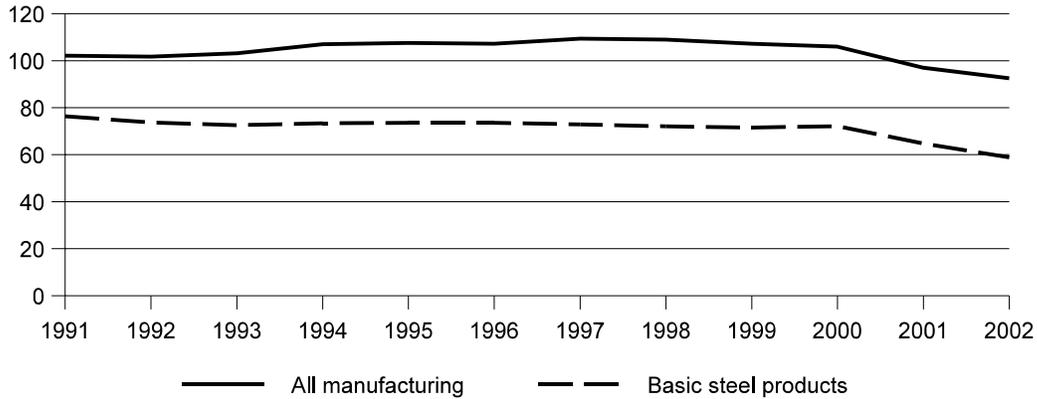


Source: Bureau of Labor Statistics, *Current Employment Survey*.

Despite the increase in the average weekly hours worked in the steel industry during 1991-2002, the large decrease in employment caused a decrease in the aggregate hours worked during the same period, particularly during 2000-2002 (figure OVERVIEW V-7).

The steel industry experienced a greater increase in average hourly earnings during 1991-2002 than did the manufacturing sector as a whole (figure OVERVIEW V-8). Average hourly earnings are influenced not only by changes in normal wage rates but also by overtime pay and occupational shifts within an industry sector. Therefore, trends in the figure may not reflect changes in base pay.

Figure OVERVIEW V-7
Indexes of aggregate weekly hours: All manufacturing and basic steel products, 1991-2002



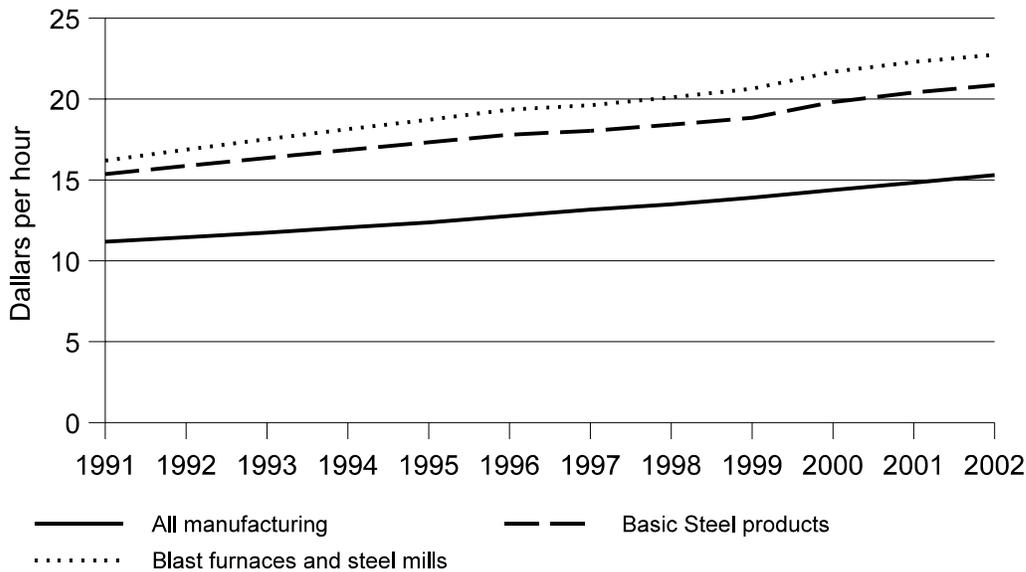
Not

e.-1982=100. These indexes compare annual aggregate weekly hours (including overtime) for each industry segment during 1991-2002 with aggregate weekly hours for that same industry segment in 1982.

“Basis products” includes blast furnaces, steel mills, and manufacturers of basic steel products produced from purchased steel (for example, certain pipe and wire manufacturers).

Source: Bureau of Labor Statistics, *Current Employment Survey*.

Figure OVERVIEW V-8
Average hourly earnings of production workers: All manufacturing and basic steel products, and blast furnaces and steel mills, 1991-2002



“Basis products” includes blast furnaces, steel mills, and manufacturers of basic steel products produced from purchased steel (for example, certain pipe and wire manufacturers).

Source: Bureau of Labor Statistics, *Current Employment Survey*.

Pensions and Post-Employment Benefits Other than Pensions

Retirement benefits (pensions) and other post-employment benefit plans (OPEBs, which are chiefly health, medical care, and life insurance benefits) cover specified groups of company employees, and are included in contractual arrangements between a company and its workers. For the U.S. steel industry, these arrangements and their associated costs and liabilities generally stem from contract negotiations during the 1970s and 1980s, and are considered to be among the largest of legacy costs of the industry.¹⁰ Many of the companies funded only current expenses, leaving the potential liabilities not fully funded or funded their pension plans only to the minimum extent they were required to do so by federal law, and most companies that had gone into bankruptcy proceedings (see discussion on bankruptcies) terminated underfunded pension and OPEB plans.¹¹

¹⁰ For a discussion of some of the retirement benefits and related costs see John P. Hoerr, *And the Wolf Finally Came* (University of Pittsburgh Press: 1988), pp. 78-80, and 512. Also, see the benefit calculations included in pension and OPEB plans that a number of companies attached to their questionnaire responses.

¹¹ The Pension Benefit Guaranty Corporation (PBGC) was established in 1974 by the Employee Retirement Income Security Act (ERISA) to protect employee pension benefits when a pension plan is terminated because of bankruptcy or for another reason. After a plan is terminated, PBGC becomes trustee of the plan and guarantees some benefits, the amount of which may differ from the original sponsor's plan. This guarantee is financed by an insurance premium charge that is levied on all employers with defined benefit plans. The PBGC has the right to administer terminated plans, to impose liens on employers' assets, and to take over employers' assets under certain circumstances. According to the agency's 2002 annual report, the PBGC became trustee of 144 terminated single-employer plans covering 187,000 persons in 2002 (with another 45 terminated plans pending since 2002 fiscal year-end), and it administered a total of 3,087 trustee plans as of the end of fiscal year 2002. The PBGC became trustee of 104 plans and 89,000 participants in 2001.

The PBGC terminated and assumed trusteeship over LTV's pension plans in 2001, absorbing the largest single loss (\$1.85 billion) and greatest number of plan participants (83,000 workers) up to that point in the agency's history. Since the end of fiscal year 2002, the agency assumed responsibility for the pension plans of National Steel (35,000 active and retired workers, underfunded by about \$1.5 billion with an estimated liability to the PBGC of \$1.1 billion) and Bethlehem Steel (95,000 participants, underfunded by about \$4.3 billion, with an estimated liability to the PBGC of \$3.7 billion). Besides these three companies, the agency also has become trustee of the pension plans of Geneva, Northwestern, WHX (formerly Wheeling-Pittsburgh and Handy and Harman), Republic Technologies, Acme, CSC Steel, GS Industries, and Empire Speciality Steel. It estimates that since 1974, the steel industry accounts for more than 58 percent of total claims against the federal insurance program. See <http://www.pbgc.gov/plans> for each company; also, see http://www.pbgc.gov/news/press_releases for 2000-02.

The PBGC insures pensions only. Under federal pension law, the maximum pension guaranteed for workers in plans that end in 2003 is \$3,664 per month (\$43,977 per year) for persons retiring at age 65. OPEBs are not federally insured and these claims are often discharged in bankruptcy. The PBGC also notes that there has been a shift away from private sector defined benefit pension plan since the mid-1980s.

Pension cost and the liability associated with pension and OPEBs are reported under applicable accounting and reporting standards (GAAP). Public companies have to adhere to certain standards of reporting current and noncurrent pension and other benefits expenses and liabilities. The accrual accounting for pensions and OPEBs is complex, but the two key elements are the net periodic cost or benefit (shown on the income statement), and the pension liability (shown on the balance sheet).¹²

Data covering sales revenue, operating income, costs, and funding status related to steel company¹³ post-employment obligations were compiled from those companies' annual public reports on form 10-K to the Securities and Exchange Commission (table OVERVIEW V-3). Although the majority of the 27 companies surveyed have defined benefit plans,¹⁴ others have only defined contribution plans,¹⁵

¹² The primary standard, the Financial Accounting Standards Board (FASB) Statements of Financial Accounting Standards (SFAS) number 87, "Employers' Accounting for Pensions," (December 1985) has several main characteristics: changes in the plan's benefits (liabilities) and plan assets are recognized only gradually and systematically to smooth the impact of volatility; aggregations of components (e.g., benefits, plan assets, expense) are reported as one net cost; and assets and liabilities are netted and only the pension liability is reported (discussed later). SFAS 87 focuses on the pension plan's terms to assist in the recognition of compensation cost over the service period of the employees (recognized as an operating expense on the firm's income statement). The present value of pension obligations and the fair value of plan assets are netted and it requires the recognition of a minimum liability to be shown on the firm's balance sheet in the case of underfunded pension plans. Accrual accounting under SFAS 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" (December 1990), is similar to that under SFAS 87, and applies to all forms of postretirement benefits. OPEBs are considered a form of deferred compensation for which the employer's obligation should be fully accrued when the employee attains full eligibility for all expected benefits. SFAS 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," issued December 1985, establishes standards to be followed by employers of defined benefit pension plans when obligations are settled, plans are curtailed, or benefits are terminated. SFAS 132, "Employers' Disclosures About Pensions and Other Postretirement Benefit Plans," issued December 1998, revised and standardized disclosure requirements for SFAS 87, 88, and 106 (SFAS 132 does not change the measurement or recognition of plans, but addresses the financial statement footnote disclosures and schedules needed by reporting companies).

¹³ In the 201 investigation, companies surveyed in this section were compiled from lists of companies responding to recent investigations of flat-rolled, long, and speciality steel products. Because the data of several of those companies are not available or available only to a limited extent (chiefly because they ceased reporting after filing for bankruptcy), the database was modified to omit non-reporting companies and expanded to include additional firms, drawing from the SEC's list of reporting companies classified in SIC 3312.

¹⁴ Under a defined benefit plan the employer agrees to provide a benefit at retirement that is fixed by a formula. Because the benefits are defined, the employer accepts the risk associated with changes in the variables that determine the amounts needed to meet the obligation to plan participants. Most noncontributory defined benefit plans have pensions that are based on final pay and years of service. The companies in this compilation that have defined benefit plans are: AK Steel, Ameristeel, Bethlehem, Carpenter Technology, ISPAT-Inland, Keystone, Lone Star, National, Oregon, Republic Technologies, Roanoke, Rouge, RyersonTull, Sheffield, Timken, USS, WCI, Weirton, and WHX (Wheeling-Pittsburgh).

¹⁵ Under a defined contribution plan the employer agrees to make a defined contribution to a pension plan as determined by the provisions of the plan. Consequently, plan participants will receive at retirement whatever

(continued...)

and several of those companies that sponsored defined benefit plans also sponsored small contribution plans. The data reflect amendments to post-employment benefit plans and the initiation or termination of plans.¹⁶

Table OVERVIEW-3
Salient post-employment benefit data of selected steelmakers, fiscal years 2000-2002

Item	2000	2001	2002
	Value (million dollars)		
Defined benefit plans:			
Total net commercial sales	34,474	31,307	33,056
Operating income or (loss)	105	(2,584)	(1,501)
Total assets	38,300	35,596	34,670
Post-employment pension benefits:			
Net periodic cost or (benefit)	394	806	926
Funded status—fund assets (less than)/ greater than benefit obligation	2,288	(2,962)	(8,007)
Post-employment benefits other than pensions:			
Net periodic cost (benefit)	730	837	1,103
Funded status—fund assets (less than)/ greater than benefit obligation	(8,777)	(10,452)	(11,906)
Defined contribution plans:			
Total net commercial sales	11,173	10,086	10,989
Operating income	907	333	638
Total assets	9,748	9,419	9,905
Net pension plan expense	127	80	103
Net OPEB expense	10	2	8
Note.—Republic and Sheffield are included for 2000 and 2001 only. WHX reported OPEB only (the PBGC assumed the firm's pension plans).			
Source: Compiled from data reported in company form 10-K reports filed with the SEC.			

¹⁵ (...continued)

benefits the contributions can provide. The accounting is relatively straight-forward: each year the employer records an expense for the contribution. The companies that have defined contribution plans are: Birmingham, CSI, Commercial Metals (parent of Structural Metals Inc), NS Group, Nucor, Steel Dynamics, TXI (Texas Industries), and Universal Stainless.

¹⁶ For example, Lone Star amended its plans so that new employees (hired after 1996 in the case of the largest plan and after 1998 in the case of two other plans) do not participate in the defined benefit plans. WCI instituted a defined pension plan in 1995. Commercial Metals, terminated its defined benefit plan in 1997 (the plan was settled in 1998), and instituted a discretionary contribution profit sharing or savings plans (company contributions were \$18 million in 2000).

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The combined net periodic expense increased from a cost of \$394 million to \$926 million for the companies with defined benefit plans, and a cost of \$127 million to \$103 million for the companies with defined contribution plans between 2000 and 2002. Net periodic pension expense is reported in a company's cost of goods sold (stemming from overhead in the determination of product costs) in its current period income statement, and is included in the cost of product inventories in the company's balance sheet. Pension expense in defined benefit plans is not simply the amount that the company currently funds its plan obligations; instead, pension expense is a net amount calculated by adding together five components.¹⁷ The calculation may result in a benefit (i.e., income) and a reduction to cost of goods sold. AK Steel, reported such a benefit in 2000 while Carpenter Technology, Keystone, and USS reported a benefit in each of the three years, 2000-02, but the net periodic cost of the combined companies outweighed the benefit amounts these companies reported. In the same three years Bethlehem Steel recorded a net pension cost of \$55 million, \$103 million, and \$150 million, respectively.^{18 19} The

¹⁷ The annual funding of the pension or other post-employment benefit plan increases the amount of the fund's assets, but the amount is not used in the calculation of current pension cost. Net periodic pension cost is based on actuarial assumptions calculated using the following components: (1) service cost (accrued present value of service of the retirees during the present period); plus (2) interest on the projected benefit obligation (the projected benefit obligation represents the actuarial present value at the valuation date of all benefits attributed under the plan's formula to employee service rendered prior to that date); minus (3) the expected return on plan assets (any difference that results between the actual and expected values is deferred through the gain or loss component); plus (4) amortization of unrecognized prior service cost (or minus amortization of prior service benefit); and plus (5) the effect of gains and losses that result from experience being different from that assumed, or from a change in an actuarial assumption. Gains or losses result in changes in plan assumptions; changes in the amount of plan assets; and changes in the amount of the projected benefit obligation; the net gain or loss component includes the portion of the unrecognized net gain or loss from previous periods that exceeds the greater of 10% of the beginning balance of the market-related value of plan assets or the projected benefit obligation, amortized over the average service life of active employees expected to receive benefits, and the difference between the expected return and actual return on plan assets.

On the other hand, defined contribution plans (which often take the form of 401(k) plans) are established to allow plan participants to contribute a percentage of their compensation, not to exceed statutory limits, and often provides for discretionary matching by the company of the participant's contribution. Participants are usually vested in full to the amount of their own contribution, but must meet length of service requirements to become fully vested in the company's contribution. The net current cost under a defined contribution plan is the company's actual payment.

¹⁸ Bethlehem Steel, 2000 Form 10-K, p. 16 (as filed) and 2002 Form 10-K, p. F-4 (as filed).

¹⁹ Bethlehem employed an average of 14,700 employees during 2000 compared to 73,700 pensioners receiving benefits at year end 2000. The corporation's employment costs, including pensions and OPEBs, were \$1.3 billion out of total operating costs of \$4.3 billion in 2000. Salaries and wages accounted for \$818 million of Bethlehem's employment costs compared with employee benefit costs of \$513 million. Pension and OPEBs were \$55 million and
(continued...)

combined companies' net current cost is relatively small in relation to total net commercial sales of the defined-benefit companies, but is large in relation to those companies' combined operating income in 2000 and worsens the companies' combined operating losses in 2001 and 2002. The net current cost of the defined-contribution companies was small in relation to the combined net sales and operating incomes during 2000-02.

Data showing the funding status for their defined benefit plans also are presented in table OVERVIEW-8. The amounts shown as funded (an asset) or unfunded (a liability shown in parentheses) represent the difference between the combined companies' actuarial present value of plan obligations and fair value of plan assets at the end of a fiscal year.²⁰ Adjustments to the value of plan obligations and assets are made to incorporate service and interest costs, plan amendments, gains, employer contributions, and distributions. There may be more than one account on the firm's balance sheet to recognize the pension liability; these accounts and amounts therein are not shown in the table for the combined companies,²¹ which focuses instead on the funded status. The company data indicate that total

¹⁹ (...continued)

\$358 million in 2000, respectively. Bethlehem, 2000 Form 10-K, pp. 17 and 23 (as filed) and 2002 Form 10-K, p. F-4 (as filed). See discussion on OPEBs later.

²⁰ Actual pension payments may be based on projected salary or wage levels; the present value of plan obligations, based on service to date, actuarial assumptions, and projected salary levels is referred to as the projected benefit obligation (PBO). The present value of plan obligations using current salary or wage levels and these other assumptions is the accumulated benefit obligation (ABO). If wage or salary increases are not incorporated into the pension benefit formula, the ABO and PBO would be equal.

²¹ The amounts recognized and shown in a company's balance sheet is the funded status of its defined benefit plan at year end with adjustments to incorporate unrecognized costs and actuarial gains as well as any additional minimum liability. The difference between cumulative pension cost (discussed in note 17 earlier) and the cumulative plan contributions is a "prepaid pension asset" (contributions exceed cost) or an "accrued pension cost" (cost exceeds contributions); an additional "minimum pension liability," equal to unfunded ABO (i.e., ABO minus fair value of plan assets) if the minimum liability is greater than the accrued pension liability (the additional liability is the excess of the minimum liability over the accrued pension liability) or if there is a prepaid pension asset (the additional liability is equal to the asset plus the minimum liability). The additional minimum liability is recognized by an offsetting intangible asset up to the amount of prior service cost. If the additional minimum liability exceeds unrecognized prior service cost, the excess is reported as a component and charged to "other comprehensive income" (a part of shareholders' equity) net of the tax effects under SFAS 130. The requirement to report a minimum liability (accumulated benefit obligation in excess of the fair value of plan assets) is independent of other reporting requirements for defined benefit plans, and they do not affect the income statement or the calculation of net periodic pension cost or benefit, but an employer may not record an asset when the fair value of plan assets exceeds the accumulated benefit obligation. A company may reconcile its ABO and PBO at year end to calculate and recognize its minimum pension liability; this reconciliation is presented in footnote disclosures to its financial statements.

(continued...)

plan assets exceeded total benefit obligations of the companies' combined defined pension benefit plans by \$2.3 billion in 2000, but became much less than those obligations in 2001 and 2002 (by \$3.0 billion and \$8.0 billion, respectively). Company reports also indicate that because these plans collectively are underfunded, the amounts recognized as current and long-term liabilities or as a charge to stockholders' equity are growing. The positive funding status in 2000 is accounted for mainly by USS (\$2.4 billion overfunded pension plan) and Carpenter Technology (\$446.5 million overfunded pension plan), while many of the remaining companies with defined benefit pension plans have underfunded plans. All of the companies surveyed reported that their plan assets fell between 2000 and 2001 and again between 2001 and 2002, resulting in a growing imbalance between plan assets and liabilities.²²

Post-employment benefits other than pensions (OPEBs) generally include health and medical benefits and life insurance plans.²³ The data show that the current cost was greater in each period than the net periodic cost of the companies' pension plans; like pension plan costs, these costs are included in COGS and in inventory. The data also indicate that the combined OPEB plans are underfunded. There are several important differences between pension plans and OPEBs. Compared with defined benefit pension plans, OPEBs are generally, (1) less well funded; (2) include an uncapped benefit with high variability; (3) cover the retiree as well as a range of dependents; (4) the benefit is payable as needed and

²¹ (...continued)

Many of the companies surveyed reported they fund at least the minimum contribution required by ERISA.

²² For example, USS's pension asset at year-end 2002 decreased by \$1.1 billion from year-end 2001 and the company recognized an intangible pension asset of \$414 million at December 31, 2002 that resulted from the minimum liability adjustments; it recognized a charge to other comprehensive income of \$756 million in 2002, chiefly due to the minimum liability adjustment. United States Steel Corporation, 2002 form 10-K, pp. 37-38 and F-3 (as filed). The excess of benefit obligations over assets pension plans at AK increased from \$399.7 million to \$980.7 million between 2001 and 2002; AK recorded an accrued benefit liability of \$921.7 million in 2002 and a charge to accumulated other comprehensive income of \$290.0 million in that year. AK Steel Holding Corporation, 2002 form 10-K, p. 40 (as filed).

²³ Many of the steel companies surveyed for this section reported making contributions to a Voluntary Employee Benefit Association Trust (VEBA), established January 1, 1994 for payment of health care benefits made to United Steelworkers of America retirees; funding of the trust is made as claims are submitted for payment or according to a schedule based on hours worked.

used; (5) the predictability of benefit utilization is less sure and costs are more difficult to predict.²⁴

Moreover, in contrast to pension benefits, OPEBs are not insured by the PBGC as noted earlier.

As noted in the 201 investigations, several steel companies in bankruptcy proceedings classified their unfunded pensions and their OPEB liabilities as “at risk.” Laclede, for example, stated, “as a result of the filing under Chapter 11 on November 30, 1998, the Company is not permitted to make contributions to the pension plans related to prepetition liabilities. Due to the size of the underfunding of the hourly and salaried pension plans, the Company expects the plans will be terminated and the pension obligations assumed by the PBGC.”²⁵ Acme, operating under bankruptcy since 1998, also stated that it is not permitted to make contributions to the their pension plans related to prepetition liabilities without court approval, although it was not prevented from making any contributions through year-end 2000; Acme stated that it has no funding requirements for 2001.²⁶ LTV, which filed for bankruptcy protection on December 29, 2000, stated that the bankruptcy court allowed the payment of certain employee benefits. While it stated that there will be no significant pension funding requirements before 2004,²⁷ nonetheless, it classified as “at risk” pension benefits of \$642 million and postemployment health care and insurance benefits of \$1.6 billion.²⁸ As noted earlier, each of these companies discharged most of their OPEB obligations in bankruptcy (see earlier discussion regarding pension plans assumed by the PBGC).

²⁴ Patrick R. Delaney et al. (eds), *Wiley GAAP 2002*, Chap. 16, pp. 701-731.

²⁵ Laclede Steel Co., Item 7, Employee Benefits, 2000 Form 10-K, p. 38 (as filed).

²⁶ Acme Metals, Inc., 2000 Form 10-K405, p. 52 (as filed).

²⁷ LTV Corp., 2000 Form 10-K405, p. 62 (as filed).

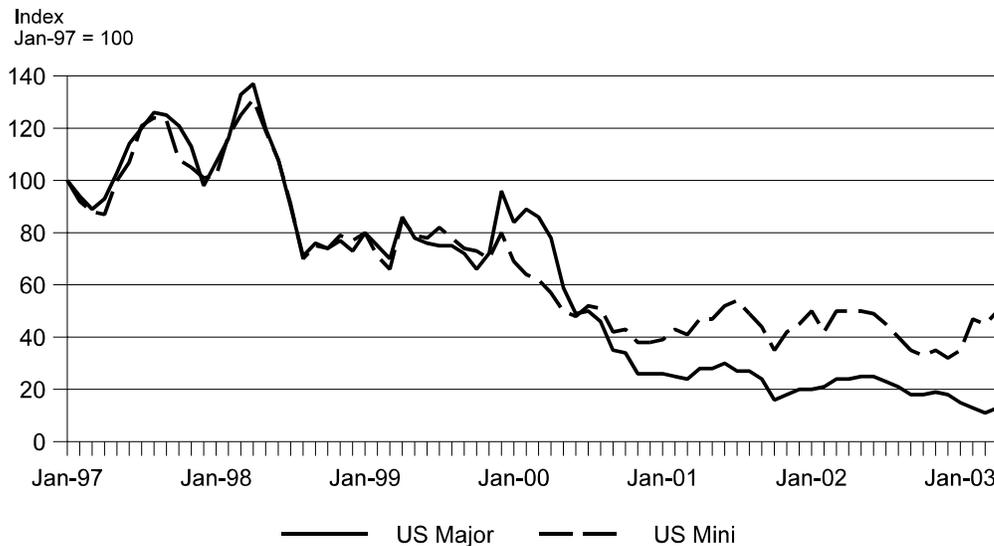
²⁸ *Ibid.*, p. 58 (as filed).

FINANCIAL AND INVESTMENT TRENDS

Financial Trends

The production of most steel products included in this investigation is a highly capital intensive undertaking. Companies require regular infusions of capital both for new equipment and regular maintenance and upkeep of existing capital stock. The sources of such investment have traditionally been retained earnings, debt, and equity. All of these avenues have been constrained for over a decade. Since 1991, the market value of the stocks of steel companies in the United States has been in the decline. Figure OVERVIEW V-9 shows the performance of the World Steel Dynamics (WSD) major mill and minimill stock indices, which it began tracking in 1997. Stock prices of both groups, which are indicators of past or expected future financial performance, have declined significantly since that time, inhibiting companies' ability to raise money in equity markets.

Figure OVERVIEW V-9
World Steel Dynamics' index of steel stock prices, U.S. major mills and U.S. minimills, January 1997-March 2003



Note.—Major mills include AK, Bethlehem, Ispat-Inland, LTV, National, Rouge, U.S. Steel, Weirton, and WHX. Minimills include Bayou, Birmingham, Commercial Metals, Keystone, Nucor, Oregon, and Steel Dynamics.

Source: World Steel Dynamics.

Only a few U.S. steel companies are in a position to raise capital or refinance their existing debt through issuance of unsecured bonds. Table OVERVIEW V-3 shows the history of the ratings of the senior debt of representative steel companies over the past decade, as rated by Moody's Investment Service.

The senior debt²⁹ of only four U.S. steel companies is rated "investment grade."³⁰ The debt of the rest of the companies is rated lower than investment grade or not rated at all, limiting companies' access to capital markets. Moreover, over the last five years, the debt ratings of steel companies have been repeatedly lowered as companies have had difficulty earning a return on their invested capital.

Since December 1997, 34 steel companies have sought the protection of the bankruptcy courts because of their lack of resources. Of these, 29 are producers of products subject to these investigations (table OVERVIEW V-4). Most of these companies have continued to operate while they develop a plan to refinance their debts, but several have been forced to shut down. Many of the companies that have been forced into bankruptcies are those that have invested during the 1990s with the plan of improving their capabilities.

²⁹ Subordinated debt, such as debentures, have historically been rated lower than senior debt.

³⁰ The four companies are Allegheny Technologies Inc. (which does not produce products subject to this 204 investigation), Carpenter Technology Corp., Commercial Metals Co. (CMC), and Nucor Corp. The senior debt of U. S. Steel Corp. is no longer rated investment grade following its spinoff from USX Corporation.

Table OVERVIEW V-3
Moody's ratings¹ of senior unsecured debt of selected² U.S. steel producers, 1997-2003

Company	Ratings						
	1997	1998	1999	2000	2001	2002	2003
AK Steel					↓Ba3		Ba3
Bethlehem		↑Ba3		↓B2	↓Caa1 ↓Ca		
Carpenter Technology				↓Baa1		↓Baa3	Baa3
Commercial Metals	↑Baa1						Baa1
Geneva		↓Caa1	↓ Ca ↓ C	WR			
Northwestern Steel and Wire	↓B3		↓Caa1 ↓Ca		WR		
Nucor							A1
Quanex					↑Ba1		Ba1
Weirton					↓Caa3 ↓Ca		Ca
Wheeling-Pittsburgh	B2			↓B3 ↓Caa3	↓C WR		

¹ Moody's ratings range from Aaa (highest) to C (lowest). Ratings of Baa and higher are considered "investment grade." The numerical modifiers run from 1 (highest) to 3 (lowest).
² Moody's did not provide histories for all rated steel companies.
³ Companies with no rating as of January 1, 1991 either did not exist in their present form or did not have a rating.
⁴ WR indicates "withdrawn rating" an action which usually occurs upon the bankruptcy of the rated firm.

Source: Moody's Investor's Service.

Table OVERVIEW V-4

U.S. producers of subject products that have filed for bankruptcy, December 1997-March 2003

Company and location	Date of Bankruptcy Filing	Products	Raw Steel Capacity (million tons)	Employees Affected	Status	Comments
Slater Steel, Fort Wayne IN and Canada	June 2003	Stainless steel bar and light structural	None in United States		Operating	Filing of Canadian parent company under Canadian law concurrent with filing in United States.
Weirton Steel Co., Weirton WV	May 2003	Hot- and cold-rolled sheet, corrosion resistant sheet and tinplate.	3.0		Operating	
Kentucky Electric Steel, Ashland KY	February 2003	Flat bar	0.4	346	Shut down	
Bayou Steel Co., LaPlace LA	Jan 2003	Merchant bar and structural	0.8		Operating	
Cold Metal Products, Inc., Youngstown and Ottawa OH, Indianapolis IN, Roseville MI, Canada	August 2002	Cold-rolled strip and sheet	None			Ottawa OH, Roseville MI, and Canadian plants acquired and restarted by 3 separate companies. Indianapolis and Youngstown plants liquidated.
Birmingham Steel Corp. Birmingham AL, Kankakee IL, Seattle WA, Jackson MS	June 2002	Rebar and merchant quality bar	2.5		Operating	Operating assets acquired by Nucor Corp., December 2002 and operations continue.
Calumet Steel Co. Chicago Heights IL	March 2002	Hot-rolled bar and light shapes	0.2	210	Shut down	Chapter 7 (liquidation) filing.
National Steel Co. Mishawaka IN, Ecorse MI, and St. Louis, MO	March 2002	Hot- and cold-rolled sheet, galvanized sheet	7		Operating	Operating assets acquired by U.S. Steel, May 2003. Operations continue.
Geneva Steel Co. Provo UT	Jan 2002 and February 1999	Plate, hot-rolled sheet, pipe, slabs	2.5	1,800	Shut down December 2001	Emerged from bankruptcy as Geneva Steel Holdings Corp., Jan 2001, with federally guaranteed loan of \$110 million. Permanent shutdown in December 2001. Filed for bankruptcy again on Jan 25, 2002.
Sheffield Steel Corp. Sand Springs OK and Joliet IL	December 2001	Special and merchant quality bar, rebar, fence posts	0.6		Operating	

Table continued.

Table OVERVIEW V-4--Continued
U.S. producers of subject products that have filed for bankruptcy, December 1997-March 2003

Company and location	Date of Bankruptcy Filing	Products	Raw Steel Capacity (million tons)	Employees Affected	Status	Comments
Bethlehem Steel Corp. Baltimore MD, Portage IN, Steeltown, Coatesville and Conshohocken PA	October 2001	Plate, hot- and cold-rolled sheet, galvanized sheet, tin-plate, rail	11.3		Operating	Operating assets acquired by International Steel Group, Inc., May 2003. Operations continue.
Edgewater Steel Ltd. Oakmont PA	August 2001	Railway wheels and forged rings	None			Privately owned by Reserve Group, Akron OH
Riverview Steel Corp. Glassport PA	August 2001	Rebar (concrete reinforcing bar)	None		Operating	Privately owned by Sherman International Corp.
Laclede Steel Co. Alton IL and Fairless Hills PA	July 2001 and November 1998	Bar, pipe, welded chain	0.6	525	Shut down Sep 2001	Emerged from bankruptcy January, 2001. Filed for bankruptcy July 2001. Assets in IL acquired and to be restarted.
Excaliber Holdings Corp. St. Louis MO	July 2001	Tubing producer	None		Operating	Company is a fabricator of tube subassemblies for automotive, RV, construction, trucking, and agricultural industries. In October 2001, announces that it would be shut down by year-end.
Freedom Forge (Standard Steel) Burnham and Latrobe PA	July 2001	Railway wheels and axles and other forged products, ingots and billets	0.3		Operating	
Precision Specialty Metals, Inc. Los Angeles CA	July 2001	Stainless steel sheet and strip processor	None		Operating	Privately owned by Dubin Clark & Co., Inc.
Great Lakes Metals, LLC E. Chicago IN	April 2001	Electrogalvanizing processor	None	40	Shut down July 2001	
Republic Technologies International, LLC Lorain and Canton OH and others	April 2001	Carbon and alloy steel bar, billet	3		Operating	Joint venture of Blackstone Capital Partners (68%), USX (16%) and Kobe Steel (Japan) (16%) Operating assets acquired by Republic Engineered products, LLC, August 2002. Most operations continue.
Trico Steel Decatur AL	March 2001	Hot-rolled sheet	2.2	320	Shut down March 2001	Joint venture of LTV (50%) Corus (UK) (25%) and Sumitomo Metals (Japan) (25%) Operating assets acquired by Nucor, Inc., July 2002. Restarted
Table continued.						

Table OVERVIEW V-4--Continued

U.S. producers of subject products that have filed for bankruptcy, December 1997-March 2003

Company and location	Date of Bankruptcy Filing	Products	Raw Steel Capacity (million tons)	Employees Affected	Status	Comments
GS Industries Georgetown, SC and Kansas City MO	February 2001	Wire rod, bars, grinding media (balls and rods)	2	800	Operating	Announced permanent shutdown of Kansas city operations with 1 million tons capacity and 800 employees. Georgetown SC assets purchased by Georgetown Steel Co., LLC, August 2002. In operation.
Heartland Steel Terre Haute IN	Jan 2001	Cold-rolled sheet processor	None		Operating	Purchased by Brazilian steel company CSN June 2001.
CSC Ltd. Warren OH	Jan 2001	Carbon and alloy steel bar	0.5	1,400	Shut down March 2001	Privately owned by Reserve Group, Akron, OH.
Northwestern Steel and Wire Co. Sterling IL	December 2000	Structural steel, wire rod, wire	2.4		Shut down May 2001	Melting equipment and wire rod mill purchased by Sterling Steel, a division of Leggett & Platt. Restarted, to produce rod primarily for own use.
LTV Corp. Cleveland OH and Indiana Harbor, IN and others	December 2000	Hot- and cold-rolled sheet, galvanized sheet, tinplate, pipe and tubing	8	1,100	Shut down December 2001	Permanently closed wholly- owned iron ore mine employing 1,100. Closed Cleveland-West operations in June 2001. Closed remaining steelmaking operations December 2001. Tubular products operations continue. Operating assets other than tubular acquired by International Steel Group and restarted in May and June 2002.
Erie Forge and Steel Erie PA	December 2000	Large forgings	0.5		Operating	Purchased by Park Corporation, December 2001.
Vision Metals Inc. South Lyon MI and Rosenberg TX	November 2000	Seamless pipe and tubing	None		Operating	
Wheeling- Pittsburgh Steel Corp. Steubenville OH	November 2000	Hot- and cold-rolled sheet, galvanized sheet, tinplate	3		Operating	Subsidiary of WHX Corp. Announced layoff of 50 salaried employees. To receive \$400,000 from State of West Virginia contingency fund to complete construction of coil processing line.
J&L Structural Inc. Aliquippa PA	June 2000	Light structural sections	None		Operating	
Table continued.						

Table OVERVIEW V-4--Continued

U.S. producers of subject products that have filed for bankruptcy, December 1997-March 2003

Company and location	Date of Bankruptcy Filing	Products	Raw Steel Capacity (million tons)	Employees Affected	Status	Comments
Gulf States Steel Gadsden AL	July 1999	Plate, hot- and cold-rolled sheet, galvanized sheet	1.5	1,600	Shut down August 2000	
Qualitech Steel Corp. Pittsboro IN	March 1999	Round bars	0.6	400	Shut down Jan 2001	Wholly owned iron carbide direct reduction plant in Corpus Christi TX also shut down. Pittsboro IN assets purchased by Steel Dynamics, Inc. and will be restarted in the first quarter of 2004 as a producer of merchant bars, rebar and shapes.
WorldClass Processing Inc. Ambridge PA	December 1998	Pickling of hot-rolled sheet	None		Operating	Acquired by Samuel Manu-Tech Inc. (Canadian processing company) June 2000
Acme Metals, Inc. Riverdale IL	Sep 1998	Hot-and cold-rolled sheet, including high-carbon and HSLA grades	1.2	1,000	Shut down October 2001	Acme Packaging Corporation subsidiary remains in operation. Steelmaking and rolling assets acquired by International Steel Group and restarted November 2002.
AL Tech Specialty Steel Corp. Dunkirk NY	December 1997	Stainless steel bar, rod, wire, and seamless tube	None	280	Shut down June 2001	Bankruptcy was due to failure of its Korean parent company, Sammi. Emerged from bankruptcy November 1999 as Empire Specialty Steel, Inc. Shut down June 29, 2001. Operating assets acquired by Universal Stainless & Alloy Products, Inc., and restarted February 2002.
Source: Compiled from various public sources.						

Investment Trends

During the period under review, there have been a number of instances of firms acquiring the assets of bankrupt steel companies and consolidating them into larger steel companies. This has included both large integrated companies as well as large minimill companies. Specifics include the acquisition by International Steel Group of the steelmaking assets of LTV Steel, Acme Metals, and Bethlehem Steel; the acquisition by U. S. Steel of the assets of National Steel; and the acquisition by Nucor of the assets of Birmingham Steel. Another major merger event, not involving bankrupt entities, was the merger of Ameristeel with Co-Steel. to form Gerdau Ameristeel. Both of the companies that were merged operated minimills in both the United States and Canada, and the combined firm now operates a total of 11 minimills in both countries. Table OVERVIEW V-5 lists significant mergers and acquisitions in the U.S. industry producing subject products since 1992.

Public Version

**Table OVERVIEW V-5
Significant steel company mergers and acquisitions, 1992-2003**

Year	Company	Merger description
2003	U.S. Steel	U.S. Steel, the largest integrated steel producer in the United States, acquired the assets of National Steel Corp., another large, integrated producer of flat-rolled products..
2003	Maverick Tube	Maverick, a producer of welded pipe and tubing, acquired SeaCAT Corp., a producer of coiled tubing products.
2003	International Seel Group	ISG, a large, integrated steel producer, purchased the assets of Bethlehem Steel Corp., a large, integrated producer of all flat rolled products and rails.
2003	Nucor	Nucor, the largest minimill company, acquired the assets of the Kingman, AZ, minimill from North Star Steel.
2002	Nucor	Nucor acquired the assets of Birmingham Steel Corp., a large minimill company with 4 mills producing bar products.
2002	Nucor	Nucor acquired the assets of Trico Steel Co., LLC, a minimill producer of flat-rolled products.
2002	Maverick Tube	Maverick acquired the tubular business of LTV Steel Corp. This acquisition comprised four steel tubular product producing plants.
2002	John Maneely Company	Maneely, the parent company of Wheatland Tube Co., acquired the Sawhill Tubular Division of AK Steel.
2002	Steelscape	Steelscape, a west-coast producer of galvanized and painted sheets, and a part of the Grupo IMSA family of companies that includes Mexican steel producing operations, acquired the Pinole Point (CA) steel processing facilities from MSC Corp.
2002	Vallourec & Mannesmann Tubes	Vallourec & Mannesmann, a French-owned company, purchased the seamless tubular steel division of North Star Steel.
2002	International Steel Group	ISG acquired the steelmaking assets of Acme Metals, Inc.
2002	Slater Steel, Inc.	Slater, a Canadian steel company and the parent company of Fort Wayne Specialty Steel, a producer of stainless steel bar products, acquired the Lemont, IL, minimill plant from Auburn Steel.
2002	Gerdau.	Gerdau, a Brazilian steel company with both Canadian and U.S. minimills, merged with Co-Steel Inc., a Canadian firm also having both Canadian and U.S. minimills. The merged firm, Gerdau Ameristeel Corp., operates 11 minimills in the United States and Canada
2002	Steel Dynamics	Steel Dynamics, a minimill, purchased the assets of Qualitech Steel SBQ LLC, a minimill. Steel Dynamics will convert the unit, which produced special quality bar products, to the production of merchant bars and shapes and reinforcing bar products.
2002	International Steel Group	ISG, a newly formed corporation, acquired the steelmaking assets of LTV Steel Corp. a major integrated steel company.
2002	AK Steel	AK Steel and International Steel Group formed a partnership to own a flat-rolled steel electrogalvanizing facility formerly owned by LTV Steel and Sumitomo Corp.
2002	Universal Stainless & Alloy Products	Acquired assets of Empire Specialty Steel, Inc., a producer of stainless steel bar rod and wire products.
2001	AK Steel	AK Steel, an integrated producer of hot- and cold-rolled sheet, coated products, pipe and tubing products, and stainless steel, acquired the assets of Alpha Tube Co., a bankrupt producer of welded steel tubing.
Table continued.		

Public Version

Table OVERVIEW V-5--Continued
Significant steel company mergers and acquisitions, 1992-2003

Year	Company	Merger description
2001	Nucor Steel	Nucor, a multiplant minimill producer acquired Auburn Steel, a minimill.
2000	U.S. Steel	U.S. Steel, the largest of the U.S. integrated companies, acquired VSZ a.s., an integrated company located in Slovakia.
2000	LTV Steel	LTV, a large integrated steel company, acquired Copperweld Steel, a major producer of pipe and tubing, including carbon, alloy and stainless steel.
2000	Republic Technologies	Formed in a merger of Republic Engineered Steels, USS-Kobe Steel, and Bar Technologies. Bar Technologies was itself the result of a merger in 1996 (see below).
2000	Maverick Tube Corp.	Acquired Prudential Steel Ltd., a Canadian producer of tubular products with a major tubemaking operation in Longview, WA.
1999	AK Steel	AK, a major integrated steel company acquired Armco, Inc., a major producer of stainless and silicon steel flat products and carbon steel pipe.
1999	Roanoke Electric Steel	Roanoke, a minimill company, acquired Steel of West Virginia, Inc., a minimill.
1999	AmeriSteel	Controlling interest in AmeriSteel was acquired by Gerdau, a Brazilian company with ownership of minimill operations in Canada and Latin America. In 2001, management of AmeriSteel and Gerdau-Courtice, a Canadian company were merged to operate as a single entity.
1998	Bethlehem Steel	Bethlehem, a major integrated steel company, acquired Lukens, Inc., an electric furnace-based producer of carbon and alloy steel plate, and stainless steel flat-rolled products. The stainless steel operations were sold mostly to Allegheny Ludlum Steel.
1998 and 1999	Allegheny Ludlum	Allegheny Ludlum, a major producer of stainless and tool steel products, acquired from Bethlehem Steel certain operating facilities that were previously operations of Lukens Steel.
1998	Ispat-Inland	Inland Steel, a major U.S. integrated producer was acquired by Ispat International, Inc., a London-based holding company of mostly minimill steel companies in Canada, Mexico, Trinidad, and the European Union.
1998	Co-Steel (Canada)	Acquired New Jersey Steel Corp. and renamed it Co-Steel Sayreville. Operates as a single entity with Co-Steel Raritan, Perth Amboy NJ. Co-Steel is a half-owner of Gallatin Steel, Gallatin, KY, and operates a minimill and scrap operations in Canada.
1997	Carpenter Technologies	Carpenter, a major producer of stainless steel long products, acquired Talley Metals, a diversified company that included a stainless long products mill. Operations other than the stainless steel mill were disposed of.
1996	Bar Technologies	Merger of BRW Steel Corp., a stand alone entity that was formerly the BRW (Bar-Wire-Rod) Division of Bethlehem Steel and Bliss & Laughlin Steel, a bar finishing company.
1994	Allegheny Ludlum	Allegheny Ludlum, a major producer of stainless steel and specialty steel, acquired Jessop Steel, a producer of stainless and tool steel plate.
1994	Commercial Metals	Commercial Metals, a multiplant minimill company, acquired Owen Steel, a minimill.
1993	Oregon Steel Mills	Oregon, a minimill producer of carbon and alloy plate products acquired Rocky Mountain Steel Mills, a producer of carbon and alloy rod, seamless tubular products and railway rail.
1992	Armco	Armco, then a major integrated steel producer as well as a major stainless and specialty steel producer acquired Cyclops Corp., a producer of stainless steel, carbon steel sheet and tubular products.

Source: Compiled by USITC staff from various public sources.

The U.S. steel industry has devoted much of its available capital to investments intended to expand both total capacity and to improve product mix by expanding the capacity to produce higher value-added products. Table OVERVIEW V-6 is a listing of projects undertaken in the United States during 1996 through 2002. While not exhaustive, it is intended to illustrate the type of investments that have been undertaken.

Public Version

**Table OVERVIEW V-6
Major capital investments of U.S. steel companies**

Year	Company and location	Facility	Reported investment (Million dollars)¹
2002	Steel Dynamics	New paint coating line to provide further penetration into the flat-rolled steel marketplace.	
2001	Steel Dynamics	Construction continues on a new mill, including steelmaking furnaces, to produce structural steel and rails.	
2001	North American Stainless	Will construct a new mill to produce stainless steel bar and rod.	
2001	Bethlehem Steel	Joint venture with Novamerican Steel, a Canadian tube producer, to build a tube mill, BethNova Tube, to produce special tubing for hydroforming applications in the automotive industry.	19.5 (total)
2000	Bethlehem Steel Sparrows Point, MD	New cold mill complex, including a continuous coupled pickling line and tandem mill, hydrogen batch annealing, combination skin pass/tension leveling line, coil build-up, inspection, packaging and shipping facilities.	300
2000	Bethlehem Steel Sparrows Point, MD	Pulverized coal injection on blast furnace. Facility owned and operated by DTE Energy Services.	52
2000	Bethlehem Steel Sparrows Point, MD	Widening slab caster from 88 to 104 inches for plate products.	60
2000	BethNova Tube Jeffersonville, IN (joint venture of Bethlehem Steel and Novamerican Steel)	New tubing plant for automotive hydro forming applications.	
2000	Charter Steel Saukville, WI	Increased EAF power to boost annual capacity and added annealing equipment for stainless steel bars, a new product.	
2000	Co-Steel Sayreville, NJ	New melting transformer to increase capacity and rolling mill modifications to increase range of product sizes and improve quality.	
2000	Duferco-Farrell Farrell, PA	Upgraded 5-stand tandem cold rolling mill to restart a previously shut-down facility.	
2000	Ipsco Steel Mobile, AL	Construction of new steelworks to be finished in 2001. Includes new melting and plate rolling capacity.	395
2000	Ipsco Tubulars Camanche, IA	Equipment to process high-strength steels and heavier gages for OCTG casing products.	
2000	Ispat Inland Indiana Harbor, IN	Upgraded transformer of EAF to increase capacity.	
2000	North Star Steel Youngstown, OH	New EAF and ladle furnace. Increase capacity from 480,000 to 650,000 tons per year.	27
2000	Northwestern Steel and Wire Sterling, IL	New 415-ton EAF and continuous caster improvements.	10
2000	Nucor Berkeley, SC	Second thin-slab caster commissioned, increasing capacity from 1.5 to 2.3 million tons. Second cold reversing mill to increase cold rolling capacity from 750 thousand to 1.5 million tons of cold-rolled product to be completed in 2001.	80
2000	Nucor Hertford County, NC	Completion of new 1 million ton plate mill.	350
2000	Nucor Crawfordsville IN	Agreed with IHI (Japan) to jointly develop, commercialize, and license direct strip casting. Will build a demonstration strip casting facility	
2000	Nucor Charlotte, NC	Agreed with Rio Tinto and Lurgi to construct a HIs melt plant at a Nucor facility.	
1999	AK Steel Rockport, IN	Completed installation of 1.8 million tons per year carbon and stainless flat-rolled finishing facility.	1,100

Table continued. See footnote at end of table.

Public Version

Table OVERVIEW V-6--Continued
Major capital investments of U.S. steel companies

Year	Company and location	Facility	Reported investment (Million dollars)¹
1999	Columbus Coatings Columbus, OH Joint venture of Bethlehem Steel and LTV Steel	500,000 tons per year hot-dip galvanizing facility, replacing an electrolytic galvanizing facility. A second joint venture is a slitting and warehousing operation.	125 for both
1999	LTV Steel Marion, OH	New 146,000 tons per year automotive structural tubing facility.	66
1999	National Steel Ecorse, MI	450,000 tons per year hot-dip galvanized and galvaneal line.	175
1999	Carpenter Technology Reading, PA	New 4,500-ton forging press for stainless steel and specialty alloys.	42
1999	Universal Stainless and Alloy Bridgeville, PA	New stainless steel round bar finishing facility	10
1999	Birmingham Southeast Cartersville, GA (owned by Birmingham Steel-85% and Ivaco of Canada-15%)	New 800,000 tons per year medium section structural mill.	75
1999	Steel Dynamics Butler, IN	Began construction of new 750,000 tons per year structural/rail mill. Construction has been delayed by problems in obtaining the necessary building permits.	250
1999	TXI Chaparral Steel Dinwiddie County, VA	1.2 million tons per year structural mill.	400
1999	Heartland Steel Terre Haute, IN	1.1 million tons per year flat-rolled steel processing facility, including pickling line, reversing cold rolling mill, batch annealing, hot-dip galvanizing line.	285
1999	Nova Steel Bucks County, PA	150,000 tons per year structural tube mill and processing center.	
1999	Prudential Steel Longview, WA	110,000 tons per year tubular manufacturing operation for standard and line pipe, and OCTG.	
1999	Vision Metals Rosenberg, TX	Improvements, including an Assel mill and a 24 stand stretch reduction mill for seamless pipe to improve quality and reduce cost.	30
1999	Maverick Tube Hickman, AR	New large diameter pipe manufacturing plant.	40
1998	National Steel Portage, IN	New 270,000 tons per year Galvalume line.	
1998	GalvPro Jeffersonville, IN (joint venture of Weirton Steel and Hoogovens-Netherlands)	New 300,000 tons per year hot dip galvanizing line.	
1998	Allegheny Ludlum Vandergrift, PA	New 63-inch wide Sendzimir cold mill and width increase of temper mill to allow production of 60-inch wide stainless steel sheets.	40
1998	Nucor Hickman, AR	500,000 tons per year hot dip galvanizing line. 800,000 tons per year cold rolling facility with associated pickling and annealing.	120 for CR facility
1998	Qualitech Steel Pittsboro, IN	500,000 tons per year special quality bar mill complex.	200
1998	BHP Coated Steel Kalama, WA	400,000 tons per year finishing plant includes pickling, cold rolling, galvanizing/Zincalume line and painting line.	200
1998	Damascus-Bishop Tube Homestead, PA	New stainless tube and pipe mill.	25
1998	Worthington Industries Decatur, GA	New 900,000 tons per year cold rolling facility includes pickling, cold rolling, annealing and temper rolling.	180

Table continued. See footnote at end of table.

Public Version

Table OVERVIEW V-6--Continued
Major capital investments of U.S. steel companies

Year	Company and location	Facility	Reported investment (Million dollars)¹
1998	Worthington Industries Delta, OH	New 500,000 tons per year galvanizing facility for hot rolled steel. Includes pickling line.	
1999	North American Stainless Ghent, KY (owned by Acerinox-Spain) 95%	New Steckel hot strip mill for stainless steel.	
1998	Hanna Steel Tuscaloosa, AL	New 150,000 ton per year large structural tube mill.	
1997	Acme Steel Riverdale, IL	New "MiniGrated" steel mill comprising a continuous slab caster and a 7-stand hot strip mill complex.	370
1997	Inland Steel Indiana Harbor, IN	1.33 million ton non-recovery coke plant, owned and operated by an affiliate of Sun Coal & Coke. Inland purchases the coke and electricity produced by the complex.	350
1997	Cliffs & Associates Point Lisas, Trinidad Joint venture of Cleveland Cliffs, LTV-46.5%, and Lurgi	Direct-reduced iron plant	150
1997	Spartan Steel Coating Monroe, MI (Joint venture of Rouge Steel and Worthington, Inc.	450,000 ton per year galvanizing operation.	
1997	Lukens Massillon, OH	New anneal and pickle line to process 96 inch wide stainless steel coils.	
1997	Oregon Steel Mills Portland, OR	1.2 million ton per year, 148 inch, combination coiled plate/discrete plate rolling facility.	230
1997	Corus Mobile Mobile, AL	800,000 ton per year direct reduced iron installation.	
1997	Birmingham Steel Memphis, TN	New melt shop to produce 1 million tons per year of billets.	210
1997	American Iron Reduction Convent, LA, joint venture of Birmingham Steel and GS Technologies	1.2 million tons per year direct reduced iron operation.	
1997	North Star BHP Steel Delta, OH, joint venture of North Star Steel and BHP-Australia	1.5 million ton per year flat rolling plant.	400
1997	Trico Steel Joint venture of LTV, British Steel (now Corus) and Sumitomo Special Metals, Cleveland, OH	2.2 million tons per year minimill.	465
1997	Chicago Cold rolling Burns Harbor, IN, joint venture of Bethlehem Steel and MECO Investment Corp.	Cold rolling facility including reversing mill, annealing and temper mill.	52
1997	Cold Metal Products Ottawa, OH	Cold rolling facility including reversing mill, annealing and temper mill.	25
1996	National Steel Granite City, IL	270,000 ton per year galvanizing/Galvalume line	
1996	J & L Specialty Steel Midland, PA	DRAP Line-a continuous cleaning, cold-rolling, annealing and pickling line for stainless steel.	95

¹ Where no value is given, data were not reported in source.

Source: Selected entries from annual reports titled "Developments in the North American Iron and Steel Industry," 1996 through 1999, *Iron and Steel Engineer*; 2000, *AISE Steel technology*.

U.S. GOVERNMENT PROGRAMS (FEDERAL, STATE, AND LOCAL)

Within the United States, there has been government support for the steel industry at the federal, state, and local levels. These programs consist of VRAs, grants, inexpensive land on which to locate, debt forgiveness, infrastructure support, and R&D assistance.³¹

The VRA Program

The Steel Trade Stabilization Act passed by Congress in 1984 authorized the President to negotiate VRAs with supplying nations. Those agreements supplemented the VRA negotiated with the EC in 1982.³² The VRAs limited imports of a variety of steel products, with product coverage varying by country. In some cases, the agreement specified market share limits as a percentage of projected U.S. apparent consumption. In other cases, the agreement set fixed quantitative limits. Some countries were subject to both kinds of restrictions for different products.³³

The program was extended in 1989 under the Steel Trade Liberalization Act for another 2 ½ years to permit the negotiation of an international consensus to remove unfair trade practices and to provide more time for the industry to adjust and modernize.³⁴ This extension was also seen as a method to phase out the VRAs.³⁵ The VRA program ended in March 1992.

³¹ See the Department of Energy, Office of Industrial Technologies Industrial Project Locator at <http://iplocator.y12.doe.gov/IPLocator/Scripts/Frameset.cfm?NoVar=Emptyv> for more information on such projects.

³² The VRA with the EU did not apply to Portugal and Spain, which were not members of the EU in 1982. Imports from Portugal and Spain were restricted by separate agreements that remained in force after they joined the EU in 1986. Other countries covered by VRAs included Australia, Austria, Brazil, China, Czechoslovakia, East Germany, Finland, Hungary, Japan, Korea Mexico, Poland, Romania, South Africa, Trinidad and Tobago, Venezuela, and Yugoslavia.

³³ USITC, *The Effects of the Steel Voluntary Restraint Agreements on U.S. Steel-Consuming Industries*, May 1989, USITC Pub. 2182, p. 1-1.

³⁴ The White House Office of the Press Secretary, "Statement by the President," July 25, 1989.

³⁵ Letter from former United States Trade Representative Carla Hills to former Commission Chairman Anne Brunsdale, January 17, 1990.

The Clinton Administration's Steel Action Plan/ President Clinton's Steel Action Program

The Steel Action Plan of January 1999 featured a steel import monitoring program designed to identify sudden price drops or import increases, as well as monthly steel import data released by the Department of Commerce. The Program was set up in August 1999. It led to bilateral consultations with Korea and Japan and a steel agreement with Russia that set annual quotas on imports of Russian steel products.³⁶

Emergency Steel and Oil and Gas Loan Guarantee Program

This temporary steel loan guarantee program was designed to assist steel companies that are unable to obtain loans in the private sector.³⁷ It is administered by the Emergency Loan Guarantee Board and provides guaranteed loans of up to \$250 million to a single company,³⁸ with the total amount outstanding not to exceed \$1 billion.³⁹ The loans must be repaid by year-end 2015.

Several steel companies have been approved for these loans, most recently Wheeling-Pittsburgh Steel Corp. for \$250 million.⁴⁰ However, these loans have been slow to be disbursed to these companies; as of April 2003, only two loans had been issued to steel companies.⁴¹ This program has, therefore, had a minimal effect on the U.S. steel industry.

³⁶ International Trade Administration, U.S. Department of Commerce, *Global Steel Trade: Structural Problems and Future Solutions*, July 2000, p. 112.

³⁷ Authority for this program is contained in P.L. 106-51; U.S.C. 15, Chapter 45, "Emergency Steel Loan Guarantee Act of 1999 and Emergency Oil and Gas Guaranteed Loan Program Act."

³⁸ No more than \$100 million will be provided to a company at one time. Sec. 336 Modification to Steel Loan Guarantee Program (Public Law 106-51; 15 U.S.C. 1841 note).

³⁹ "Emergency Steel Loan Guarantee Board Loan Guarantee Program," General Accounting Office Briefing for the Staff of the Senate Committee on Commerce, Science, and Transportation, May 1, 2001.

⁴⁰ *Emergency Steel Loan Guarantee Board Approves \$250 Million Loan Guarantee*, March 26, 2003, found at <http://209.101.155.2/public.nsf/docs/1999-lgb-press-releases>, retrieved May 22, 2003.

⁴¹ Stephen Cooney, Congressional Research Service, "Steel: Legislative and Oversight Issues," April 2, 2003, p. CRS-16, found at <http://fpc.state.gov/documents/organization/19441.pdf>, retrieved May 28, 2003.

Community Economic Adjustment Assistance

For fiscal year 2003, \$40.9 million of the U.S. budget had been set aside for communities facing economic dislocations, up from \$35 million in fiscal year 2001. Under this program, communities will be eligible for grants and technical assistance to help them adopt an economic adjustment strategy.⁴² This money can be used to help all community businesses, including those in the steel industry. Ninety-four such projects were funded in fiscal year 2002.

The Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988

This Act,⁴³ also known as the Metals Initiative, helped finance research and development in the steel industry and is administered by the U.S. Department of Energy. The Direct Steelmaking Project that was concluded in March 1994 developed a possible replacement for the coke oven/blast furnace process used to produce molten pig iron.⁴⁴ Another project is the Electrochemical Dezincing of Steel Scrap project. Its purpose is to design, construct, and operate a plant to demonstrate a two-step process for the continuous dezincing of steel scrap. A third project under the Metals Initiative is the Rapid Analysis of Molten Metals Using Laser-Produced Plasmas, which was implemented to develop a sensor-probe that will rapidly determine the chemical composition of molten iron and steel through spectroscopic analysis of laser-produced plasmas.

A cooperative agreement was initiated between the Department of Energy and the AISI for the Advanced Process Control Program in 1993. The program consists of six diverse sensor and control system research tasks that focus on many aspects of steelmaking, with the common goal of on-line measurement of critical product properties. One part of this project aimed to develop a new sensor that would result in energy conservation in steel production. The Department of Energy provided most of the

⁴² International Trade Administration, U.S. Department of Commerce, *Global Steel Trade: Structural Problems and Future Solutions*, 2000, p. 178.

⁴³ U.S.C. Title 15, Chapter 77.

⁴⁴ "Steel: Industry of the Future," Office of Industrial Technologies, found at <http://www.oit.doe.gov/steel/exsum.shtml>, retrieved June 15, 2001.

funding for this \$1.2 million sensor project that was successfully completed in 1999.⁴⁵ Seventy percent of the funding for the \$7.7 million Advanced Process Control Program was provided by the Department of Energy.

Additional Programs

A summary of the above programs and additional federal programs can be found in table OVERVIEW V-7. Table OVERVIEW V-8 describes state and local programs within the United States that assist the steel industry.

⁴⁵ “Timken’s New Sensor Prototype a Success,” The Timken Co. Press Release, October 12, 1999, retrieved at www.timken.com, retrieved June 15, 2001.

**Table OVERVIEW V-7
Federal programs concerning steel, 1984-2003**

Year	Program name and/or administrator	Description of program
2003	Community Economic Adjustment Assistance	\$41 million in aid to help communities cope with economic dislocation
1999	Emergency Steel and Oil and Gas Guarantee Program	Guaranteed loans of up to \$250 million to a single company with total cap of \$1 billion
1999	Steel Action Plan	Implemented steel import monitoring program and the release of monthly steel data
1998	Transportation Equity Act for the 21 st Century	Authorizes federal highway and mass transit programs, with preferences given to the domestic industry as in previous such laws.
1996	U.S. Department of Energy Clean Coal Technology Project	\$150 million in funding for Geneva Steel's "Clean Power from Integrated Coal/Ore Reduction" project
1993	Department of Energy Office of Industrial Technologies Advanced Process Control Research Program	\$7.7 million project to develop new methods of measuring steel-processing parameters and steel properties from production through casting. 70% of this funding comes from the Department of Energy.
1992	Energy Policy Act	Extended the Metals Initiative of the Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988, which sought to develop new technologies to produce steel more efficiently
1992	Department of the Interior Appropriations Bill	\$1.8 million in funding to Weirton Steel for its Integrated Manufacturing information System
1991	Intermodal Surface Transportation Efficiency Act	Continued the preferences for domestic steel set forth in the Surface Transportation Assistance Act of 1982, which provided funding for federal highways, as long as the steel used was produced in the United States.
1990	Department of the Interior Appropriations Bill	\$3 million in funding to Weirton Steel for its Integrated Manufacturing information System
1990s	Department of Energy Office of Industrial Technologies Direct Steel Making/Steel Plant Dust and Sludge Recycling Project	\$47 million to develop a smelter to produce pig iron without coke, leading to a discussion of developing a process for recycling smelter dust and sludge.
1988	Steel and Aluminum Energy Conservation and Technology Competitiveness Act	Provided help to steel companies to increase their energy efficiency and enhance their competitiveness.

Source: Economic, industry, and trade literature; *Paying the Price for Big Steel*, AIIIS, 2000; International Trade Administration, Commerce, *Global Steel Trade: Structural Problems and Future Solutions*, 2000.

Public Version

**Table OVERVIEW V-8
State and local programs concerning steel, 1992-2003**

State	Year	Description of program	Approximate value
Alabama	1994	20-year tax abatement, infrastructure grants, job training, and tax credits as well as free land, grants for grading and excavation to Trico Steel in Decatur. Power is subsidized and tax-free bonds are offered due to Trico being classified as a recycling unit.	\$100 million
Arkansas	1996	Waste disposal and enterprise disposal bonds issued on behalf of Harsco Corporation, Blytheville	\$7 million
Arkansas	1993	Income tax credits and sales tax credits on gas and electricity to Nucor, Hickman	\$11.7 million
Arkansas	1992	Tax-free bonds issued on behalf of to Nucor, Hickman	\$34 million
California	1993	State loan granted to Schnitzer Steel Industries, Inc.	\$750,000
Illinois	2000	Industrial revenue bond issued on behalf of to Unimast for building and equipment	3.5 million
Illinois	1997	Package to Hanna Steel Corporation, Pekin, IL, including a workforce training grant, a low-interest loan, and roadway construction	\$2.7 million
Illinois	1995	Package to Granite City Steel included employee training grants and tax advantages over 10 years	\$60.5 million
Illinois	1992	Grant to American Steel Foundries in Granite City, IL	\$2 million
Indiana	2000	Steel Dynamics Whitley County was given a package from EDGE (Economic Development for a Growing Economy), Training 2000, the Industrial Development Loan Fund, and a stripper well overcharge rebate from the U.S. Department of Energy.	\$9 billion
Indiana	2000	Tax incentives including 10 years of tax abatement and a state-guaranteed bond issued on behalf of for Steel Dynamics in Butler	\$96 million
Indiana	1998	Training grants and 10-year income tax credits given to Galvstar LP, Jeffersonville, IN	(¹)
Indiana	1997	State incentive package to AK Steel Corporation Rockport	\$71 million
Indiana	1997	Training grants and tax packages given to Heartland Steel by state and county	\$25 million
Indiana	1996	State grants, revenue bonds, incremental financing bonds, and funds for road work and job training to benefit Qualitech Steel Corporation, Pittsboro	\$50 million
Indiana	1995	Loan package to Metro Metals Corporation	\$4.4 million
Indiana	1995	10-year tax abatement on equipment purchases by Detroit Steel Products	(¹)
Indiana	1995	Revenue bonds issued on behalf of to Nova Steel Processing, Anderson.	\$8.5 million
Indiana	1995	Five-year tax abatement on new equipment purchases by S&S Steel	(¹)
Table continued. See footnotes at end of table.			

Public Version

Table OVERVIEW V-8--Continued
State and local programs concerning steel, 1992-2003

State	Year	Description of program	Approximate value
Indiana	1994	Grants for employee training, hiring assistance, and energy-efficient equipment; road improvements; property tax abatement; and a bond issued on behalf of to Steel Dynamics, Dekalb County	\$78 million
Indiana	1994	Property tax abatement for U.S. Steel Group, Gary	\$35 million
Indiana	1990s	Incentive package to Nucor Crawfordsville	\$14 million
Iowa	1990s	IPSCO Montpelier received an incentive package that includes tax breaks to be issued over 20 years	\$73 million
Kentucky	1995	State income tax credits, county revenue bonds, loans, and training grants to Gallatin Steel	\$145 million
Kentucky	1994	Tax credits, training grants, and financing to Taubensee Steel & Wire Co.	\$5.5 million
Maryland	1997	Grants and low interest loans provided to the Bethlehem Steel Company, Sparrows Point	\$75 million
Minnesota	1998-99	Loan, state bond issue, and 20-year property tax abatement granted to Minnesota Iron and Steel, Nashwauk	\$80 million
Minnesota	1993	Aid given to National Steel Pellet Co, Keewatin	\$6 million
Nevada	1998	State-backed revenue bonds issued on behalf of Wheeling-Pitt	\$3.5 million
North Carolina	1998	Income tax credits, payroll tax credits for hiring locally, and credits for infrastructure improvements and recycling given to the Nucor Corporation facility Hertford	\$155 million
North Carolina	1996	William S. Lee Act was passed in 1996, setting up an incentive program allowing tax credits for jobs, and sales tax exemptions and refunds in order to attract business in the state.	(¹)
Nebraska	1995	Sales tax exemptions on inputs granted for two years to Nucor Steel, Norfolk	\$774,000
Nevada	1998	State-backed revenue bonds issued on behalf of Wheeling-Pitt	\$3.5 million
Ohio	2003	Low-interest loan to Republic Engineered Products LLC	\$5 million
Ohio	2000	10-year tax abatement for renovations and construction to Worthington Industries, Columbus	\$1.29 million
Ohio	1997	State and local funds given to LTV Steel to purchase land for a new industrial park	\$850,000
Ohio	1997	Grant for research & development, a 40% local property tax abatement for 13 years and a 45% tax abatement for 10 years on new equipment given to American Spring Wire Corp.	\$50,000
Ohio	1997	State development funds to pay for environmental assessments associated with the relocation of Buckeye Steel allocated to the town of Barnesville	\$25,000
Ohio	1997	State development funds to pay for environmental assessments associated with the relocation of Buckeye Steel allocated to the town of Barnesville	\$25,000
Ohio	1996	Transportation improvements between Armco Inc.'s facilities	\$250,000
Ohio	1995	State tax credits, a low-interest loan, grants, and technical assistance awarded to American Steel and Wire	\$20.2 million
Table continued. See footnotes at end of table.			

Public Version

Table OVERVIEW V-8--Continued
State and local programs concerning steel, 1992-2003

State	Year	Description of program	Approximate value
Ohio	1995	Loans, grants, and 80% tax credit for 10 years given to North Star BHP Steel	\$55 million
Ohio	1994	Training grant, property tax break, and two-year deferred interest loan awarded to Washington Steel, Massillon	\$14.7 million
Ohio	1990s	State grants, pollution control bonds, low-interest loans to Republic Engineered Steel	\$20 million
Ohio	1990s	Low-interest loans and tax breaks to Wirt Metal Products	\$5.1 million
Ohio	1990s	Low-interest loan and 10-year tax abatement to J&L Specialty Products	\$5.5 million
Pennsylvania	1996	Low-interest loans to Franklin Industries	\$3.65 million
Pennsylvania	1995	Incentive package to Caparo Steel	\$6.1 million
Pennsylvania and New York	1995	Low-interest loans and loan guarantees to Veritas Capital	(¹)
Pennsylvania	1995	Loan and other incentives given to World Class Steel, Ambridge	\$24 million
Pennsylvania	1995	Loan given to AMG Resources Corporation for a recycling facility	\$750,000
Pennsylvania	1995	Loan to J&L Specialty Steel	\$500,000
Pennsylvania	1994	Low-interest loan to Commercial Steel Corp.	\$200,000
Pennsylvania	1994	Loan, financing, and job training given to J-Pitt Steel, Gautier Mills	(¹)
Pennsylvania	1993	Loan to Pennsylvania Steel Technologies	\$500,000
South Carolina	1998	Tax credits and employee training to American Metal Steel International Corp.	(¹)
South Carolina	1997	State and local tax reductions and road improvements to SMI Steel, Cayce.	(¹)
South Carolina	1997	A \$2500 tax credit per job for Kiswire Ltd.	(¹)
South Carolina	1995	30-year state property tax cut, investment tax credit, and exemption from state sales tax for Nucor Berkeley County, for creating a "qualified recycling facility." Under this program, Nucor Berkeley County will pay a fee of 3 percent of the plant's assessed value instead of state taxes.	(¹)
Texas	1999	10-year property tax abatement package granted to Nucor.	(¹)
Utah	1999	Tax breaks authorized for Geneva Steel and Nucor	\$660,000
Utah	1987-96	Sales tax exemption for Geneva Steel	\$1.5 million
Virginia		Tax incentives to Chapparal Steel, Dinwiddie, to build a steel-recycling mill	(¹)
West Virginia	2003	Loans and loan insurance to Wheeling-Pittsburgh Steel Corp. to build an electric arc furnace and retire debt	\$110 million
West Virginia	1997	Committee given more duties and broader powers to help the steel industry	(¹)
West Virginia	1992	County loan for new equipment to Levelteck, Inc.	\$80,000
¹ Not available.			
Source: Economic, industry, and trade literature; <i>Paying the Price for Big Steel</i> , AISC, 2000.			

DISTRIBUTION TRENDS

Importers and Channels of Distribution

U.S. steel production is either internally consumed by steel producers or their subsidiaries or sold to converters, processors,⁴⁶ distributors, service centers,⁴⁷ or end-users. Some U.S. companies will convert purchased steel, such as hot-rolled or cold-rolled steel, into other steel mill products, such as corrosion-resistant steel or pipe and tube. Stainless steel bar has another layer of distribution, “master distributors,” which purchase primarily from U.S. importers because of their affiliations with foreign mills and resell principally to regional service centers and not directly to end-users.

Reported U.S. shipments to steel service centers and distributors rose fairly steadily to account for 27.4 percent of net U.S. tonnage shipments of steel mill products in 2001 from 24.7 percent in 1991.⁴⁸ In contrast, steel for converting or processing accounted for 10.4 percent of net U.S. shipments of steel mill products in 2001. Including U.S. imports, steel service centers distribute over one-half of certain steel products consumed in the United States, such as major carbon and stainless steel products.⁴⁹ In many product areas, the majority of U.S. imports are shipped to distributors, processors, or service centers, as opposed to end-users, including OEMs.⁵⁰

⁴⁶ Processors fill a market niche that exists between the primary steel producers and end-users, performing various value-added operations. Intermediate processing operations include a variety of activities, such as slitting, cutting-to-length, pickling and oiling, edge trimming, leveling, painting, blanking, and so forth. Processors may either purchase the steel, process and then resell it, or perform these services for a fee (a toll) and not take title to the steel being processed.

⁴⁷ U.S. service centers serve as distributors and processors not only of steel, but of other metals, such as aluminum, copper, bronze, and brass. Many service centers maintain extensive inventories of a variety of steel products which they own and resell, thus providing availability and inventory management services for customers of all sizes, including those with smaller purchasing needs that must place low-volume orders. Increasingly, service centers perform a wide range of value-added processing, such as uncoiling, flattening, and cutting products to length, for their customers.

⁴⁸ AISI, *Annual Statistical Report, 2001*, table 11, “Net Shipments of Steel Mill Products by Market Classifications, All Grades,” pp. 30-31. During 1991-2001, between 8.4 percent and 12.5 percent of net shipments were classified by AISI as nonclassified shipments, and it is possible that some of these shipments were to steel service centers and distributors.

⁴⁹ Steel Service Center Institute, “Statement of The Steel Service Center Institute Before The Congressional Steel Caucus,” March 21, 2001, found at Internet address http://www.ssci.org/final_caucus.adp, retrieved August 15, 2001.

⁵⁰ Based upon review of numerous Commission antidumping and countervailing duty investigation reports.

U.S. steel producers generally do not own and are not financially linked to processors or service centers,⁵¹ with the major exception of U.S. Steel Corp.'s Straightline Source line of business begun in 1999 that competes in e-commerce and distribution.⁵² Only two U.S. steel companies, producers of stainless steel, specialty alloys, and other metals, own U.S. service centers.⁵³ In contrast, foreign steel producers, particularly those in Europe, tend to control a greater share of service centers and other channels of distribution in their home markets. There is also a significant European, South African, and Canadian foreign ownership presence in the U.S. service center industry, notably among the largest service centers in the United States. For example, Thyssen Inc. (North America), wholly owned by Thyssen Krupp AG of Germany, ranks second with sales of \$1.9 billion (including products and services other than steel or steel related) in 2002 among the top 100 metal service centers in the United States,⁵⁴ and several European steel producers either operate service centers or have U.S. service centers as subsidiaries.⁵⁵ Eighth-ranked MacSteel Service Centers USA, with sales of \$1.0 billion in 2002, is owned by MacSteel Holdings of South Africa, a global metals trader and distributor. Canadian service

⁵¹ Steel Service Center Institute, "Statement of Robert J. Carragher on Behalf of the Steel Service Center Institute before the Organization for Economic Co-Operation and Development," Paris, France, November 30, 2000, found at Internet address http://www.ssci.org/oecd_statement.adp, retrieved August 16, 2001.

⁵² U.S. Steel Corp., the largest U.S. steelmaker, launched Straightline Source, reportedly the "first steel distribution business created to serve customers of all sizes who do not typically buy directly from steel producers." Straightline Source, is a e-business (i.e., an electronic business based around the Internet), that provides for customers with processed steel through the processing capacity of a network of qualified partners (such as processors and steel service centers), with transportation to the customer managed by a third party logistics company. Initially, Straightline Source specialized in providing carbon flat-rolled steel. The company began its business regionally, and by the end of 2002, provided service to more than 700 customers in 34 states east of the Rocky Mountains. In 2003, Straightline plans to provide service in the western United States and also to expand its product offerings to include galvalume, galvaneal, and aluminized products. Straightline Source is a business segment of U.S. Steel Corp., and had operating losses of \$15 million in the first quarter of 2003, \$41 million in 2002, and \$17 million in 2001. See U.S. Steel Corp., press release, "United States Steel Launches Straightline—A New Steel Distribution Business," October 30, 2001, found at <http://www.prnewswire.com>, retrieved January 30, 2003; U.S. Steel, LLC, press release, "Straightline Unveils 2003 Expansion Plans," December 18, 2002, found at <http://www.prnewswire.com>, retrieved January 30, 2003; U.S. Steel Corp., Form 10-K, March 10, 2003, and Form 10-Q, May 13, 2003, found at <http://www.sec.gov>, retrieved June 4, 2003.

⁵³ Carpenter Technology Corp. and Crucible Materials Corp.

⁵⁴ Tom Stundza, Purchasing Magazine Online, "Suppliers must boost service to buyers," May 1, 2003, found at <http://www.manufacturing.net/pur>, retrieved June 3, 2003.

⁵⁵ This includes Namasco Corp., with sales of \$789 million in 2002, owned by Klockner AG of Germany and Preussag North American, Inc. with sales of \$698 million in 2002 owned by Preussag AG of Germany. ARBED Americas, Inc., owned by Arbed Group of Luxembourg, owns several distributors and fabricators of steel products.

center firms have invested in numerous facilities in the United States. For example, Samuel, Son & Co. ranked sixth with sales of slightly more than \$1 billion in 2002, has 29 service centers in the United States, as well as a steel processing facility.

The U.S. metals distribution industry, including steel service centers, consists of approximately 1,300 companies operating at more than 3,500 locations.⁵⁶ The number of companies and facilities has declined over the past decade as the U.S. service center industry has undergone significant consolidation in recent years. Many service centers have pursued acquisitions or constructed new facilities in order to expand into geographical markets where they did not have a presence, to enhance their ability to service national accounts, to broaden fabrication and processing capability, or to expand their product line. During 1996-2002, at least 155 acquisitions were made by service centers in the United States and Canada.⁵⁷ Service center firms have also increased their size by constructing new facilities in order to expand into geographical markets and service national accounts. This strategy has been pursued by almost all of the large service companies, however, some companies have pursued this strategy in lieu of acquisitions.

During 2001-present, a major service center firm briefly went through bankruptcy, one major merger occurred, and another is about to happen. Because of high debt due to acquisitions made prior to 2000 and a decline in U.S. steel consumption and steel prices, Metals USA, which ranked fourth in 2000 with sales of \$2.1 billion, filed for bankruptcy in November 2001, sold some assets, and emerged from bankruptcy in October 2002.⁵⁸ A large service center company, Integris Metals, was formed in November 2001 when Alcoa, the large U.S. aluminum producer, merged its subsidiary Reynolds Aluminum Supply Company with BHP Billiton's Vincent Metal Goods and Atlas Ideal Metals. Alcoa

⁵⁶ Tom Stundza, Purchasing Magazine Online, "Suppliers must boost service to buyers," May 1, 2003, found at <http://www.manufacturing.net/pur>, retrieved June 3, 2003.

⁵⁷ Compiled from various trade magazines, newspapers, company Internet sites, and financial filings with the U.S. Securities and Exchange Commission.

⁵⁸ Metals USA, Inc., SEC Form 10-K, for fiscal year ending December 31, 2002, filed March 28, 2003, found at <http://www.sec.gov>, retrieved June 4, 2003.

and BHP Billiton each own 50 percent of Integris. The company employs approximately 3,000 persons in 60 locations in the United States and Canada. Integris supplies aluminum, stainless steel, alloy steel, brass/copper, building products, carbon steel, and nickel alloys.⁵⁹ In 2002, Integris ranked fourth with sales of \$1.5 billion.

Growth in the service center industry has been driven by the requirements of the manufacturing industry for further processing of metals prior to the production of parts. This trend has also resulted in an expanding toll/contract processor industry, thereby eliminating processing operations at some original equipment manufacturers. However, the service center customer base has also been consolidating. In 1999, a new development began in the distribution channel for the automotive market when General Motors' Regional Steel Distribution Center in Holt, MI,⁶⁰ streamlined its supply chain by maintaining steel inventories and performing processing in-house, rather than contracting with toll processors.⁶¹

Importers of steel tend to be the foreign steel companies or their steel trading subsidiaries, Japanese trading companies, international metals trading companies, U.S. service centers, U.S. steel producers, or U.S. end-users. The volume of imports shipped to either distributors, service centers, or end-users varies greatly by type of product (e.g., carbon versus stainless, flat-rolled versus long products; and degree of value-added, such as hot-rolled versus corrosion-resistant steel), market (OEM or replacement), and supplier country. Products from Russia, Ukraine, Kazakhstan, and developing countries tend to be imported by distributors. Products from the EU and Japan tend to be imported more by end-users.⁶²

⁵⁹ Integris Metals, *Fact Sheet*, found at http://www.integrismetals.com/i_fact.html, retrieved January 24, 2003.

⁶⁰ RSDC is a 50/50 joint venture between Kasle Steel Corporation and Itochu Corp. of Japan. RSDC in turn sells services to GM.

⁶¹ Tom Bagsarian, Metal Center News Online, "RSDC Delivers," August 2001, found at Internet address <http://www.metalcenternews.com/2001/Aug01/mcn0108f4rsrc.htm>, retrieved August 6, 2001.

⁶² Based upon review of numerous Commission antidumping and countervailing duty investigation reports.

E-COMMERCE

The nature of the role of E-commerce in the steel industry has changed considerably over the past several years.⁶³ As originally conceived by some in the steel industry, business-to-business E-commerce would affect the entire nature of the steel industry, from the procurement of raw materials to the production of steel and to the selling of finished steel products, through operation of a public exchange for steel products.⁶⁴ The primary benefit promised by the creation of such an electronic network, featuring auctions and reverse auctions of steel products, was cost reduction resulting from price transparency and reductions of inventories. Allowing information on pricing to be determined on a public site rather than in secret by steel trading intermediaries such as trading companies and brokers would lead to reduced price volatility and lower transaction costs related to the buying and selling of steel. Inventories would be reduced as steel suppliers established electronic links between their production systems and their customers. In addition to lowered costs and reduced inventories, creation of a public exchange promised to expand the universe of potential customers by allowing information on steel to be made available in a public forum.

In actual practice, E-commerce in steel has evolved somewhat differently from the original model.⁶⁵ Some of the reasons advanced by steel producers for the limited success,⁶⁶ thus far, of public steel exchange web sites include:⁶⁷

- a public exchange is often not appropriate for an engineered product such as steel, which must be processed to achieve certain physical properties required to meet a particular specification;
- steel producers have been largely reluctant to participate in public steel exchanges because they feel that such exchanges tend to favor buyers of steel at the expense of sellers as sellers are encouraged to compete against each other to satisfy a bid;

⁶³ See previous section for a discussion of U.S. Steel Corp.'s Straightline Source involvement in E-commerce.

⁶⁴ Scott Robertson, "Key Role Seen for E-commerce in Steel," *American Metal Market*, March 22, 2000, at <http://www.amm.com/SUSCRIB/2000/Mar/special/0322-1.htm>.

⁶⁵ By the end of 2001, a number of the original public steel trading exchanges, including MetalSite and MaterialNet, had ceased operations while other public exchange companies, including E-Steel, Core Markets, and Metal Suppliers Online, had decided to supplement the public exchange side of their business by designing E-Commerce supply management platforms for steel companies.

⁶⁶ Thus far, less than 1 percent of all steel traded is traded on public E-commerce web sites.

⁶⁷ Drawn from a telephone survey of leading U.S. steel producers.

Public Version

- unlike other markets where potential customers for a product appear to be unlimited, the number of participants in the relevant steel markets tends to be small and most suppliers are already aware of the entire universe of possible users of the product; and
- the steel industry has thus far appeared unwilling to accept the transaction fees associated with public exchange sales.

A major effort to create a public electronic steel exchange was that of the Global Steel Exchange (GSX),⁶⁸ which began operations in May 2001 and sold its 1 millionth metric ton of steel by September of that year.⁶⁹ GSX differed from earlier attempts at public steel exchanges in that it targeted the international, rather than a regional or national, market for steel. According to GSX, steel buyers or sellers are often not aware of the existence of potential clients in other nations and such an international public exchange fills a market niche by putting buyers and sellers in direct contact with each other, reducing the role of middlemen. The site allowed members to negotiate for the purchase and sale of steel products in the spot market and arranged for trading services such as financing, insurance, transportation, customs clearing, and warehousing. Despite an optimistic beginning, GSX decided to close its operations in May 2002 after failing to agree on an arrangement for continued funding from its founding members. In July 2002 Management Science Associates Inc. (MSA), the parent of MetalSite, purchased the assets of GSX in order to apply GSX technology and client list to help set up its version of a public steel exchange--a request-for-quote (RFQ) system to enable users to create and post RFQs reflecting their steel needs.⁷⁰ MSA's RFQ system supplements its other businesses, including the creation of supply management software systems for steel companies.

Another major effort to launch a public on-line exchange of steel was made by Enron Corp. in the year 2000. The effort by Enron was considered major by steel observers due to Enron's past success in trading other non-steel commodities and its perceived financial strength at the time. In November 1999, Enron Corp. launched EnronOnline, an electronic transaction platform offering real-time pricing

⁶⁸ The four founding members of GSX are Cargill Steel (U.S.), Duferco (Switzerland), Samsung (S. Korea), and TradeArbed (Luxembourg). GSX trades more than 50 steel products, ranging from raw products to finished steel.

⁶⁹ *American Metal Market*, "GSX E-Site Logs Sale of 1 Millionth Tonne," September 18, 2001, p. 3.

⁷⁰ "MSA Buys Assets of Global Steel Exchange," MSA MetalSite website, retrieved May 29, 2003, at http://www.metalsite.net/metalsite_is/Press_room/article.cfm?i=240.

information for approximately 850 commodities.⁷¹ In the fourth quarter of 2000 EnronOnline began buying and selling hot-rolled and cold-rolled carbon steel and some galvanized steel products using an on-line bid and offer process. Domestic steel mills accounted for less than 50 percent of Enron's purchases with much of the remaining steel coming from service centers with excess inventories. Unlike earlier attempts at establishing an on-line exchange of steel, EnronOnline did not play a neutral role, matching buyers with sellers. Instead Enron acted as a principal in the transaction, buying steel for its own account, providing storage in various company-owned regional warehouses, selling the steel to customers, and profiting from the spread between the two prices.⁷² In addition to trading physical steel, Enron also bought and sold steel financial futures contracts on-line, allowing producers and customers to hedge against the risks of steel price volatility through the trading of financial futures contracts. Enron's involvement in on-line steel trading ended when the company filed for bankruptcy protection in December 2001. Since Enron's collapse, a number of other efforts have been made to establish public on-line steel trading; however, these efforts have met with limited success.

⁷¹ Commodities initially traded on EnronOnline included electricity, natural gas, coal, pulp and paper, clean air credits, bandwidth, weather and credit derivatives, petrochemicals and plastics, and oil and refined products.

⁷² According to Enron Corp., the advantages of its electronic trading platform were improved price transparency and competition, increased liquidity, management of price volatility, increased transaction efficiency and reduced transaction costs, and convenience. (E-mail from Enron Corp., received August 28, 2001.)

The Growth of Private Exchanges

Due to a general lack of satisfaction with public exchanges, the trend in the steel industry in recent years has been moving to the creation of private steel exchanges on company web sites as many of the major integrated and nonintegrated U.S. steel companies have established, or are in the process of establishing such exchanges. An on-line private exchange differs significantly from a public exchange in that a private exchange is maintained by a single company with a select group of suppliers and customers that are regulated by the owner of the exchange. In addition, private exchanges can also be tailored to serve specific projects and customers, unlike public exchanges, which are generic in nature in order to accommodate all users.⁷³ As presently constituted, private exchanges permit customers to enter orders, check order status, obtain chemical analysis information, and acquire information on delivery of the product, thereby eliminating or reducing many of the costs associated with the administration of these functions. The material that is traded is typically done through a bidding process. A customer will bid on material listed on the exchange and is notified through the exchange if it has been awarded the material. The customer can then submit a purchase order via e-mail or fax. A principal advantage of a private exchange is that it does not force participants to give up sensitive information to competitors or to suppliers serving those competitors, while the earlier public exchanges encountered resistance because they required the public sharing of price information.⁷⁴ By encouraging suppliers and customers to exchange information on a secure site, a private exchange gives suppliers a more accurate picture of customer needs, allowing manufacturers to tailor production cycles to better match customer demand requirements, resulting in reduced inventories, better management of distribution channels, and reduced transaction time and costs. Another advantage of a private electronic exchange is that it permits aggregation of transactions when a customer orders a variety of products from a company with multiple

⁷³ Pimm Fox, "Private Exchanges Drive B2B Success," *Computerworld*, May 7, 2001, at <http://www.itworld.com/Tech/3478/CWD010507ST>.

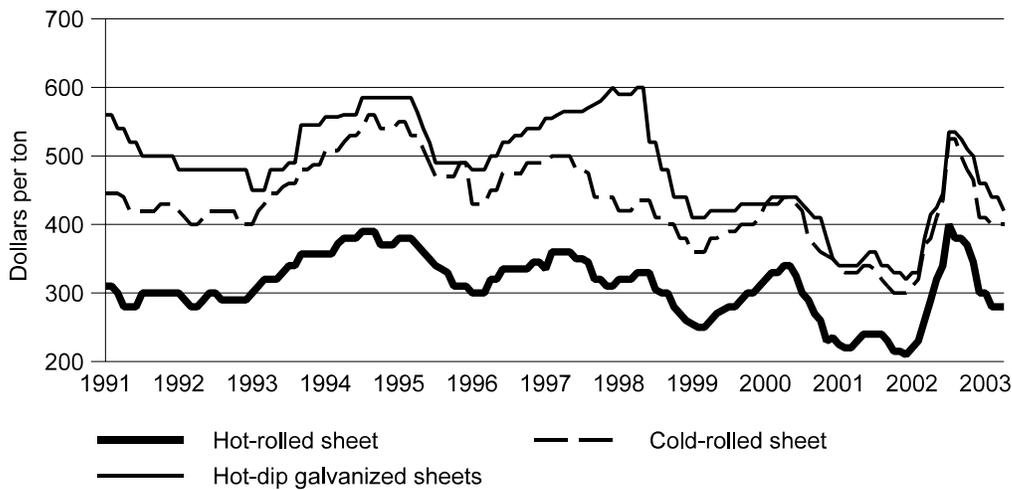
⁷⁴ Jennifer Caplan, "Private Exchanges Reinvent B2B: Private E-Marketplaces May Improve upon the Model Created by Public B2B Sites," *CFO.com*, April 2, 2001, at <http://www.cfo.com/pr...1,4580,87%7C88%7CAD%7C2484,00.html>.

product lines or when a supplier sells to different divisions of a company, resulting in cost and time savings.⁷⁵ U.S. steel producers contacted by the Commission indicated that up to 6 percent of total steel sales were made through company web sites.

PRICING

Publicly available pricing series for steel products are available for only a limited number of steel products (figures OVERVIEW V-10, OVERVIEW V-11, and OVERVIEW V-12). The data are based on information collected from purchasing managers and represent average transaction prices for the product.

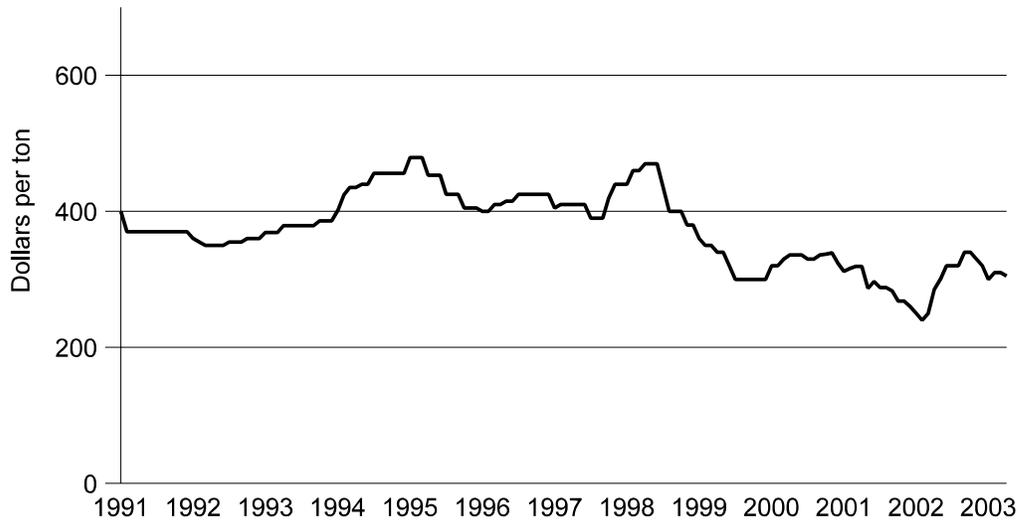
Figure OVERVIEW V-10
Steel: Carbon steel sheet transaction prices, January 1991-April 2003



Source: *Purchasing Magazine*.

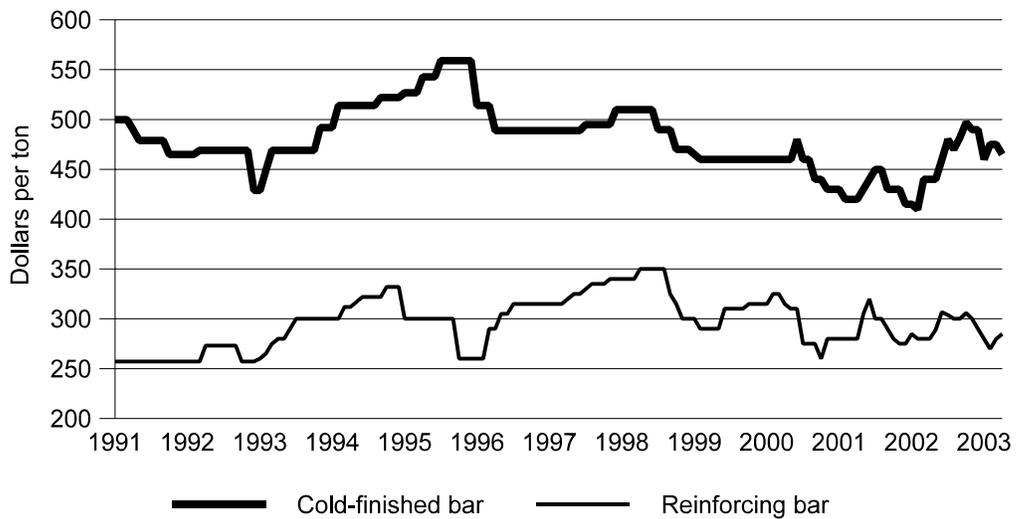
⁷⁵ Jennifer Caplan, "Private Exchanges Reinvent B2B: Private E-Marketplaces May Improve upon the Model Created by Public B2B Sites," *CFO.com*, April 2, 2001, at <http://www.cfo.com/pr...1,4580,87%7C88%7CAD%7C2484,00.html>.

Figure OVERVIEW-11
Steel: Hot-rolled plate transaction prices, January 1991-April 2003



Source: *Purchasing Magazine*.

Figure OVERVIEW-12
Steel: Carbon steel long products transaction prices, January 1991-April 2003



Source: *Purchasing Magazine*.

CARBON AND ALLOY FLAT PRODUCTS

PART I: DESCRIPTION AND USES

SLABS

A slab is a semifinished steel product produced by continuous casting or by hot-rolling or forging.¹ Slabs of carbon steel have a rectangular cross-section with a width at least two times the thickness. Slabs of other alloy steel have a width at least four times the thickness. All slabs are considered semifinished steel products that are consumed by steel producers to make downstream steel products, such as sheet, strip, and plate. All reporting U.S. slab-producing firms also produced one or more downstream flat-rolled products during the period for which data were collected in this investigation. The vast majority of U.S.-produced slabs are internally consumed by the domestic slab producers in the production of other steel products, with a very minor portion being sold on the commercial market.

Carbon and alloy steel slabs are provided for in the following HTS statistical reporting numbers:²

7207.12.0010	7207.12.0050	7207.20.0025	7207.20.0045	7224.90.0055
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PLATE

This category includes both cut-to-length (CTL) plate and clad plate (collectively referred to in this section as “plate”). CTL plate is a flat-rolled product of rectangular cross-section, having a thickness of 4.75 mm or more and a width which exceeds 150 mm and measures at least twice the thickness. It is

¹ Thin slabs, which are typically produced in minimills, are immediately consumed in the hot-rolling process and are thus not available for the merchant market.

² The temporary HTS subheadings for slabs established by proclamation pursuant to trade legislation are:

- (1) 9903.72.30 for products outside the scope of the 201 investigation and therefore excluded from the 203 remedy, and 9903.72.31 for other products excluded from the 203 remedy,
- (2) 9903.72.38, 9903.72.42, 9903.72.46, 9903.74.30, and 9903.74.31 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.72.40, 9903.72.44, and 9903.72.48 for products imported in excess of the tariff-rate quota trigger quantities and therefore incurring, respectively, 30 percent additional tariffs through March 19, 2003, 24 percent additional tariffs through March 19, 2004, and 18 percent additional tariffs through March 20, 2005.

flat, *i.e.*, not in coil,³ and may be of any shape (rectangular, circular, or other). CTL plate is produced by rolling on a reversing mill, on a Steckel mill, or on a continuous hot-strip mill. If produced from a coiled form, plate is flattened and cut to length from the coiled plate at the mill or at a service center. It may have patterns-in-relief derived directly from rolling (floor plate). It may be perforated, corrugated, or polished. Plate may also have been subjected to heat-treatment and may have been descaled or pickled. Clad plate is a flat-rolled product of more than one metal layer, of which the predominating metal is non-alloy steel, and the layers are joined by molecular interpenetration of the surfaces in contact. The metal other than non-alloy steel used for clad plate may be stainless steel, titanium, or any other metal. The clad plate may be in the form of a flat plate or a coiled plate, may be of any thickness, and may be either hot- or cold-rolled. Made from slab, plate is used in welded load-bearing and structural applications, such as bridgework, machine parts (*e.g.*, the body of the machine or its frame), transmission towers and light poles, buildings, self-propelled machinery such as cranes and bulldozers, railway cars, tanks, oceangoing ships, and floor plate or formed into pipe, oilwell rigs, and platforms.

Carbon and alloy steel CTL and clad plate are provided for in the following HTS statistical reporting numbers:⁴

³ Plate (other than clad plate) in coil is not included in the “plate” category for purposes of this report and is instead included in the hot-rolled category.

⁴ The temporary HTS subheadings for plate established by proclamation pursuant to trade legislation are:

- (1) 9903.72.50 through 9903.72.54, 9903.74.38 through 9903.74.42, 9903.74.45 through 9903.74.49, 9903.74.54, 9903.74.58 through 9903.74.60, 9903.74.70, and 9903.78.25 through 9903.78.28 for products excluded from the 203 remedy,
- (2) 9903.74.43, 9903.74.44, 9903.74.50 through 9903.74.53, 9903.74.55 through 9903.74.57, 9903.74.69, 9903.74.73, and 9903.78.29 through 9903.78.32 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.72.60, 9903.72.61, and 9903.72.62 entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing for products incurring, respectively, 30 percent additional tariffs through March 19, 2003, 24 percent additional tariffs through March 19, 2004, and 18 percent additional tariffs through March 20, 2005.

With respect to 9903.74.69, 9903.74.73, although these no-longer-existent temporary HTS subheadings were originally categorized as hot-rolled sheet and strip (including plate in coils) as described on the following page, it is believed that all imports entered under this subheading were indeed plate as described on this page.

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7208.40.3030	7208.51.0045	7208.90.0000	7211.14.0030	7225.40.3050
7208.40.3060	7208.51.0060	7210.90.1000	7211.14.0045	7225.50.6000
7208.51.0030	7208.52.0000	7211.13.0000	7225.40.3005	7226.91.5000

HOT-ROLLED

Products in this category are hot-rolled sheet and strip, as well as non-clad plate in coils (collectively referred to in this section as “hot-rolled” products). These are carbon and alloy steel flat-rolled products of rectangular cross-section, produced by hot-rolling on hot-strip (continuous) mills, reversing mills, or Steckel mills. If the product is in coils, it may be of any thickness. If it is in straight lengths, it must be of a thickness of less than 4.75 mm and a width measuring at least 10 times the thickness. It may have patterns-in-relief derived directly from rolling (floor plate). It may be perforated, corrugated, or polished. It may be either unpickled or pickled. It may have been subjected to various processing steps after hot reduction, including pickling or descaling, rewinding, flattening, temper rolling, or heat treatment, and it may have been cut into shapes other than rectangular. A substantial amount of hot-rolled products are consumed internally or transferred to an affiliated company to make cold-rolled and/or galvanized or other coated products, formed and welded to make pipe, or cut to length to produce discrete sheet. Hot-rolled sheet and strip is also used in the manufacture of structural parts of automobiles and appliances. Hot-rolled plate that is cut-to-length is used in the same applications identified above for CTL plate.

Public Version

Carbon and alloy steel hot-rolled sheet and strip (including plate in coils) are provided for in the following HTS statistical reporting numbers:⁵

7208.10.1500	7208.27.0060	7208.39.0015	7211.19.1500	7225.30.3005
7208.10.3000	7208.36.0030	7208.39.0030	7211.19.2000	7225.30.3050
7208.10.6000	7208.36.0060	7208.39.0090	7211.19.3000	7225.30.7000
7208.25.3000	7208.37.0030	7208.40.6030	7211.19.4500	7225.40.7000
7208.25.6000	7208.37.0060	7208.40.6060	7211.19.6000	7226.91.7000
7208.26.0030	7208.38.0015	7208.53.0000	7211.19.7530	7226.91.8000
7208.26.0060	7208.38.0030	7208.54.0000	7211.19.7560	
7208.27.0030	7208.38.0090	7211.14.0090	7211.19.7590	

COLD-ROLLED

Products in this category include cold-rolled sheet and strip other than GOES (“cold-rolled”). These are carbon and alloy steel flat-rolled products of rectangular cross-section, produced by cold-rolling. If the product is in coils, it may be of any thickness. If it is in straight lengths, it must be of a thickness of less than 4.75 mm and a width measuring at least 10 times the thickness. The product may have patterns-in-relief derived directly from rolling. It may be perforated, corrugated, or polished. It may have been subjected to various processing steps after cold reduction, including flattening, temper rolling, or heat treatment, and it may have been cut into shapes other than rectangular. Much of the cold-rolled steel is used internally or transferred to affiliates for production of downstream products including corrosion-resistant steel, tin plate, and other products. Cold-rolled steel that is not further processed is

⁵ The temporary HTS subheadings for hot-rolled steel established by proclamation pursuant to trade legislation are:

- (1) 9903.72.65 through 9903.72.73, 9903.74.61, 9903.74.63, 9903.74.64, 9903.74.74 through 9903.74.76, 9903.74.78 through 9903.74.84, 9903.74.86 through 9903.74.88, 9903.74.94, 9903.74.95, 9903.74.97, 9903.74.98, 9903.75.02, 9903.75.03, 9903.75.09, 9903.75.12, 9903.78.40 through 9903.78.47, 9903.78.57, 9903.78.58, 9903.78.60, and 9903.78.63 for products excluded from the 203 remedy,
- (2) 9903.72.74 through 9903.72.76, 9903.74.62, 9903.74.65, 9903.74.77, 9903.74.85, 9903.74.89 through 9903.74.91, 9903.74.96, 9903.74.99 through 9903.75.01, 9903.75.04 through 9903.75.08, 9903.75.10, 9903.75.13, 9903.75.14, 9903.78.48 through 9903.78.56, 9903.78.59, 9903.78.61, and 9903.78.62 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.72.80, 9903.72.81, and 9903.72.82 for products entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing incurring, respectively, 30 percent additional tariffs through March 19, 2003, 24 percent additional tariffs through March 19, 2004, and 18 percent additional tariffs through March 20, 2005.

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used for such applications as panels in electrical equipment and appliances, or for body parts in automobiles, where surface finish or strength-to-weight ratio is important but resistance to corrosion is not important. Cold-rolled steel is also used for automotive transmission and seat belt components,⁶ and serves as a material for utensils, cutting tools, and cutlery.

Carbon and alloy steel cold-rolled sheet and strip are provided for in the following HTS statistical reporting numbers:⁷

7209.15.0000	7209.18.2510	7211.23.2000	7211.29.4500	7226.19.1000
7209.16.0030	7209.18.2550	7211.23.3000	7211.29.6030	7226.19.9000
7209.16.0060	7209.18.6000	7211.23.4500	7211.29.6080	7226.92.5000
7209.16.0090	7209.25.0000	7211.23.6030	7211.90.0000	7226.92.7005
7209.17.0030	7209.26.0000	7211.23.6060	7225.19.0000	7226.92.7050
7209.17.0060	7209.27.0000	7211.23.6075	7225.50.7000	7226.92.8005
7209.17.0090	7209.28.0000	7211.23.6085	7225.50.8010	7226.92.8050
7209.18.1530	7209.90.0000	7211.29.2030	7225.50.8015	
7209.18.1560	7211.23.1500	7211.29.2090	7225.50.8085	

⁶ See *Certain Carbon Steel Products*, Invs. Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review), Pub. No. 3364, November 2000, pp. Cold-I-14-16 for discussion of seat belt retractor steel.

⁷ The temporary HTS subheadings for cold-rolled steel established by proclamation pursuant to trade legislation are:

- (1) 9903.72.85 for products outside the scope of the 201 investigation and therefore excluded from the remedy, and 9903.72.86 through 9903.72.90, 9903.72.92 through 9903.72.96, 9903.75.15 through 9903.75.19, 9903.75.27, 9903.75.30 through 9903.75.46, 9903.75.48, 9903.75.49, 9903.75.51, 9903.75.53, 9903.75.56, 9903.75.57, 9903.75.59, 9903.75.60, 9903.75.68 through 9903.75.72, and 9903.75.76 through 9903.75.97 for other products excluded from the 203 remedy,
- (2) 9903.72.97 through 9903.73.00, 9903.75.20 through 9903.75.26, 9903.75.28, 9903.75.29, 9903.75.50, 9903.75.52, 9903.75.54, 9903.75.55, 9903.75.58, 9903.75.62 through 9903.75.67, and 9903.75.73 through 9903.75.75 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.73.02, 9903.73.03, and 9903.73.04 for products entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing incurring, respectively, 30 percent additional tariffs through March 19, 2003, 24 percent additional tariffs through March 19, 2004, and 18 percent additional tariffs through March 20, 2005.

COATED

Products in this category include corrosion-resistant and other coated sheet and strip (collectively referred to in this section as “coated” products). These products are flat-rolled products of carbon or alloy steel with a metallic or nonmetallic coating, other than tin mill products, and other than clad. Corrosion resistance is used to prolong the useful life of end products in areas where the product is visible or exposed to weather or other corroding agents. The category includes steel that is galvanized (*i.e.*, coated with zinc), aluminized, coated with zinc-aluminum alloy, galvanized (heat-treated after coating), coated with a mixture of lead and tin (*i.e.*, terne plate and terne coated sheets), painted, and coated with plastic. Galvanized steel is used to provide corrosion resistance in automobile parts, garbage cans, storage tanks, and building products. Terne principally is used in the manufacture of gasoline tanks, although it also can be found in chemical containers, oil filters, television chassis, highway equipment (*e.g.*, guardrails, bridgedecks, and signs), and agricultural buildings and equipment.

Carbon and alloy steel corrosion-resistant and other coated sheet and strip are provided for in the following HTS statistical reporting numbers:⁸

7210.20.0000	7210.61.0000	7210.90.6000	7212.30.5000	7225.92.0000
7210.30.0030	7210.69.0000	7210.90.9000	7212.40.1000	7225.99.0010
7210.30.0060	7210.70.3000	7212.20.0000	7212.40.5000	7225.99.0090
7210.41.0000	7210.70.6030	7212.30.1030	7212.50.0000	7226.93.0000
7210.49.0030	7210.70.6060	7212.30.1090	7212.60.0000	7226.94.0000
7210.49.0090	7210.70.6090	7212.30.3000	7225.91.0000	7226.99.0000

⁸ The temporary HTS subheadings for coated steel established by proclamation pursuant to trade legislation are:

- (1) 9903.73.07 and 9903.73.08 for products outside the scope of the 201 investigation and therefore excluded from the 203 remedy, and 9903.73.09 through 9903.73.14, 9903.76.00 through 9903.76.09, 9903.76.11 through 9903.76.13, 9903.76.17 through 9903.76.19, 9903.76.21 through 9903.76.25, 9903.79.60 through 9903.79.71, 9903.79.77, 9903.79.79, and 9903.79.80 for other products excluded from the 203 remedy,
- (2) 9903.76.10, 9903.76.14 through 9903.76.16, 9903.76.20, 9903.79.72 through 9903.79.76, and 9903.79.78 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.73.21, 9903.73.22, and 9903.73.23 for products entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing incurring, respectively, 30 percent additional tariffs through March 19, 2003, 24 percent additional tariffs through March 19, 2004, and 18 percent additional tariffs through March 20, 2005.

TIN

Tin mill products (collectively referred to in this section as “tin” products) are flat-rolled products of carbon or alloy steel, plated or coated with tin or with chromium oxides or with chromium and chromium oxides (tin-free steel). The products may be either in coils or in straight lengths. Tin products are made by electrolytically coating flat-rolled steel with tin or chromium. Major end uses of tin plate are in the manufacture of welded cans used to contain food, beverages, aerosols, and paint. Chromium-coated steel sheet is used primarily for beer and soft drink two-piece cans and ends, as well as ends for food cans and caps and crowns for glass containers.

Carbon and alloy steel tin mill products are provided for in the following HTS subheadings:⁹

7210.11.00	7210.12.00	7210.50.00	7212.10.00
------------	------------	------------	------------

⁹ The temporary HTS subheadings for tin established by proclamation pursuant to trade legislation are:

- (1) 9903.73.26 for products outside the scope of the 201 investigation and therefore excluded from the 203 remedy, and 9903.73.27 through 9903.73.31, 9903.76.26 through 9903.76.28, 9903.76.30, 9903.76.31, 9903.76.35, 9903.76.37, and 9903.76.38 for other products excluded from the 203 remedy,
- (2) 9903.73.32, 9903.73.33, 9903.76.29, 9903.76.32 through 9903.76.34, 9903.76.36, 9903.76.39, and 9903.76.40 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.73.37, 9903.73.38, and 9903.73.39 for products entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing incurring, respectively, 30 percent additional tariffs through March 19, 2003, 24 percent additional tariffs through March 19, 2004, and 18 percent additional tariffs through March 20, 2005.

PART II: THE U.S. MARKET

U.S. PRODUCERS

A list of U.S. producers of flat steel products providing a response to the Commission's producers' questionnaire in this investigation is presented in table OVERVIEW II-1 in the *Introduction and General Overview* section of this report. The following tabulation summarizes the number of responding firms by product:¹

Item	Slabs	Plate	Hot-rolled	Cold-rolled	Coated	Tin
Number of firms	***	***	***	***	***	***

U.S. producers' production by products is presented in table FLAT II-1.

U.S. PRODUCERS' POSITIONS ON RELIEF

U.S. producers' positions taken with respect to the 203 relief is presented in table OVERVIEW-II-2 in the *Introduction and General Overview* section of this report. The following tabulation summarizes firms' responses:

Item	Support relief	Oppose relief	Take no position	No response
Slabs	***	***	***	***
Plate	***	***	***	***
Hot-rolled	***	***	***	***
Cold-rolled	***	***	***	***
Coated	***	***	***	***
Tin	***	***	***	***

¹ The Commission has not received a questionnaire from International Steel Group (ISG), a U.S. producer of flat steel products. ISG acquired and consolidated the assets of former U.S. producers LTV, Acme Steel, and Bethlehem Steel, making it the second largest integrated U.S. steel producer. Commission staff has been in constant contact with ISG, urging them to respond to the U.S. producer questionnaire. On June 13, 2003, ISG hired counsel which filed and entry of appearance on its behalf.

Table FLAT II-1
Flat products: U.S. producers' production, by products, April 1, 2002 to March 31, 2003

* * * * *

U.S. IMPORTS

Data concerning U.S. imports of slab, plate, hot-rolled, cold-rolled, coated, and tin from covered and noncovered sources are presented in tables FLAT II-2 through FLAT II-7, respectively.² Data on U.S. imports of excluded steel products are presented in table FLAT II-8.

² See, paragraphs 11 and 12 of the President's Proclamation of March 5, 2002 for a discussion of covered and noncovered countries (67 FR 10553, March 7, 2002). Based on the criteria therein, slabs and flat products (except for tin mill products) from Brazil are covered by relief.

Table FLAT II-2
Slabs: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources ¹	4,526,237	5,075,704	4,539,802
Noncovered sources	1,897,202	1,509,273	2,482,769
Total	6,423,439	6,584,977	7,022,570
	Value (\$1,000)		
Covered sources ¹	962,734	837,269	939,733
Noncovered sources	422,348	284,778	557,394
Total	1,385,081	1,122,047	1,497,127
	Unit value (per short ton)		
Covered sources ¹	213	165	207
Noncovered sources	223	189	225
Average	216	170	213
	Share of quantity (percent)		
Covered sources ¹	70.5	77.1	64.6
Noncovered sources	29.5	22.9	35.4
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources ¹	69.5	74.6	62.8
Noncovered sources	30.5	25.4	37.2
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
¹ Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin).			
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data official statistics of Commerce.			

Table FLAT II-3
Plate: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources ¹	652,347	652,737	195,241
Noncovered sources	312,251	358,046	493,828
Total	964,598	1,010,784	689,068
	Value (\$1,000)		
Covered sources ¹	272,760	267,483	100,955
Noncovered sources	110,466	120,801	172,075
Total	383,226	388,284	273,030
	Unit value (per short ton)		
Covered sources ¹	418	410	517
Noncovered sources	354	337	348
Average	397	384	396
	Share of quantity (percent)		
Covered sources ¹	67.6	64.6	28.3
Noncovered sources	32.4	35.4	71.7
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources ¹	71.2	68.9	37.0
Noncovered sources	28.8	31.1	63.0
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
¹ Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin).			
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data official statistics of Commerce.			

Table FLAT II-4
Hot-rolled: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources ¹	3,708,787	1,839,439	2,240,618
Noncovered sources	2,578,556	1,338,168	2,760,986
Total	6,287,343	3,177,607	5,001,604
	Value (\$1,000)		
Covered sources ¹	1,151,042	516,360	758,461
Noncovered sources	769,845	341,369	868,007
Total	1,920,886	857,729	1,626,468
	Unit value (per short ton)		
Covered sources ¹	310	281	339
Noncovered sources	299	255	314
Average	306	270	325
	Share of quantity (percent)		
Covered sources ¹	59.0	57.9	44.8
Noncovered sources	41.0	42.1	55.2
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources ¹	59.9	60.2	46.6
Noncovered sources	40.1	39.8	53.4
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
<p>¹ Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin).</p> <p>Note.—Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from data official statistics of Commerce.</p>			

Table FLAT II-5
Cold-rolled: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources ¹	2,079,737	2,276,229	548,229
Noncovered sources	800,566	694,073	1,156,511
Total	2,880,303	2,970,301	1,704,740
	Value (\$1,000)		
Covered sources ¹	1,006,054	859,332	338,442
Noncovered sources	310,108	221,186	460,847
Total	1,316,163	1,080,518	799,289
	Unit value (per short ton)		
Covered sources ¹	484	378	617
Noncovered sources	387	319	398
Average	457	364	469
	Share of quantity (percent)		
Covered sources ¹	72.2	76.6	32.2
Noncovered sources	27.8	23.4	67.8
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources ¹	76.4	79.5	42.3
Noncovered sources	23.6	20.5	57.7
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
¹ Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin).			
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data official statistics of Commerce.			

Table FLAT II-6
Coated: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources ¹	1,289,633	1,221,049	842,857
Noncovered sources	993,207	1,033,959	1,906,000
Total	2,282,840	2,255,008	2,748,857
	Value (\$1,000)		
Covered sources ¹	732,479	610,867	511,805
Noncovered sources	539,179	521,548	1,025,723
Total	1,271,658	1,132,416	1,537,528
	Unit value (per short ton)		
Covered sources ¹	568	500	607
Noncovered sources	543	504	538
Average	557	502	559
	Share of quantity (percent)		
Covered sources ¹	56.5	54.1	30.7
Noncovered sources	43.5	45.9	69.3
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources ¹	57.6	53.9	33.3
Noncovered sources	42.4	46.1	66.7
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
¹ Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin).			
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data official statistics of Commerce.			

Table FLAT II-7

Tin: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources	360,372	437,045	165,059
Noncovered sources	149,811	144,479	161,221
Total	510,182	581,523	326,280
	Value (\$1,000)		
Covered sources	219,140	257,013	101,756
Noncovered sources	88,090	82,105	92,936
Total	307,230	339,118	194,692
	Unit value (per short ton)		
Covered sources	608	588	616
Noncovered sources	588	568	576
Average	602	583	597
	Share of quantity (percent)		
Covered sources	70.6	75.2	50.6
Noncovered sources	29.4	24.8	49.4
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources	71.3	75.8	52.3
Noncovered sources	28.7	24.2	47.7
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data official statistics of Commerce.			

Table FLAT II-8
Flat products: U.S. imports from covered sources, by tariff categories, April 2002-March 2003

* * * * *

U.S. IMPORTERS' INVENTORIES

The Commission requested information from importers concerning their end-of-period inventories of all carbon and alloy flat products. End-of-period inventory data for imported products from covered and noncovered sources are presented for carbon and alloy flat products in tables FLAT II-9 and FLAT II-10, respectively.

Table FLAT II-9

Flat products: U.S. importers' reported U.S. shipments and end-of-period inventories of imports from covered sources, by products, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. shipments of imports:			
Slabs	2,223,530	2,380,344	2,272,378
Plate	334,752	390,486	140,246
Hot-rolled	2,777,961	1,222,091	2,658,222
Cold-rolled	1,126,594	1,617,560	652,378
Coated	943,504	895,410	812,321
Tin	263,157	336,624	175,327
Total	7,669,498	6,842,515	6,710,871
End-of-period inventories:			
Slabs	611,917	862,790	683,656
Plate	18,406	20,198	19,453
Hot-rolled	133,579	135,671	169,205
Cold-rolled	213,327	167,645	166,580
Coated	208,192	187,030	166,800
Tin	81,057	98,239	72,881
Total	1,266,478	1,471,573	1,278,575
	Ratio of inventories to U.S. shipment of imports (percent)		
Slabs	27.5	36.2	30.1
Plate	5.5	5.2	13.9
Hot-rolled	4.8	11.1	6.4
Cold-rolled	18.9	10.4	25.5
Coated	22.1	20.9	20.5
Tin	30.8	29.2	41.6
Average	16.5	21.5	19.1
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Table FLAT II-10

Flat products: U.S. importers' reported U.S. shipments and end-of-period inventories of imports from noncovered sources, by products, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. shipments of imports:			
Slabs	2,003,396	2,348,436	2,615,035
Plate	166,253	223,456	277,544
Hot-rolled	1,612,003	1,063,291	1,869,452
Cold-rolled	291,096	301,899	504,651
Coated	507,236	559,515	810,440
Tin	68,323	80,925	101,726
Total	4,648,307	4,577,523	6,178,848
End-of-period inventories:			
Slabs	338,075	322,197	341,022
Plate	4,290	3,241	4,215
Hot-rolled	57,663	25,463	81,335
Cold-rolled	36,754	22,363	38,268
Coated	42,835	48,347	72,229
Tin	2,200	2,100	1,500
Total	481,817	423,711	538,569
	Ratio of inventories to U.S. shipment of imports (percent)		
Slabs	16.9	13.7	13.0
Plate	2.6	1.5	1.5
Hot-rolled	3.6	2.4	4.4
Cold-rolled	12.6	7.4	7.6
Coated	8.4	8.6	8.9
Tin	3.2	2.6	1.5
Average	10.4	9.3	8.7
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

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

Data on apparent U.S. consumption and market shares of slab, plate, hot-rolled, cold-rolled, coated, and tin are presented in tables FLAT II-11 through FLAT-II-16, respectively.

Table FLAT II-11

Slabs: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	4,526,237	5,075,704	4,539,802
Noncovered sources	1,897,202	1,509,273	2,482,769
Total U.S. imports	6,423,439	6,584,977	7,022,570
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	962,734	837,269	939,733
Noncovered sources	422,348	284,778	557,394
Total U.S. imports	1,385,081	1,122,047	1,497,127
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
<p>¹ Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin).</p> <p>Note.—Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.</p>			

Table FLAT II-12

Plate: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	652,347	652,737	195,241
Noncovered sources	312,251	358,046	493,828
Total U.S. imports	964,598	1,010,784	689,068
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	272,760	267,483	100,955
Noncovered sources	110,466	120,801	172,075
Total U.S. imports	383,226	388,284	273,030
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
<p>¹ Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin).</p> <p>Note.—Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.</p>			

Table FLAT II-13

Hot-rolled: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	3,708,787	1,839,439	2,240,618
Noncovered sources	2,578,556	1,338,168	2,760,986
Total U.S. imports	6,287,343	3,177,607	5,001,604
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	1,151,042	516,360	758,461
Noncovered sources	769,845	341,369	868,007
Total U.S. imports	1,920,886	857,729	1,626,468
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
<p>¹ Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin).</p> <p>Note.—Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.</p>			

Table FLAT II-14

Cold-rolled: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	2,079,737	2,276,229	548,229
Noncovered sources	800,566	694,073	1,156,511
Total U.S. imports	2,880,303	2,970,301	1,704,740
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	1,006,054	859,332	338,442
Noncovered sources	310,108	221,186	460,847
Total U.S. imports	1,316,163	1,080,518	799,289
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
<p>¹ Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin).</p> <p>Note.—Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.</p>			

Table FLAT II-15

Coated: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	1,289,633	1,221,049	842,857
Noncovered sources	993,207	1,033,959	1,906,000
Total U.S. imports	2,282,840	2,255,008	2,748,857
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	732,479	610,867	511,805
Noncovered sources	539,179	521,548	1,025,723
Total U.S. imports	1,271,658	1,132,416	1,537,528
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
¹ Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin).			
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

Table FLAT II-16

Tin: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	360,372	437,045	165,059
Noncovered sources	149,811	144,479	161,221
Total U.S. imports	510,182	581,523	326,280
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	219,140	257,013	101,756
Noncovered sources	88,090	82,105	92,936
Total U.S. imports	307,230	339,118	194,692
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

PART III: CONDITION OF THE U.S. INDUSTRY

U.S. CAPACITY, PRODUCTION, SHIPMENTS, INVENTORIES, AND EMPLOYMENT

Data on U.S. producers' capacity, production, capacity utilization, shipments, inventories, and employment for flat products are presented in tables FLAT III-1 through FLAT III-6, respectively.¹

¹ The Commission anticipates receiving a questionnaire response from International Steel Group (ISG) that should include the data of ISG, Bethlehem Steel, and LTV. To the extent practical, staff will generate updated tables incorporating these firms' data and submit them to the Commission and Parties prior to the hearing.

Table FLAT III-1

Slabs: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

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Table FLAT III-2

Plate: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

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Table FLAT III-3
Hot-rolled: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

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Table FLAT III-4
Cold-rolled: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

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Table FLAT III-5
Coated: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-
March 2003

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Table FLAT III-6

Tin: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

* * * * *

FINANCIAL

Financial data concerning U.S. companies producing flat steel products (slabs, plate, hot-rolled, cold-rolled, coated, and tin products) are presented in tables FLAT III-7 through FLAT III-12, respectively.

*** firms reported receiving Continued Dumping and Subsidy Offset Act funds (“CDSOA (Byrd Amendment) funds”) for plate. *** firms reported CDSOA funds for hot-rolled. *** firms reported receiving CDSOA funds for cold-rolled. *** firms reported CDSOA funds for coated. ** firms reported Byrd funds received for slabs and tin products. For all flat steel products for which they reported income under the Byrd Amendment, *** reported the funds under “all other income”. Of the *** other companies reporting CDSOA funds in any flat steel product category, *** reported the funds under one or more COGS components and the other reported the funds under SG&A.² In all cases, CDSOA funds were immaterial to a firm’s financial statements.

*** of the ** firms submitting data on flat steel products also reported pension expenses, and all but *** (***) indicated where pension expenses were reported in their submitted financial statements. All but *** firms reporting pension expense data (***) reported pension credits/expenses in their financials under “other factory costs” or “direct labor” (components of COGS), and *** of those companies also indicated that some portion of pension expenses were reported under SG&A. *** reported pension expenses under “all other expenses”; *** reported pension expenses under SG&A. In *** for which companies reported other post-employment benefits (OPEBs), those expenses were reported in the same line items in the financial statement as pension expenses. The exceptions were ***, which reported OPEBs under other factory costs, and ***, which reported OPEBs under direct labor and SG&A rather than under other factory costs.

² *** reported Byrd funds under “cost of goods sold (COGS)” (without specifying which COGS component), and *** reported the funds under “other factory costs,” a component of COGS. *** reported the income under “selling, general and administrative expenses” (SG&A).

Table FLAT III-7
Slabs: Results of operations of U.S. producers, April 2000-March 2003

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Table FLAT III-8
Plate: Results of operations of U.S. producers, April 2000-March 2003

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Table FLAT III-9
Hot-rolled: Results of operations of U.S. producers, April 2000-March 2003

* * * * *

Table FLAT III-10
Cold-rolled: Results of operations of U.S. producers, April 2000-March 2003

* * * * *

Table FLAT III-11
Coated: Results of operations of U.S. producers, April 2000-March 2003

* * * * *

Table FLAT III-12
Tin: Results of operations of U.S. producers, April 2000-March 2003

* * * * *

PART IV: ADJUSTMENT EFFORTS

U.S. PRODUCERS' ADJUSTMENT PLANS

U.S. producers were asked whether they had indicated to USTR since the initiation of the original section 201 investigation or to the Commission in its response to the producers' questionnaire issued in connection with investigation No. TA-201-73 that their firm would make adjustments in their subject steel products operations that would permit them to compete more effectively with imports of subject steel products after relief expires if their firm were to receive import relief as a result of that investigation. The responses of flat products producers are presented in table D-1 in appendix D. A summary of responses is presented in table FLAT IV-1.

Table FLAT IV-1

Flat products: U.S. producers' responses to the question of whether or not adjustment plans were submitted to USTR or the Commission in the section 201 investigation

Item	Firms that submitted adjustment plans	Firms that did not submit adjustment plans	Firms that did not know whether adjustment plans were submitted	Total
Number	***	***	***	***

**EFFECTS OF THE IMPORT RELIEF ACTION
ON INDIVIDUAL FIRMS' OPERATIONS**

The Commission asked U.S. producers to describe the significance of the tariffs and/or tariff-rate quotas imposed by the President effective on or after March 20, 2002, in terms of their effect on their firms' operations. The responses of flat products producers are presented in appendix E.

**U.S. PRODUCERS' EFFORTS TO COMPETE
MORE EFFECTIVELY IN THE U.S. MARKET**

The Commission asked U.S. producers to indicate whether they had undertaken any efforts to compete more effectively in the U.S. market for the subject steel products. The responses of flat products producers are presented in appendix F.

PART V: PRICING AND RELATED INFORMATION¹

CHANGES IN U.S. DEMAND

*** of *** responding U.S. producers reported that U.S. demand for flat steel products has decreased, *** reported that demand has remained the same, and *** reported that demand has increased since March 20, 2002. U.S. producers that reported decreased demand generally cited the slowing U.S. economy, particularly weakness in capital spending and the construction and industrial production market sectors. U.S. producers that reported increased demand cited factors such as the strong U.S. automotive market and a temporary spike in spending for homeland security and military requirements.

Forty-four of 58 responding importers reported that U.S. demand for flat steel products has decreased, ten reported that demand has remained the same, and four reported that demand has increased since March 20, 2002. Importers that reported decreased demand generally cited the slowing U.S. economy and the loss of manufacturing facilities to other countries. Declining market sectors cited by importers include aerospace, power generation, capital goods, automotive, construction, and industrial production. Importers that reported increased demand cited factors such as increased automotive production and a temporary spike in spending for homeland security and military requirements.

*** of *** U.S. producers reported that there have been no changes in the types or prices of substitute products since March 20, 2002. Fifty-six of 61 responding importers reported that there have been no changes in the types or prices of substitute products since March 20, 2002.

Apparent U.S. consumption of flat steel products *** by *** percent from *** short tons in safeguard year (SY) 2001 to *** short tons in SY 2002.

¹ This section does not include any information from purchaser questionnaire responses due to time constraints. Purchaser information will be included in this section in the final report.

CHANGES IN U.S. SUPPLY

*** of *** U.S. producers reported making efforts to increase product availability to their customers since March 20, 2002. *** of *** responding U.S. producers reported that their order backlogs for flat steel products have decreased, *** reported that backlogs have stayed the same, and *** reported that backlogs have increased. *** of *** responding U.S. producers reported that their on-time shipment percentage stayed the same, *** reported that their on-time shipment percentage increased, and ***. *** of *** responding U.S. producers reported that there has not been a change in the geographic market to which they sell flat steel products. *** of *** responding U.S. producers reported that there have not been changes in their channels of distribution. *** of *** responding U.S. producers reported no change in the share of their sales of flat steel products that are from inventory. *** of *** responding U.S. producers reported no changes in average lead times for sales from inventory, whereas only *** of *** responding U.S. producers reported no changes in average lead times for sales from production. *** U.S. producers that reported changes in production lead times reported that lead times briefly increased, then returned to normal levels. *** of *** responding U.S. producers reported no changes in their product range, or the demand for, or production of, alternate products.

CHANGES IN IMPORT SUPPLY

Twenty-six of 81 importers reported making efforts to increase product availability to their customers since March 20, 2002. Thirty-one of 79 responding importers reported that their order backlogs for flat steel products have decreased, 43 reported that backlogs have stayed the same, and five reported that backlogs have increased. Sixty of 81 responding importers producers reported that their on-time shipment percentage stayed the same, seven reported that their on-time shipment percentage increased, and 14 reported that their on-time percentage decreased. Seventy-six of 80 responding importers reported that there has not been a change in the geographic market to which they sell flat steel products. Sixty-five of 72 responding importers reported that there have not been changes in their channels of distribution. Sixty-four of 75 responding importers reported no change in the share of their

sales of flat steel products that are from inventory. Forty-five of 48 responding importers reported no changes in average lead times for sales from inventory, and 47 of 60 responding importers reported no changes in average lead times for sales from production. Seventy-five of 85 responding importers reported no changes in their product range, and 62 of 70 reported no changes in the demand for or production of alternate products. Fourteen of 80 responding importers reported importing flat steel products from foreign producers from which they had not imported prior to March 20, 2002.

FACTORS AFFECTING PRICES

Producer and Importer Responses

U.S. producers and importers were asked to report the importance of 16 factors that have influenced the price of flat steel products in the U.S. market (table FLAT V-1). U.S. producers and importers were also asked to indicate whether the same 16 factors have tended to increase, decrease, or have no effect on the price of flat steel products since March 20, 2002 (table FLAT V-2).

Table FLAT V-1
The relative contribution of factors to the price of steel since March 20, 2003

Item	Producers	Importers
Changes in competition between U.S. producers	***	2.0
Changes in the level of competition from substitute products	***	3.2
Changes in the level of competition by imports	(¹)	2.0
Changes in the level of competition from imports from excluded countries	***	(²)
Changes in the level of competition from imports from non-excluded countries	***	(²)
Changes in the cost of raw materials	***	2.3
Changes in energy costs	***	2.7
Changes in U.S. production capacity	***	2.0
Changes in the allocation of production capacity to alternate products	***	3.3
Changes in the productivity of domestic producers	***	2.5
Changes in labor agreements, contracts, etc.	***	2.8
Changes in transportation/delivery cost changes	***	2.7
Changing market patterns	***	2.7
Changes in demand for steel	(¹)	1.7
Changes in demand for steel within the United States	***	(²)
Changes in demand for steel outside United States	***	(²)
¹ Did not ask U.S. producers to rank this factor. ² Did not ask importers to rank this factor.		
Note.—Numbers in the table represent the average ranking of each factor by responding producers and importers, on a scale from 1 to 4 where 1 = very important, 2 = important, 2 = important, and 3 = somewhat important, and 4 = not important.		
Source: Compiled from data submitted in response to Commission questionnaires.		

Table FLAT V-2
The influence of factors on the price of steel since March 20, 2002

Item	Producers			Importers		
	I	N	D	I	N	D
Changes in competition between U.S. producers	***	***	***	28	33	18
Changes in the level of competition from substitute products	***	***	***	5	73	2
Changes in the level of competition by imports	(¹)	(¹)	(¹)	24	35	21
Changes in the level of competition from imports from excluded countries	***	***	***	(²)	(²)	(²)
Changes in the level of competition from imports from non-excluded countries	***	***	***	(²)	(²)	(²)
Changes in the cost of raw materials	***	***	***	45	32	2
Changes in energy costs	***	***	***	46	32	1
Changes in U.S. production capacity	***	***	***	27	25	4
Changes in the allocation of production capacity to alternate products	***	***	***	8	68	1
Changes in the productivity of domestic producers	***	***	***	12	53	13
Changes in labor agreements, contracts, etc.	***	***	***	12	56	11
Changes in transportation/delivery cost changes	***	***	***	41	39	1
Changing market patterns	***	***	***	12	58	11
Changes in demand for steel	(¹)	(¹)	(¹)	11	22	47
Changes in demand for steel within the United States	***	***	***	(²)	(²)	(²)
Changes in demand for steel outside United States	***	***	***	(²)	(²)	(²)
¹ U.S. producers were not asked report the effect of this factor on pricing. ² Importers were not asked report the effect of this factor on pricing. Note.—The numbers in the table represent the number of responding producers and importers that reported that changes in a factor have tended to increase prices (I), have had no effect (N), or have tended to decrease prices (D) for steel since March 20, 2002. Source: Compiled from data submitted in response to Commission questionnaires.						

Changes in Raw Material Costs

Unit raw material costs, by flat steel product category are shown in table FLAT V-3.

Table FLAT V-3

Flat products: Unit raw material costs, by product category, April 2000-March 2003

* * * * *

PRICING PRACTICES

Nearly all responding U.S. producers and importers reported making no changes in the way they determine the price they charge or discounts allowed for sales of flat steel products since March 20, 2002. *** of *** responding U.S. producers and 59 of 69 responding importers reported that there has not been a change in the share of their sales that are on a contract vis-a-vis a spot basis. *** of *** U.S. producers and 28 of 50 importers reported that contract prices tend to follow a similar trend as spot prices, although several noted that contract prices tended to lag spot prices.

PRICE DATA

The Commission asked for quarterly sales value and quantity data for U.S. producers' and importers' sales of the following nine flat steel products during April 2000-March 2003:

Product 1.--Low carbon slabs with chemistries of up to 0.15 max carbon and 0.60 max manganese exclusive of IF or specialty chemistries.

Product 2.--Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 1.00" through 2.00" in thickness. Not including high-strength or mill proprietary products, or products tested to other specifications, unless otherwise noted.

Product 3A.--Hot-rolled carbon steel plate in coils, as-rolled (unprocessed), not pickled or temper-rolled, not high-strength, produced to AISI-1006-1025 grade (including, but not limited to, ASTM A-36), 0.187" through 0.625" in nominal or actual thickness, 40" through 72" in width.

Product 3B.--Hot-rolled carbon sheet in coils, commercial quality, SAE 1006-1015 or ASTM A-569 equivalent, not high-strength, not pickled and oiled, not temper-rolled, 0.090" through 0.171" in nominal or actual thickness, 40" to 60" in width.

Product 4A.--Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-366), not IF, box annealed and temper rolled, 36" to 72" in width, 0.022" to less than 0.028" in thickness.

Product 4B.--Cold-rolled carbon steel sheet in coils, commercial quality (ASTM A-366), not IF, box annealed and temper-rolled, 36" to 72" in width, 0.028" to less than 0.090" in thickness.

Product 5A.--Aluminum-zinc alloy coated carbon steel sheet, in coils, hot dipped, structural quality, ASTM A-792, grade 50, AZ50, 40" to 49" in width, 0.019" to 0.0219" in thickness. This product has a coating of 55 percent aluminum, 43.5 percent zinc, and 1.5 percent silicon, and has a variety of product names worldwide including "Galvalume," "Zincalume," "Aluzink," "Zinkalit," and "Zalutite." This product is not pre-painted, has no organic coating, and is not high-strength.

Product 5B.--Electrolytically zinc coated carbon steel sheet, in coils, ASTM A-879, 50-90 grams/square meter per side coating, without organic coating, forming steel, 40" to under 60" in width, 0.022" to under 0.044" in thickness. This product is not prepainted, is not high-strength, and is not mill proprietary.

Product 6.--Base price for single-reduced, electrolytic tin plate (1CRETP), 70-75 pound per base box.

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Table FLAT V-4 shows the share of U.S. producers' U.S. commercial shipments of flat steel products accounted for by the reported pricing data. Table FLAT V-4 also shows the share of U.S. imports of flat steel products accounted for by the reported pricing data.

Table FLAT V-4
Flat products: Percent share accounted for by price data, by product category

* * * * *

Price Trends

Weighted-average prices, margins of underselling/overselling, and quantities sold of U.S.-produced, covered imported, and noncovered imported flat steel products are shown in tables FLAT V-5 through FLAT V-13. Weighted average prices of U.S.-produced, covered imported, and noncovered imported flat steel products are also shown in figure G-1 of appendix G. A summary of the price data, by product, is shown in table FLAT V-14, and summaries of the margins of underselling/(overselling) of imports from covered and noncovered sources are shown in tables FLAT V-15 and FLAT V-16, respectively.

Table FLAT V-5

Slabs: Weighted-average price and quantity data for U.S.-produced and imported product 1 from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

*	*	*	*	*	*	*
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Table FLAT V-6

Plate: Weighted-average price and quantity data for U.S.-produced and imported product 2 from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

*	*	*	*	*	*	*
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Table FLAT V-7
Hot-rolled: Weighted-average price and quantity data for U.S.-produced and imported product 3A1 from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

* * * * *

Table FLAT V-8
Hot-rolled: Weighted-average price and quantity data for U.S.-produced and imported product 3B from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

* * * * *

Table FLAT V-9
Cold-rolled: Weighted-average price and quantity data for U.S.-produced and imported product 4A from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

* * * * *

Table FLAT V-10

Cold-rolled: Weighted-average price and quantity data for U.S.-produced and imported product 4B from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

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Table FLAT V-11

Coated: Weighted-average price and quantity data for U.S.-produced and imported product 5A from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

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Table FLAT-12
Coated: Weighted-average price and quantity data for U.S.-produced and imported product 5B from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

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Table FLAT V-13

Tin: Weighted-average price and quantity data for U.S.-produced and imported product 6 from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March

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Table FLAT V-14

Slabs and flat: Change in quarterly prices of U.S. product, imports from covered sources and imports from noncovered sources, by product

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Table FLAT V-15

Slabs and flat: Summary of quarters of underselling and overselling, and the range of margins of underselling and overselling of imports from covered sources, by product, April 2000-March 2003

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Table FLAT V-16

Slabs and flat: Summary of quarters of underselling and overselling, and the range of margins of underselling and overselling of imports from noncovered sources, by product, April 2000-March 2003

* * * * *

PART VI: THE FOREIGN INDUSTRIES

The Commission requested information from foreign producers concerning their production, capacity, shipments, and inventories of all carbon and alloy flat products. Tables FLAT VI-1 through FLAT VI-12 present data for slabs, plate, hot-rolled, cold-rolled, coated, and tin, respectively. Data are presented separately for covered and noncovered sources.

Table FLAT VI-1

Slabs: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-March 2005

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Table FLAT VI-2

Slabs: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

Table FLAT VI-3
Plate: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-
March 2005

* * * * *

Table FLAT VI-4
Plate: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-
March 2005

* * * * *

Table FLAT VI-5
Hot-rolled: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-
March 2005

* * * * *

Table FLAT VI-6
Hot-rolled: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

Table FLAT VI-7
Cold-rolled: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

Table FLAT VI-8
Cold-rolled: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

Table FLAT VI-9
Coated: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-
March 2005

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Table FLAT VI-10
Coated: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005

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Table FLAT VI-11

Tin: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

Table FLAT VI-12

Tin: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

CARBON AND ALLOY LONG PRODUCTS

PART I: DESCRIPTION AND USES

HOT BAR

Carbon and alloy steel hot-rolled bar and light shapes (hot bar) are products which have a solid cross-section in the shape of circles, segments of circles, ovals, triangles, rectangles (including squares), or other convex polygons including flattened circles and modified rectangles of which two opposite sides are convex arcs and the other two sides are straight, of equal length, and parallel.¹ This category includes the following: bars of a diameter of 19 mm or more in irregularly wound coils; free-machining carbon steel and high-nickel alloy steel bars and rods of any diameter; angles, shapes, and sections (such as U, I, or H sections) not further worked than hot-rolled, hot-drawn, or extruded, of a height of less than 80 mm; and hollow drill bars and rods of which the greatest external dimension of the cross section exceeds 15 mm but does not exceed 52 mm, and of which the greatest internal dimension does not exceed one half of the greatest external dimension. This category excludes carbon and alloy steel (including free-machining alloy steel) wire rod having a diameter of 5 mm or more but less than 19 mm (which are covered by a section 201 relief on wire rod) and hollow bars and rods of iron or steel not conforming to this definition (which are included in the pipe and tubing product categories).

¹ Hot-finished bars of ball-bearing steel (HTS 7227.90.1030, 7227.90.2030, 7228.30.2000, and 7228.60.1030), which were included in this category in investigation TA-201-73, were excluded from the remedy and are, therefore, not included in the hot-rolled bar and light shapes category for purposes of this investigation.

Public Version

Carbon and alloy steel hot bar are provided for in the following HTS statistical reporting numbers:²

7213.20.0000	7214.99.0030	7216.21.0000	7227.20.0090	7228.40.0000
7213.99.0060	7214.99.0045	7216.22.0000	7227.20.0095	7228.60.6000
7213.99.0090	7214.99.0060	7216.50.0000	7227.90.6005	7228.70.3020
7214.10.0000	7214.99.0075	7216.61.0000	7227.90.6051	7228.70.3040
7214.30.0000	7214.99.0090	7216.69.0000	7227.90.6058	7228.70.3060
7214.91.0015	7215.90.1000	7216.91.0000	7227.90.6059	7228.70.3080
7214.91.0060	7215.90.5000	7216.99.0000	7228.20.1000	7228.70.6000
7214.91.0090	7216.10.0010	7227.20.0000	7228.30.8005	7228.80.0000
7214.99.0015	7216.10.0050	7227.20.0010	7228.30.8050	

COLD BAR

Carbon and alloy steel cold-finished bar (cold bar) are products defined by shape in the hot bar category, not in coils, which have been subjected to a cold-finishing operation such as cold rolling, cold drawing, grinding, or polishing.³

² The temporary HTS subheadings for hot bar established by proclamation pursuant to trade legislation are:

- (1) 9903.73.42 for products outside the scope of the 201 investigation and therefore excluded from the 203 remedy, and 9903.73.43 through 9903.73.46, 9903.76.52 through 9903.76.54, 9903.76.56 through 9903.76.66, 9903.76.69 through 9903.76.74, 9903.76.76 through 9903.76.78, 9903.76.80 through 9903.76.85, 9903.80.40 through 9903.80.63, 9903.80.71, 9903.80.73 through 9903.80.81, 9903.80.83, and 9903.80.84 for other products excluded from the 203 remedy,
- (2) 9903.76.51, 9903.76.55, 9903.76.67, 9903.76.68, 9903.76.75, 9903.76.79, 9903.80.64 through 9903.80.70, 9903.80.72, and 9903.80.82 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.73.50, 9903.73.51, and 9903.73.52 for products entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing incurring, respectively, 30 percent additional tariffs through March 19, 2003, 24 percent additional tariffs through March 19, 2004, and 18 percent additional tariffs through March 20, 2005.

³ Cold-finished bars of ball-bearing steel (HTS 7228.50.1010), which were included in this category in investigation TA-201-73, were excluded from the remedy and are, therefore, not included in the cold-finished bar category for purposes of this investigation.

Public Version

Carbon and alloy cold bar are provided for in the following HTS statistical reporting numbers:⁴

7215.10.0000	7215.50.0060	7215.90.3000	7228.50.5005	7228.60.8000
7215.50.0015	7215.50.0090	7228.20.5000	7228.50.5050	

REBAR

Carbon and alloy steel rebar (rebar) are hot-rolled steel products which have a solid cross-section (as described for hot bars) and contain indentations, ribs, grooves, or other deformations produced during the rolling process or by twisting after rolling, for the purpose of improving the bond with concrete. Rebar is used for structural reinforcement within cast concrete structures.

Carbon and alloy steel rebar are provided for in the following HTS statistical reporting numbers:⁵

7213.10.00	7214.20.00
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⁴ The temporary HTS subheadings for rebar established by proclamation pursuant to trade legislation are:

- (1) 9903.76.87 through 9903.76.93, 9903.76.95 through 9903.77.27, 9903.77.29, 9903.81.00 through 9903.81.03, 9903.81.05 through 9903.81.09, and 9903.81.13 for products excluded from the 203 remedy,
- (2) 9903.76.86, 9903.76.94, 9903.77.28, 9903.81.04, and 9903.81.10 through 9903.81.12 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.73.60, 9903.73.61, and 9903.73.62 for products entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing incurring, respectively, 30 percent additional tariffs through March 19, 2003, 24 percent additional tariffs through March 19, 2004, and 18 percent additional tariffs through March 20, 2005.

⁵ The temporary HTS subheadings for rebar established by proclamation pursuant to trade legislation are:

- (1) 9903.73.70 through 9903.81.73 for products excluded from the 203 remedy, and
- (2) 9903.73.69, 9903.73.70, and 9903.73.71 for products not excluded from relief and incurring, respectively, 15 percent additional tariffs through March 19, 2003, 12 percent additional tariffs through March 19, 2004, and 9 percent additional tariffs through March 20, 2005.

PART II: THE U.S. MARKET

U.S. PRODUCERS

A list of U.S. producers of long steel products providing a response to the Commission's producers' questionnaire in this investigation is presented in table OVERVIEW II-1 in the *Introduction and General Overview* section of this report. The following tabulation summarizes the number of responding firms by category:¹

Item	Hot bar	Cold bar	Rebar
Number of firms	***	***	***

U.S. producers' production by products is presented in table LONG II-1.

U.S. PRODUCERS' POSITIONS ON RELIEF

U.S. producers' positions taken with respect to the 203 relief is presented in table OVERVIEW II-2 in the *Introduction and General Overview* section of this report. The following tabulation summarizes firms' responses:

Item	Support relief	Oppose relief	Take no position	No response
Hot bar	***	***	***	***
Cold bar	***	***	***	***
Rebar	***	***	***	***

¹ The Commission has not received a questionnaire from International Steel Group (ISG), a U.S. producer of flat steel products. ISG acquired and consolidated the assets of former U.S. producers LTV, Acme Steel, and Bethlehem Steel, making it the second largest integrated U.S. steel producer. Commission staff has been in constant contact with ISG, urging them to respond to the U.S. producer questionnaire. On June 13, 2003, ISG hired counsel which filed and entry of appearance on its behalf.

Table LONG II-1

Long products: U.S. producers' production, by products, April 1, 2002 to March 31, 2003

* * * * *

U.S. IMPORTS

Data concerning U.S. imports of hot bar, cold bar, and rebar from covered and noncovered sources are presented in tables LONG II-2 through LONG II-4, respectively.² Data on U.S. imports of excluded steel products are presented in table LONG II-5.

² See, paragraphs 11 and 12 of the President's Proclamation of March 5, 2002 for a discussion of covered and noncovered countries (67 FR 10553, March 7, 2002). Based on the criteria therein, rebar from Moldova, Turkey, and Venezuela are covered by relief.

Table LONG II-2
Hot bar: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources	777,921	708,271	480,517
Noncovered sources	1,527,754	1,281,609	1,426,887
Total	2,305,675	1,989,880	1,907,404
	Value (\$1,000)		
Covered sources	406,022	370,519	266,106
Noncovered sources	596,887	475,949	568,919
Total	1,002,909	846,468	835,025
	Unit value (per short ton)		
Covered sources	522	523	554
Noncovered sources	391	371	399
Average	435	425	438
	Share of quantity (percent)		
Covered sources	33.7	35.6	25.2
Noncovered sources	66.3	64.4	74.8
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources	40.5	43.8	31.9
Noncovered sources	59.5	56.2	68.1
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from official statistics of Commerce.			

Table LONG II-3
Cold bar: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources	217,227	181,738	99,304
Noncovered sources	81,266	84,685	110,302
Total	298,493	266,423	209,607
	Value (\$1,000)		
Covered sources	167,241	138,502	81,146
Noncovered sources	65,168	64,407	82,377
Total	232,409	202,908	163,523
	Unit value (per short ton)		
Covered sources	770	762	817
Noncovered sources	802	761	747
Average	779	762	780
	Share of quantity (percent)		
Covered sources	72.8	68.2	47.4
Noncovered sources	27.2	31.8	52.6
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources	72.0	68.3	49.6
Noncovered sources	28.0	31.7	50.4
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from official statistics of Commerce.			

Table LONG II-4
Rebar: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources ¹	1,192,597	1,367,171	304,938
Noncovered sources	361,375	484,694	729,313
Total	1,553,972	1,851,865	1,034,251
	Value (\$1,000)		
Covered sources ¹	264,805	293,263	72,087
Noncovered sources	83,921	111,305	172,643
Total	348,726	404,568	244,730
	Unit value (per short ton)		
Covered sources ¹	222	215	236
Noncovered sources	232	230	237
Average	224	218	237
	Share of quantity (percent)		
Covered sources ¹	76.7	73.8	29.5
Noncovered sources	23.3	26.2	70.5
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources ¹	75.9	72.5	29.5
Noncovered sources	24.1	27.5	70.5
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
<p>¹ Although Moldova, Turkey, and Venezuela are generally excluded from the section 203 relief, they are covered sources with respect to imports of rebar.</p> <p>Note.—Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from official statistics of Commerce.</p>			

Table LONG II-5
Long products: U.S. imports from covered sources, by tariff categories, April 2002-March 2003

* * * * *

U.S. IMPORTERS' INVENTORIES

The Commission requested information from importers concerning their end-of-period inventories of all carbon and alloy long products. End-of-period inventory data for imported products from covered and noncovered sources are presented for carbon and alloy long products in tables LONG II-6 and LONG II-7, respectively.

Table LONG II-6

Long products: U.S. importers' reported U.S. shipments and end-of-period inventories of imports from covered sources, by products, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. shipments of imports:			
Hot bar	388,928	382,394	549,586
Cold bar	189,735	138,166	75,627
Rebar	688,593	693,674	303,484
Total	1,267,256	1,214,233	928,697
End-of-period inventories:			
Hot bar	44,690	37,480	36,190
Cold bar	13,911	24,024	19,183
Rebar	0	1,340	0
Total	58,602	62,843	55,373
	Ratio of inventories to U.S. shipment of imports (percent)		
Hot bar	11.5	9.8	6.6
Cold bar	7.3	17.4	25.4
Rebar	0.0	0.2	0.0
Average	4.6	5.2	6.0
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Table LONG II-7

Long products: U.S. importers' reported U.S. shipments and end-of-period inventories of imports from noncovered sources, by products, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. shipments of imports:			
Hot bar	578,902	515,078	690,506
Cold bar	80,867	93,503	124,388
Rebar	133,217	314,720	287,639
Total	792,986	923,302	1,102,533
End-of-period inventories:			
Hot bar	53,379	63,588	89,457
Cold bar	646	581	568
Rebar	671	1,615	3,676
Total	54,696	65,784	93,702
	Ratio of inventories to U.S. shipment of imports (percent)		
Hot bar	9.2	12.3	13.0
Cold bar	0.8	0.6	0.5
Rebar	0.5	0.5	1.3
Average	6.9	7.1	8.5
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

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

Data on apparent U.S. consumption and market shares of hot bar, cold bar, and rebar are presented in tables LONG II-8 through LONG-II-10, respectively.

Table LONG II-8

Hot bar: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	777,921	708,271	480,517
Noncovered sources	1,527,754	1,281,609	1,426,887
Total U.S. imports	2,305,675	1,989,880	1,907,404
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	406,022	370,519	266,106
Noncovered sources	596,887	475,949	568,919
Total U.S. imports	1,002,909	846,468	835,025
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

Table LONG II-9

Cold bar: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	217,227	181,738	99,304
Noncovered sources	81,266	84,685	110,302
Total U.S. imports	298,493	266,423	209,607
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	167,241	138,502	81,146
Noncovered sources	65,168	64,407	82,377
Total U.S. imports	232,409	202,908	163,523
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

Table LONG II-10

Rebar: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
Quantity (short tons)			
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	1,192,597	1,367,171	304,938
Noncovered sources	361,375	484,694	729,313
Total U.S. imports	1,553,972	1,851,865	1,034,251
Apparent U.S. consumption	***	***	***
Value (\$1,000)			
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	264,805	293,263	72,087
Noncovered sources	83,921	111,305	172,643
Total U.S. imports	348,726	404,568	244,730
Apparent U.S. consumption	***	***	***
U.S. market share based on quantity (percent)			
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
U.S. market share based on value (percent)			
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
<p>¹ Although Moldova, Turkey, and Venezuela are generally excluded from the section 203 relief, they are covered sources with respect to imports of rebar.</p> <p>Note.—Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.</p>			

PART III: CONDITION OF THE U.S. INDUSTRY

U.S. CAPACITY, PRODUCTION, SHIPMENTS, INVENTORIES, AND EMPLOYMENT

Data on U.S. long products producers' capacity, production, capacity utilization, shipments, inventories, and employment are presented in tables LONG III-1 through LONG III-3, respectively.¹

¹ The Commission anticipates receiving a questionnaire response from International Steel Group (ISG) that should include the data of ISG, Bethlehem Steel, and LTV. To the extent practical, staff will generate updated tables incorporating these firms' data and submit them to the Commission and Parties prior to the hearing.

Table LONG III-1

Hot bar: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

* * * * *

Table LONG III-2

Cold bar: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

* * * * *

Table LONG III-3
Rebar: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-
March 2003

* * * * * *

FINANCIAL

Financial data provided by U.S. producers concerning the specific long products—hot bar, cold bar, and rebar are presented in tables LONG III-4 through LONG III-6, respectively.

Only three firms reported the receipt of CDSOA (Byrd Amendment) funds during the period examined. In two of these cases funds were received for rebar, while the third case involved the receipt of funds for hot bar. All CDSOA funds are classified as “other income” in the following tables.

The majority of firms that provided usable financial data reported pension expense and/or other post-employment benefits during the period examined. Twelve firms reported such expenses for hot bar, six firms reported such expenses for cold bar, and six firms reported such expenses for rebar. All pension expense and other post-employment benefits are classified as COGS and/or SG&A expenses in the following tables.

Table LONG III-4
Hot bar: Results of operations of U.S. producers, April 2000-March 2003

* * * * *

Table LONG III-5
Cold bar: Results of operations of U.S. producers, April 2000-March 2003

* * * * *

Table LONG III-6
Rebar: Results of operations of U.S. producers, April 2000-March 2003

* * * * *

PART IV: ADJUSTMENT EFFORTS

U.S. PRODUCERS' ADJUSTMENT PLANS

U.S. producers were asked whether they had indicated to USTR since the initiation of the original section 201 investigation or to the Commission in its response to the producers' questionnaire issued in connection with investigation No. TA-201-73 that their firm would make adjustments in their subject steel products operations that would permit them to compete more effectively with imports of subject steel products after relief expires if their firm were to receive import relief as a result of that investigation. The responses of long products producers are presented table D-2 in appendix D. A summary of responses is presented in table LONG IV-1.

Table LONG IV-1

Long products: U.S. producers' responses to the question of whether or not adjustment plans were submitted to USTR or the Commission in the section 201 investigation

Item	Firms that submitted adjustment plans	Firms that did not submit adjustment plans	Firms that did not know whether adjustment plans were submitted	Total
Number	***	***	***	***

**EFFECTS OF THE IMPORT RELIEF ACTION
ON INDIVIDUAL FIRMS' OPERATIONS**

The Commission asked U.S. producers to describe the significance of the tariffs and/or tariff-rate quotas imposed by the President effective on or after March 20, 2002, in terms of their effect on their firms' operations. The responses of long products producers are presented in appendix E.

**U.S. PRODUCERS' EFFORTS TO COMPETE
MORE EFFECTIVELY IN THE U.S. MARKET**

The Commission asked U.S. producers to indicate whether they had undertaken any efforts to compete more effectively in the U.S. market for the subject steel products. The responses of long products producers are presented in appendix F.

PART V: PRICING AND RELATED INFORMATION¹

CHANGES IN U.S. DEMAND

*** of *** responding U.S. producers reported that U.S. demand for long steel products has decreased, *** reported that demand has remained the same, and *** reported that demand has increased since March 20, 2002. U.S. producers that reported decreased demand generally cited the slowing U.S. economy, particularly weakness in capital spending and the construction and manufacturing market sectors. U.S. producers that reported increased demand cited factors such as the strong U.S. automotive market and increased demand from the energy sector.

Thirty-three of 68 responding importers reported that U.S. demand for long steel products has decreased, thirteen reported that demand has remained the same, and two reported that demand has increased since March 20, 2002. Importers that reported decreased demand generally cited the slowing U.S. economy and the loss of manufacturing facilities to other countries. Declining market sectors cited by importers include aerospace, power generation, capital goods, automotive, construction, and appliance. Importers that reported increased demand cited increased automotive production as a factor.

*** U.S. producers reported that there have been no changes in the types or prices of substitute products since March 20, 2002. Thirty-eight of 41 responding importers reported that there have been no changes in the types or prices of substitute products since March 20, 2002.

Apparent U.S. consumption of long steel products *** by *** percent from *** short tons in SY 2001 to *** short tons in SY 2002.

CHANGES IN U.S. SUPPLY

*** of *** U.S. producers reported making efforts to increase product availability to their customers since March 20, 2002. *** of *** responding U.S. producers reported that their order backlogs for long steel products have decreased, *** reported that backlogs have stayed the same, and *** reported that backlogs have increased. *** of *** responding U.S. producers reported that their

¹ This section does not include any information from purchaser questionnaire responses due to time constraints. Purchaser information will be included in this section in the final report.

on-time shipment percentage stayed the same, *** reported that their on-time shipment percentage increased, and *** reported that its on-time percentage decreased. *** of *** responding U.S. producers reported that there has not been a change in the geographic market to which they sell long steel products. *** of *** responding U.S. producers reported that there have not been changes in their channels of distribution. *** of *** responding U.S. producers reported no change in the share of their sales of long steel products that are from inventory. *** of *** responding U.S. producers reported no changes in average lead times for sales from inventory, whereas *** of *** responding U.S. producers reported no changes in average lead times for sales from production. *** of *** responding U.S. producers reported no changes in their product range and *** of *** responding U.S. producers reported no changes in the demand for, or production of, alternate products.

CHANGES IN IMPORT SUPPLY

Twenty-one of 57 importers reported making efforts to increase product availability to their customers since March 20, 2002. Twenty-eight of 56 responding importers reported that their order backlogs for long steel products have decreased, 25 reported that backlogs have stayed the same, and three reported that backlogs have increased. Forty-two of 59 responding importers reported that their on-time shipment percentage stayed the same, five reported that their on-time shipment percentage increased, and 12 reported that their on-time percentage decreased. Fifty-six of 58 responding importers reported that there has not been a change in the geographic market to which they sell long steel products. Fifty of 52 responding importers reported that there have not been changes in their channels of distribution. Forty-eight of 53 responding importers reported no change in the share of their sales of long steel products that are from inventory. Thirty-three of 35 responding importers reported no changes in average lead times for sales from inventory, and 36 of 47 responding importers reported no changes in average lead times for sales from production. Fifty-one of 59 responding importers reported no changes in their product range, and 43 of 50 reported no changes in the demand for or production of alternate products. Sixteen of 57 responding importers reported importing long steel products from foreign producers from which they had not imported prior to March 20, 2002.

FACTORS AFFECTING PRICES

Producer and Importer Responses

U.S. producers and importers were asked to report the importance of 16 factors that have influenced the price of long steel products in the U.S. market (table LONG V-1). U.S. producers and importers were also asked to indicate whether the same 16 factors have tended to increase, decrease, or have no effect on the price of long steel products since March 20, 2002 (table LONG V-2).

Table LONG V-1
The relative contribution of factors to the price of steel since March 20, 2003

Item	Producers	Importers
Changes in competition between U.S. producers	***	1.8
Changes in the level of competition from substitute products	***	3.1
Changes in the level of competition by imports	(¹)	1.9
Changes in the level of competition from imports from excluded countries	***	(²)
Changes in the level of competition from imports from non-excluded countries	***	(²)
Changes in the cost of raw materials	***	2.0
Changes in energy costs	***	2.3
Changes in U.S. production capacity	***	1.7
Changes in the allocation of production capacity to alternate products	***	3.0
Changes in the productivity of domestic producers	***	2.6
Changes in labor agreements, contracts, etc.	***	2.5
Changes in transportation/delivery cost changes	***	2.4
Changing market patterns	***	2.6
Changes in demand for steel	(¹)	1.7
Changes in demand for steel within the United States	***	(²)
Changes in demand for steel outside United States	***	(²)
¹ Did not ask U.S. producers to rank this factor. ² Did not ask importers to rank this factor.		
Note.—Numbers in the table represent the average ranking of each factor by responding producers and importers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important.		
Source: Compiled from data submitted in response to Commission questionnaires.		

Table LONG V-2
The influence of factors on the price of steel since March 20, 2002

Item	Producers			Importers		
	I	N	D	I	N	D
Changes in competition between U.S. producers	***	***	***	29	21	8
Changes in the level of competition from substitute products	***	***	***	5	48	6
Changes in the level of competition by imports	(¹)	(¹)	(¹)	20	21	18
Changes in the level of competition from imports from excluded countries	***	***	***	(²)	(²)	(²)
Changes in the level of competition from imports from non-excluded countries	***	***	***	(²)	(²)	(²)
Changes in the cost of raw materials	***	***	***	47	11	2
Changes in energy costs	***	***	***	43	14	1
Changes in U.S. production capacity	***	***	***	25	21	11
Changes in the allocation of production capacity to alternate products	***	***	***	8	48	1
Changes in the productivity of domestic producers	***	***	***	8	42	6
Changes in labor agreements, contracts, etc.	***	***	***	16	33	7
Changes in transportation/delivery cost changes	***	***	***	32	22	1
Changing market patterns	***	***	***	10	38	7
Changes in demand for steel	(¹)	(¹)	(¹)	10	15	29
Changes in demand for steel within the United States	***	***	***	(²)	(²)	(²)
Changes in demand for steel outside United States	***	***	***	(²)	(²)	(²)
¹ U.S. producers were not asked report the effect of this factor on pricing. ² Importers were not asked report the effect of this factor on pricing.						
Note.—The numbers in the table represent the number of responding producers and importers that reported that changes in a factor have tended to increase prices (I), have had no effect (N), or have tended to decrease prices (D) for steel since March 20, 2002.						
Source: Compiled from data submitted in response to Commission questionnaires.						

Changes in Raw Material Costs

Unit raw material costs, by long steel product category are shown in table LONG V-3.

Table LONG V-3

Long products: Unit raw material costs, by product category, April 2000-March 2003

* * * * *

PRICING PRACTICES

Nearly all responding U.S. producers and importers reported making no changes in the way they determine the price they charge or discounts allowed for sales of long steel products since March 20, 2002. *** of *** responding U.S. producers and 50 of 54 responding importers reported that there has not been a change in the share of their sales that are on a contract vis-a-vis a spot basis. *** of *** U.S. producers and 21 of 35 importers reported that contract prices tend to follow a similar trend as spot prices, although several noted that contract prices tended to lag spot prices.

PRICE DATA

The Commission asked for quarterly sales value and quantity data for U.S. producers' and importers' sales of the following four carbon and alloy steel long products during April 2000-March 2003:

Product 7.—Hot-rolled bars, grade ASTM A36 or equivalent in sizes 3 inches and under.

Product 8A.—C1045, one inch round.

Product 8B.—C12L14, one inch round.

Product 9.—Straight ASTM A615, Nos. 4 and 5, grade 60 rebar.

Public Version

Table LONG V-4 shows the share of U.S. producers' U.S. commercial shipments of long steel products accounted for by the reported pricing data. Table LONG V-4 also shows the share of U.S. imports of long steel products accounted for by the reported pricing data.

Table LONG V-4
Long products: Percent share accounted for by price data, by product category

* * * * *

Price Trends

Weighted-average prices, margins of underselling/overselling, and quantities sold of U.S.-produced, covered imported, and noncovered imported long steel products are shown in tables LONG V-5 through LONG-V-8. Weighted average prices of U.S.-produced, covered imported, and noncovered imported long steel products are also shown in figure G-2 of appendix G. A summary of the price data, by product, is shown in table LONG V-9, and summaries of the margins of underselling/(overselling) of imports from covered and noncovered sources are shown in tables LONG V-10 and LONG V-11, respectively.

Table LONG V-5

Hot bar: Weighted-average price and quantity data for U.S.-produced and imported product 7 from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

*	*	*	*	*	*	*
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Table LONG-V-6

Cold bar: Weighted-average price and quantity data for U.S.-produced and imported product 8A from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

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Table LONG V-7

Cold bar: Weighted-average price and quantity data for U.S.-produced and imported product 8B from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

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Table LONG V-8

Rebar: Weighted-average price and quantity data for U.S.-produced and imported product 9 from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

* * * * *

Table LONG V-9

Long: Change in quarterly prices of U.S. product, imports from covered sources and imports from noncovered sources, by product

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Table LONG-V-10
Summary of quarters of underselling and overselling, and the range of margins of underselling and overselling of imports from covered sources, by product, April 2000-March 2003

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Table LONG V-11
Summary of quarters of underselling and overselling, and the range of margins of underselling and overselling of imports from noncovered sources, by product, April 2000-March 2003

* * * * *

PART VI: THE FOREIGN INDUSTRIES

The Commission requested information from foreign producers concerning their production, capacity, shipments, and inventories of all carbon and alloy long products. Tables LONG VI-1 through LONG VI-6 present data for hot bar, cold bar, and rebar, respectively. Data are presented separately for covered and noncovered sources.

Table LONG VI-1
Hot bar: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-
March 2005

* * * * *

Table LONG VI-2
Hot bar: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

Table LONG VI-3

Cold bar: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

Table LONG VI-4

Cold bar: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2004, and April 2004-March 2005

* * * * *

Table LONG VI-5
Rebar: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-
March 2004, and April 2004-March 2005

* * * * *

Table LONG VI-6

Rebar: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2004, and April 2004-March 2005

* * * * *

CARBON AND ALLOY TUBULAR PRODUCTS

PART I: DESCRIPTION AND USES¹

WELDED

Carbon and alloy welded tubular products (welded) are produced by bending flat-rolled steel products to form a hollow product with overlapping or abutting seams. These products are then fastened along the seam by welding, although clipping, riveting, and forging are also used to fasten a length of the product. Generally, welded tubular products are slightly less reliable and durable than seamless tubular products because of the presence of a welded seam. Welded tubular products are used in the conveyance of water, petrochemicals, oil products, natural gas, and other substances in industrial piping systems.

Carbon and alloy welded products (other than oil country tubular goods (OCTG)) are provided for in the following HTS statistical reporting numbers:²

7305.11.1030	7305.19.5000	7306.30.1000	7306.30.5055	7306.50.5070
7305.11.1060	7305.31.2000	7306.30.5010	7306.30.5085	7306.60.1000
7305.11.5000	7305.31.4000	7306.30.5015	7306.30.5090	7306.60.3000
7305.12.1030	7305.31.6000	7306.30.5020	7306.50.1000	7306.60.5000
7305.12.1060	7305.39.1000	7306.30.5025	7306.50.3000	7306.60.7060
7305.12.5000	7305.39.5000	7306.30.5032	7306.50.5010	7306.90.1000
7305.19.1030	7305.90.1000	7306.30.5035	7306.50.5030	7306.90.5000
7305.19.1060	7305.90.5000	7306.30.5040	7306.50.5050	

¹ Although seamless tubular products, seamless OCTG products, and welded OCTG products were subject products in the section 201 investigation, they were excluded from the section 203 remedy, and therefore, are not subject products in this investigation.

² The temporary HTS subheadings for welded products (other than OCTG) established by proclamation pursuant to trade legislation are:

- (1) 9903.73.74 and 9903.73.75 for products outside the scope of the 201 investigation and therefore excluded from the 203 remedy, and 9903.73.77, 9903.73.78, 9903.77.30, 9903.77.31, 9903.77.33 through 9903.77.35, 9903.77.37, 9903.77.38, 9903.77.40 through 9903.77.42, and 9903.82.90 through 9903.82.98 for other products excluded from the 203 remedy,
- (2) 9903.77.32, 9903.77.36, 9903.77.39, 9903.82.99, and 9903.83.00 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.73.84, 9903.73.85, and 9903.73.86 for products entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing incurring, respectively, 15 percent additional tariffs through March 19, 2003, 12 percent additional tariffs through March 19, 2004, and 9 percent additional tariffs through March 20, 2005.

FITTINGS

Carbon and alloy fittings and flanges (fittings) are generally used for connecting the bores of two or more pipes or tubes together, or for connecting a pipe or tube to some other apparatus, or for closing the tube aperture.³

Carbon and alloy fittings and flanges are provided for in the following HTS statistical reporting numbers:⁴

7307.91.5010	7307.91.5070	7307.92.9000	7307.93.9030	7307.99.5045
7307.91.5030	7307.92.3010	7307.93.3000	7307.93.9060	7307.99.5060
7307.91.5050	7307.92.3030	7307.93.6000	7307.99.5015	

³ Tool joints were included in the fittings category in investigation No. TA-201-73. However, the section 203 remedy specifically excluded tool joints from the fittings product category. Therefore, tool joints are not subject products of this investigation.

⁴ The temporary HTS subheadings for fittings established by proclamation pursuant to trade legislation are:

- (1) 9903.77.51 for products excluded from the 203 remedy,
- (2) 9903.77.50 for products entered in quantities up to a stated limit without additional tariffs, and
- (3) 9903.73.93, 9903.73.94, and 9903.73.95 for products entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing incurring, respectively, 13 percent additional tariffs through March 19, 2003, 10 percent additional tariffs through March 19, 2004, and 7 percent additional tariffs through March 20, 2005.

PART II: THE U.S. MARKET

U.S. PRODUCERS

A list of U.S. producers of tubular products providing a response to the Commission's producers' questionnaire in this investigation is presented in table OVERVIEW II-1 in the *Introduction and General Overview* section of this report. The following tabulation summarizes the number of responding firms by category:

Item	Welded	Fittings
Number of firms	25	7

U.S. producers' production by products is presented in table TUBULAR II-1.

U.S. PRODUCERS' POSITIONS ON RELIEF

U.S. producers' positions taken with respect to the 203 relief is presented in table OVERVIEW II-2 in the *Introduction and General Overview* section of this report. The following tabulation summarizes firms' responses:

Item	Support relief	Oppose relief	Take no position	No response
Welded	42	0	44	22
Fittings	30	1	52	25

Table TUBULAR II-1

Tubular products: U.S. producers' production, by products, April 1, 2002 to March 31, 2003

* * * * *

U.S. IMPORTS

Data concerning U.S. imports of welded products and fittings from covered and noncovered sources are presented in tables TUBULAR II-2 through TUBULAR II-3, respectively.¹ Data on U.S. imports of excluded steel products are presented in table TUBULAR II-4.

¹ See, paragraphs 11 and 12 of the President's Proclamation of March 5, 2002 for a discussion of covered and noncovered countries (67 FR 10553, March 7, 2002). Based on these criteria contained therein, welded products from Thailand, and fittings from India, Romania, and Thailand are covered by relief.

Table TUBULAR II-2
Welded: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources ¹	1,179,493	1,583,353	809,695
Noncovered sources	1,319,276	1,404,878	1,517,800
Total	2,498,768	2,988,231	2,327,495
	Value (\$1,000)		
Covered sources ¹	584,967	786,623	479,506
Noncovered sources	694,895	702,976	814,395
Total	1,279,862	1,489,600	1,293,901
	Unit value (per short ton)		
Covered sources ¹	496	497	592
Noncovered sources	527	500	537
Average	512	498	556
	Share of quantity (percent)		
Covered sources ¹	47.2	53.0	34.8
Noncovered sources	52.8	47.0	65.2
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources ¹	45.7	52.8	37.1
Noncovered sources	54.3	47.2	62.9
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
¹ Although Thailand is generally excluded from the section 203 relief, it is a covered source with respect to imports of welded products.			
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from official statistics of Commerce.			

Table TUBULAR II-3
Fittings: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources ¹	109,629	136,164	99,573
Noncovered sources	38,040	35,759	31,549
Total	147,669	171,923	131,121
	Value (\$1,000)		
Covered sources ¹	211,615	239,696	194,125
Noncovered sources	116,097	111,483	90,950
Total	327,712	351,178	285,075
	Unit value (per short ton)		
Covered sources ¹	1,930	1,760	1,950
Noncovered sources	3,052	3,118	2,883
Average	2,219	2,043	2,174
	Share of quantity (percent)		
Covered sources ¹	74.2	79.2	75.9
Noncovered sources	25.8	20.8	24.1
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources ¹	64.6	68.3	68.1
Noncovered sources	35.4	31.7	31.9
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
¹ Although India, Romania, and Turkey are generally excluded from the section 203 relief, they are covered sources with respect to imports of fittings.			
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from official statistics of Commerce.			

Table TUBULAR II-4
Tubular products: U.S. imports from covered sources, by tariff categories, April 2002-March 2003

* * * * *

U.S. IMPORTERS' INVENTORIES

The Commission requested information from importers concerning their end-of-period inventories of all tubular products. End-of-period inventory data for imported products from covered and noncovered sources are presented for carbon and alloy tubular products in tables TUBULAR II-5 and TUBULAR II-6, respectively.

Table TUBULAR II-5

Tubular products: U.S. importers' reported U.S. shipments and end-of-period inventories of imports from covered sources, by products, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. shipments of imports:			
Welded	391,511	723,826	411,866
Fittings	75,905	64,941	64,060
Total	467,416	788,768	475,926
End-of-period inventories:			
Welded	4,772	6,767	4,425
Fittings	4,398	8,819	8,663
Total	9,170	15,586	13,088
	Ratio of inventories to U.S. shipment of imports (percent)		
Welded	1.2	0.9	1.1
Fittings	5.8	13.6	13.5
Average	2.0	2.0	2.8
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Table TUBULAR II-6

Tubular products: U.S. importers' reported U.S. shipments and end-of-period inventories of imports from noncovered sources, by products, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. shipments of imports:			
Welded	305,847	382,694	323,298
Fittings	4,061	4,019	2,421
Total	309,908	386,713	325,719
End-of-period inventories:			
Welded	5,958	6,747	6,017
Fittings	1,495	1,793	1,838
Total	7,453	8,540	7,855
	Ratio of inventories to U.S. shipment of imports (percent)		
Welded	1.9	1.8	1.9
Fittings	36.8	44.6	75.9
Average	2.4	2.2	2.4
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

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

Data on apparent U.S. consumption and market shares of welded products and fittings are presented in tables TUBULAR II-7 through TUBULAR-II-8, respectively.

Table TUBULAR II-7

Welded: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	1,179,493	1,583,353	809,695
Noncovered sources	1,319,276	1,404,878	1,517,800
Total U.S. imports	2,498,768	2,988,231	2,327,495
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	584,967	786,623	479,506
Noncovered sources	694,895	702,976	814,395
Total U.S. imports	1,279,862	1,489,600	1,293,901
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
¹ Although Thailand is generally excluded from the section 203 relief, it is a covered source with respect to imports of welded products.			
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

Table TUBULAR II-8

Fittings: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	109,629	136,164	99,573
Noncovered sources	38,040	35,759	31,549
Total U.S. imports	147,669	171,923	131,121
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	211,615	239,696	194,125
Noncovered sources	116,097	111,483	90,950
Total U.S. imports	327,712	351,178	285,075
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources ¹	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
<p>¹ Although India, Romania, and Turkey are generally excluded from the section 203 relief, they are covered sources with respect to imports of fittings.</p> <p>Note.—Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.</p>			

PART III: CONDITION OF THE U.S. INDUSTRY

U.S. CAPACITY, PRODUCTION, SHIPMENTS, INVENTORIES, AND EMPLOYMENT

Data on U.S. producers' capacity, production, capacity utilization, shipments, inventories, and employment for welded products and fittings are presented in tables TUBULAR III-1 through TUBULAR III-2, respectively.

Table TUBULAR III-1

Welded: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

* * * * *

Table TUBULAR III-2

Fittings: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

* * * * *

FINANCIAL

Financial data on welded pipe other than OCTG, and on flanges and fittings provided by U.S. producers are presented in tables TUBULAR III-3 and TUBULAR III-4, respectively

Nine firms that reported financial data for welded pipe reported receiving funds under CDSOA (Byrd Amendment), which they classified as other income.¹ One firm reported receiving CDSOA funds for flanges and fittings.²

Thirteen firms reported incurring pension expenses in their operations producing welded pipe, and generally classified those expenses within one of two categories of COGS, as either other factory costs or direct labor. Three of the thirteen also reported part of their pension expenses as a component of total SG&A expenses. Three firms producing flanges and fittings reported pension expenses, and generally classified such expenses as a component of COGS.

Seven firms producing welded pipe reported incurring other post-employment expenses (OPEBs), and classified those expenses within COGS. One firm that produced flanges and fittings reported OPEBs, classified as a part of “other factory costs.”

¹ *** classified these funds received as an offset to SG&A; Commission staff adjusted them to other income.

² *** classified these funds as an offset to operating expenses; Commission staff adjusted them to other income.

Table TUBULAR III-3
Welded: Results of operations of U.S. producers, April 2000-March 2003

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Table TUBULAR III-4
Fittings: Results of operations of U.S. producers, April 2000-March 2003

* * * * *

PART IV: ADJUSTMENT EFFORTS

U.S. PRODUCERS' ADJUSTMENT PLANS

U.S. producers were asked whether they had indicated to USTR since the initiation of the original section 201 investigation or to the Commission in its response to the producers' questionnaire issued in connection with investigation No. TA-201-73 that their firm would make adjustments in their subject steel products operations that would permit them to compete more effectively with imports of subject steel products after relief expires if their firm were to receive import relief as a result of that investigation. The responses of tubular products producers are presented in table D-3 in appendix D. A summary of responses is presented in table TUBULAR IV-1.

Table TUBULAR IV-1

Tubular products: U.S. producers' responses to the question of whether or not adjustment plans were submitted to USTR or the Commission in the section 201 investigation

Item	Firms that submitted adjustment plans	Firms that did not submit adjustment plans	Firms that did not know whether adjustment plans were submitted	Total
Number	16	13	4	33

**EFFECTS OF THE IMPORT RELIEF ACTION
ON INDIVIDUAL FIRMS' OPERATIONS**

The Commission asked U.S. producers to describe the significance of the tariffs and/or tariff-rate quotas imposed by the President effective on or after March 20, 2002, in terms of their effect on their firms' operations. The responses of tubular products producers are presented in appendix E.

**U.S. PRODUCERS' EFFORTS TO COMPETE
MORE EFFECTIVELY IN THE U.S. MARKET**

The Commission asked U.S. producers to indicate whether they had undertaken any efforts to compete more effectively in the U.S. market for the subject steel products. The responses of tubular products producers are presented in appendix F.

PART V: PRICING AND RELATED INFORMATION¹

CHANGES IN U.S. DEMAND

Eleven of 18 responding U.S. producers reported that U.S. demand for tubular steel products has decreased and seven reported that demand has remained the same since March 20, 2002. U.S. producers that reported decreased demand generally cited the slowing U.S. economy, particularly weakness in capital spending and the construction market sector, delays in mandated EPA upgrades, and a lack of projects and maintenance in the refining and petrochemical industry.

Twenty-two of 33 responding importers reported that U.S. demand for tubular steel products has decreased, seven reported that demand has remained the same, and four reported that demand has increased since March 20, 2002. Importers that reported decreased demand generally cited the slowing U.S. economy and the loss of manufacturing, mold and die production to other countries. Declining market sectors cited by importers include automotive, construction, capital goods, and petrochemical industry. Importers that reported increased demand increased cited increased demand for oil and gas as factors.

Sixteen of 19 responding U.S. producers reported that there have been no changes in the types or prices of substitute products since March 20, 2002. Thirty-five of 37 responding importers reported that there have been no changes in the types or prices of substitute products since March 20, 2002.

Apparent U.S. consumption of tubular steel products *** by *** percent from *** short tons in SY 2001 to *** short tons in SY 2002.

CHANGES IN U.S. SUPPLY

Ten of 22 U.S. producers reported making efforts to increase product availability to their customers since March 20, 2002. Ten of 21 responding U.S. producers reported that their order backlogs for tubular steel products have decreased, nine reported that backlogs have stayed the same, and two reported that backlogs have increased. Sixteen of 21 responding U.S. producers reported that their on-

¹ This section does not include any information from purchaser questionnaire responses due to time constraints. Purchaser information will be included in this section in the final report.

time shipment percentage stayed the same, five reported that their on-time shipment percentage increased, and no U.S. producers reported that their on-time percentage decreased. Twenty-one of 22 responding U.S. producers reported that there has not been a change in the geographic market to which they sell tubular steel products. Twenty of 21 responding U.S. producers reported that there have not been changes in their channels of distribution. Nineteen of 22 responding U.S. producers reported no change in the share of their sales of tubular steel products that are from inventory. Seventeen of 21 responding U.S. producers reported no changes in average lead times for sales from inventory, and 15 of 22 responding U.S. producers reported no changes in average lead times for sales from production. Nineteen of 22 responding U.S. producers reported no changes in their product range and 18 of 21 responding U.S. producers reported no changes in the demand for, or production of, alternate products.

CHANGES IN IMPORT SUPPLY

Seventeen of 50 importers reported making efforts to increase product availability to their customers since March 20, 2002. Nineteen of 48 responding importers reported that their order backlogs for tubular steel products have decreased, 25 reported that backlogs have stayed the same, and four reported that backlogs have increased. Thirty-three of 50 responding importers reported that their on-time shipment percentage stayed the same, five reported that their on-time shipment percentage increased, and 12 reported that their on-time percentage decreased. Forty-six of 48 responding importers reported that there has not been a change in the geographic market to which they sell tubular steel products. Forty-three of 45 responding importers reported that there have not been changes in their channels of distribution. Thirty-seven of 44 responding importers reported no change in the share of their sales of tubular steel products that are from inventory. All 30 responding importers reported no changes in average lead times for sales from inventory, whereas 27 of 36 responding importers reported no changes in average lead times for sales from production. Forty-three of 53 responding importers reported no changes in their product range, and 40 of 43 reported no changes in the demand for or production of alternate products. Ten of 51 responding importers reported importing tubular steel products from foreign producers from which they had not imported prior to March 20, 2002.

FACTORS AFFECTING PRICES

Producer and Importer Responses

U.S. producers and importers were asked to report the importance of 16 factors that have influenced the price of tubular steel products in the U.S. market (table TUBULAR V-1). U.S. producers and importers were also asked to indicate whether the same 16 factors have tended to increase, decrease, or have no effect on the price of tubular steel products since March 20, 2002 (table TUBULAR V-2).

Table TUBULAR V-1
The relative contribution of factors to the price of steel since March 20, 2003

Item	Producers	Importers
Changes in competition between U.S. producers	1.7	2.1
Changes in the level of competition from substitute products	3.1	3.1
Changes in the level of competition by imports	(¹)	2.1
Changes in the level of competition from imports from excluded countries	1.6	(²)
Changes in the level of competition from imports from non-excluded countries	2.0	(²)
Changes in the cost of raw materials	1.6	2.4
Changes in energy costs	2.1	2.6
Changes in U.S. production capacity	1.7	1.9
Changes in the allocation of production capacity to alternate products	3.3	3.0
Changes in the productivity of domestic producers	2.5	2.7
Changes in labor agreements, contracts, etc.	2.4	2.8
Changes in transportation/delivery cost changes	2.4	2.5
Changing market patterns	2.3	2.6
Changes in demand for steel	(¹)	1.8
Changes in demand for steel within the United States	1.4	(²)
Changes in demand for steel outside United States	2.3	(²)
¹ Did not ask U.S. producers to rank this factor. ² Did not ask importers to rank this factor.		
Note.—Numbers in the table represent the average ranking of each factor by responding producers and importers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important.		
Source: Compiled from data submitted in response to Commission questionnaires.		

Table TUBULAR V-2
The influence of factors on the price of steel since March 20, 2002

Item	Producers			Importers		
	I	N	D	I	N	D
Changes in competition between U.S. producers	7	10	4	19	24	7
Changes in the level of competition from substitute products	1	18	1	5	43	1
Changes in the level of competition by imports	(¹)	(¹)	(¹)	15	16	20
Changes in the level of competition from imports from excluded countries	7	6	8	(²)	(²)	(²)
Changes in the level of competition from imports from non-excluded countries	6	6	9	(²)	(²)	(²)
Changes in the cost of raw materials	16	3	0	33	17	2
Changes in energy costs	16	5	0	27	21	1
Changes in U.S. production capacity	3	11	7	17	20	13
Changes in the allocation of production capacity to alternate products	1	18	1	7	40	1
Changes in the productivity of domestic producers	4	13	3	7	35	8
Changes in labor agreements, contracts, etc.	3	14	3	8	37	4
Changes in transportation/delivery cost changes	16	5	0	28	23	0
Changing market patterns	3	11	7	9	33	7
Changes in demand for steel	(¹)	(¹)	(¹)	7	16	27
Changes in demand for steel within the United States	1	5	12	(²)	(²)	(²)
Changes in demand for steel outside United States	9	7	2	(²)	(²)	(²)
¹ U.S. producers were not asked report the effect of this factor on pricing. ² Importers were not asked report the effect of this factor on pricing. Note.—The numbers in the table represent the number of responding producers and importers that reported that changes in a factor have tended to increase prices (I), have had no effect (N), or have tended to decrease prices (D) for steel since March 20, 2002. Source: Compiled from data submitted in response to Commission questionnaires.						

Changes in Raw Material Costs

Unit raw material costs, by tubular steel product category are shown in table TUBULAR V-3.

Table TUBULAR V-3

Tubular products: Unit raw material costs, by product category, April 2000-March 2003

* * * * *

PRICING PRACTICES

Nearly all responding U.S. producers and importers reported making no changes in the way they determine the price they charge or discounts allowed for sales of tubular steel products since March 20, 2002. Twenty-one of 22 responding U.S. producers and 37 of 42 responding importers reported that there has not been a change in the share of their sales that are on a contract vis-a-vis a spot basis. Seven of eight U.S. producers and 13 of 25 importers reported that contract prices tend to follow a similar trend as spot prices, although several noted that contract prices tended to lag spot prices and are not as volatile.

PRICE DATA

The Commission asked for quarterly sales value and quantity data for U.S. producers' and importers' sales of the following three carbon and alloy steel tubular products during April 2000-March 2003:

Product 10A.—Circular welded non-alloy steel pipe meeting ASTM A-53 or equivalent, schedule 40, black, plain-end, two inches nominal inside diameter.

Product 10B.—ASTM A-513 (mechanical) or A-500 grade A or B (ornamental) tubing, carbon welded, pickled and oiled, 1 inch square, 0.065 inch nominal wall thickness (+ or - 10 percent), 20 foot to 24 foot mill lengths.

Product 11.—Carbon steel butt-weld pipe fitting, 6 inch nominal diameter, 90 degree elbow, long radius, standard weight, meeting ASTM A-234, grade WPB or equivalent specifications.

Public Version

Table TUBULAR V-4 shows the share of U.S. producers' U.S. commercial shipments of tubular steel products accounted for by the reported pricing data. Table TUBULAR V-4 also shows the share of U.S. imports of tubular steel products accounted for by the reported pricing data.

Table TUBULAR V-4
Tubular products: Percent share accounted for by price data, by product category

* * * * *

Price Trends

Weighted-average prices, margins of underselling/overselling, and quantities sold of U.S.-produced, covered imported, and noncovered imported tubular steel products are shown in tables TUBULAR V-5 through TUBULAR V-7. Weighted average prices of U.S.-produced, covered imported, and noncovered imported tubular steel products are also shown in figure G-3 of appendix G. A summary of the price data, by product, is shown in table TUBULAR V-8 and summaries of the margins of underselling/overselling of imports from covered and noncovered sources are shown in tables TUBULAR V-9 and TUBULAR V-10, respectively.

Table TUBULAR V-5

Welded: Weighted-average price and quantity data for U.S.-produced and imported product 10A from covered sources and noncovered sources, and margins of underselling, by quarters, April 2000-March 2003

*	*	*	*	*	*	*
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Table TUBULAR V-6

Welded: Weighted-average price and quantity data for U.S.-produced and imported product 10B from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

*	*	*	*	*	*	*
---	---	---	---	---	---	---

Table TUBULAR V-7

Fittings: Weighted-average price and quantity data for U.S.-produced and imported product 11 from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

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Table TUBULAR V-8

Tubular products: Change in quarterly prices of U.S. product, imports from covered sources and imports from noncovered sources, by product

* * * * *

Table TUBULAR V-9
Summary of quarters of underselling and overselling, and the range of margins of underselling and overselling of imports from covered sources, by product, April 2000-March 2003

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Table TUBULAR V-10
Summary of quarters of underselling and overselling, and the range of margins of underselling and overselling of imports from noncovered sources, by product, April 2000-March 2003

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PART VI: THE FOREIGN INDUSTRIES

The Commission requested information from foreign producers concerning their production, capacity, shipments, and inventories of all carbon and alloy tubular products. Tables TUBULAR VI-1 through TUBULAR VI-4 present data for welded products and fittings, respectively. Data are presented separately for covered and noncovered sources.

Table TUBULAR VI-1

Welded: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-March 2005

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Table TUBULAR VI-2
Welded: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005

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Table TUBULAR VI-3
Fittings: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-
March 2005

* * * * *

Table TUBULAR VI-4
Fittings: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

STAINLESS STEEL PRODUCTS

PART I: DESCRIPTION AND USES

STAINLESS BAR

Stainless steel bar and light shapes (stainless bar) are articles of stainless steel in straight lengths having a uniform solid cross-section in the shape of circles, segments of circles, ovals, rectangles, squares, triangles, or other convex polygons. Also included are angles, shapes, and sections (such as U, I, or H sections) not further worked than hot-rolled, hot-drawn, or extruded and concrete rebar, which had indentations, ribs, grooves, or other deformations produced during the rolling process.

Stainless bar is used in a wide variety of applications where its corrosion resistance, head resistance, and/or appearance are desired. A nonexhaustive list of end users includes the aerospace industry, automotive industry, chemical processing industry, dairy industry, and food processing industry; stainless bar is used for pharmaceutical equipment, marine applications, and pump and connectors for fluid handling systems.

Stainless bar is provided for in the following HTS statistical reporting numbers:¹

7221.00.0045	7222.19.0050	7222.30.0000	7222.40.3045	7222.40.3085
7222.11.0005	7222.20.0005	7222.40.3020	7222.40.3060	7222.40.6000
7222.11.0050	7222.20.0045	7222.40.3025	7222.40.3065	
7222.19.0005	7222.20.0075	7222.40.3040	7222.40.3080	

¹ The temporary HTS subheadings for stainless bar established by proclamation pursuant to trade legislation are:

- (1) 9903.73.97 for products outside the scope of the 201 investigation and therefore excluded from the 203 remedy, and 9903.73.98, 9903.77.62 through 9903.77.67, 9903.77.70, 9903.77.72, 9903.77.75, 9903.77.77, 9903.77.79 through 9903.77.84, 9903.82.10, 9903.82.11, and 9903.82.13 through 9903.82.15 for other products excluded from the 203 remedy,
- (2) 9903.77.61, 9903.77.68, 9903.77.69, 9903.77.73, 9903.77.74, 9903.77.76, 9903.77.78, 9903.82.12, 9903.82.16, and 9903.82.17 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.74.04, 9903.74.05, and 9903.74.06 for products entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing incurring, respectively, 15 percent additional tariffs through March 19, 2003, 12 percent additional tariffs through March 19, 2004, and 9 percent additional tariffs through March 20, 2005.

STAINLESS ROD

Stainless steel rod (stainless rod) is an intermediate stainless steel product that is produced in a wide variety of sizes and grades. In the industry, rod usually refers to the smallest round sections of steel that can be produced by the hot-rolling process. As an intermediate product, most stainless rod is further drawn into stainless steel wire. Other fabricators machine stainless rod into various downstream products, including, but not limited to, industrial fasteners, springs, medical and dental instruments, automotive parts, and welding electrodes.

Stainless rod is provided for in the following HTS statistical reporting numbers:²

7221.00.0005	7221.00.0015	7221.00.0030	7221.00.0075
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STAINLESS WIRE

Stainless steel wire (stainless wire) is produced by drawing stainless rods through a die or a series of dies, thereby reducing the diameter of the rod and creating wire. Stainless wire is used in the chemical, petroleum, medical instruments, paper-pulp, and food processing industries as well as in the production of household appliances, nails, and staples.

Wire is provided for in the following HTS statistical reporting numbers:³

7223.00.1015	7223.00.1045	7223.00.1075	7223.00.9000
7223.00.1030	7223.00.1060	7223.00.5000	

² The temporary HTS subheadings for stainless rod established by proclamation pursuant to trade legislation are:

- (1) 9903.74.08 for products outside the scope of the 201 investigation and therefore excluded from the 203 remedy, and 9903.74.09 and 9903.77.85 for other products excluded from the 203 remedy,
- (2) 9903.77.86 through 9903.77.89 for products entered in quantities up to stated limits without additional tariffs, and
- (3) 9903.74.14, 9903.74.15, and 9903.74.16 for products entered in excess of quantities specified in (2), above, and products not covered by any exclusion; all of the foregoing incurring, respectively, 15 percent additional tariffs through March 19, 2003, 12 percent additional tariffs through March 19, 2004, and 9 percent additional tariffs through March 20, 2005.

³ The temporary HTS subheadings for stainless wire established by proclamation pursuant to trade legislation are:

- (1) 9903.78.10 through 9903.78.16 for products excluded from the 203 remedy, and
- (2) 9903.74.22, 9903.74.23, and 9903.74.24 for products not excluded from relief and incurring, respectively, 8 percent additional tariffs through March 19, 2003, 7 percent additional tariffs through March 19, 2004, and 6 percent additional tariffs through March 20, 2005.

PART II: THE U.S. MARKET

U.S. PRODUCERS

A list of U.S. producers of stainless products providing a response to the Commission's producers' questionnaire in this investigation is presented in table OVERVIEW II-1 in the *Introduction and General Overview* section of this report. The following tabulation summarizes the number of responding firms by category:

Item	Stainless bar	Stainless rod	Stainless wire
Number of firms	9	4	14

U.S. producers' production by products is presented in table STAINLESS II-1.

U.S. PRODUCERS' POSITIONS ON RELIEF

U.S. producers' positions taken with respect to the 203 relief is presented in table OVERVIEW II-2 in the *Introduction and General Overview* section of this report. The following tabulation summarizes firms' responses:

Item	Support relief	Oppose relief	Take no position	No response
Stainless bar	***	***	***	***
Stainless rod	***	***	***	***
Stainless wire	***	***	***	***

Table STAINLESS II-1
Stainless products: U.S. producers' production, by products, April 1, 2002 to March 31, 2003

* * * * *

U.S. IMPORTS

Data concerning U.S. imports of stainless bar, stainless rod, and stainless wire from covered and noncovered sources are presented in tables STAINLESS II-2 through STAINLESS II-4, respectively.¹

Data on U.S. imports of excluded steel products are presented in table STAINLESS II-5.

¹ See, paragraphs 11 and 12 of the President's Proclamation of March 5, 2002 for a discussion of covered and noncovered countries (67 FR 10553, March 7, 2002).

Table STAINLESS II-2
Stainless bar: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources	117,977	82,798	63,739
Noncovered sources	25,796	25,829	35,975
Total	143,772	108,627	99,714
	Value (\$1,000)		
Covered sources	283,441	203,861	150,682
Noncovered sources	54,716	56,836	74,331
Total	338,157	260,697	225,013
	Unit value (per short ton)		
Covered sources	2,403	2,462	2,364
Noncovered sources	2,121	2,201	2,066
Average	2,352	2,400	2,257
	Share of quantity (percent)		
Covered sources	82.1	76.2	63.9
Noncovered sources	17.9	23.8	36.1
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources	83.8	78.2	67.0
Noncovered sources	16.2	21.8	33.0
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from official statistics of Commerce.			

Table STAINLESS II-3
Stainless rod: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources	67,642	64,283	40,558
Noncovered sources	10,852	2,408	5,052
Total	78,495	66,691	45,610
	Value (\$1,000)		
Covered sources	133,622	108,548	74,975
Noncovered sources	15,608	4,149	7,545
Total	149,230	112,697	82,520
	Unit value (per short ton)		
Covered sources	1,975	1,689	1,849
Noncovered sources	1,438	1,723	1,493
Average	1,901	1,690	1,809
	Share of quantity (percent)		
Covered sources	86.2	96.4	88.9
Noncovered sources	13.8	3.6	11.1
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources	89.5	96.3	90.9
Noncovered sources	10.5	3.7	9.1
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from official statistics of Commerce.			

Table STAINLESS II-4
Stainless wire: U.S. imports, by sources, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
Covered sources	27,935	26,759	25,014
Noncovered sources	4,012	4,535	8,236
Total	31,947	31,295	33,251
	Value (\$1,000)		
Covered sources	109,328	91,702	85,986
Noncovered sources	9,298	8,721	15,105
Total	118,626	100,423	101,091
	Unit value (per short ton)		
Covered sources	3,914	3,427	3,437
Noncovered sources	2,318	1,923	1,834
Average	3,713	3,209	3,040
	Share of quantity (percent)		
Covered sources	87.4	85.5	75.2
Noncovered sources	12.6	14.5	24.8
Total	100.0	100.0	100.0
	Share of value (percent)		
Covered sources	92.2	91.3	85.1
Noncovered sources	7.8	8.7	14.9
Total	100.0	100.0	100.0
	Ratio of imports to U.S. production (percent)		
Covered sources	***	***	***
Noncovered sources	***	***	***
Total	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from official statistics of Commerce.			

Table STAINLESS II-5
Stainless products: U.S. imports from covered sources, by tariff categories, April 2002-March 2003

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U.S. IMPORTERS' INVENTORIES

The Commission requested information from importers concerning their end-of-period inventories of all stainless products. End-of-period inventory data for imported product from covered and noncovered sources are presented for stainless products in tables STAINLESS II-6 and STAINLESS II-7, respectively.

Table STAINLESS II-6

Stainless products: U.S. importers' reported U.S. shipments and end-of-period inventories of imports from covered sources, by products, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. shipments of imports:			
Stainless bar	40,191	27,352	16,464
Stainless rod	37,950	35,924	24,367
Stainless wire	9,892	7,288	5,196
Total	88,034	70,564	46,027
End-of-period inventories:			
Stainless bar	10,438	9,487	9,410
Stainless rod	5,134	6,663	4,509
Stainless wire	1,409	1,252	833
Total	16,980	17,402	14,751
	Ratio of inventories to U.S. shipment of imports (percent)		
Stainless bar	26.0	34.7	57.2
Stainless rod	13.5	18.5	18.5
Stainless wire	14.2	17.2	16.0
Average	19.3	24.7	32.0
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Table STAINLESS II-7

Stainless products: U.S. importers' reported U.S. shipments and end-of-period inventories of imports from noncovered sources, by products, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. shipments of imports:			
Stainless bar	17,305	14,572	12,028
Stainless rod	4,556	1,557	4,736
Stainless wire	7,314	7,745	10,935
Total	29,175	23,875	27,699
End-of-period inventories:			
Stainless bar	2,041	2,216	2,048
Stainless rod	775	360	357
Stainless wire	485	1,892	1,600
Total	3,301	4,468	4,005
	Ratio of inventories to U.S. shipment of imports (percent)		
Stainless bar	11.8	15.2	17.0
Stainless rod	17.0	23.1	7.5
Stainless wire	6.6	24.4	14.6
Average	11.3	18.7	14.5
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

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

Data on apparent U.S. consumption and market shares of stainless bar, stainless rod, and stainless wire are presented in tables STAINLESS II-8 through STAINLESS-II-10, respectively.

Table STAINLESS II-8

Stainless bar: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	117,977	82,798	63,739
Noncovered sources	25,796	25,829	35,975
Total U.S. imports	143,772	108,627	99,714
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	283,441	203,861	150,682
Noncovered sources	54,716	56,836	74,331
Total U.S. imports	338,157	260,697	225,013
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

Table STAINLESS II-9

Stainless rod: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	67,642	64,283	40,558
Noncovered sources	10,852	2,408	5,052
Total U.S. imports	78,495	66,691	45,610
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	133,622	108,548	74,975
Noncovered sources	15,608	4,149	7,545
Total U.S. imports	149,230	112,697	82,520
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

Table STAINLESS II-10

Stainless wire: U.S. shipments of domestic product, U.S. imports, by sources, apparent U.S. consumption, and market shares, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	Quantity (short tons)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	27,935	26,759	25,014
Noncovered sources	4,012	4,535	8,236
Total U.S. imports	31,947	31,295	33,251
Apparent U.S. consumption	***	***	***
	Value (\$1,000)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	109,328	91,702	85,986
Noncovered sources	9,298	8,721	15,105
Total U.S. imports	118,626	100,423	101,091
Apparent U.S. consumption	***	***	***
	U.S. market share based on quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
	U.S. market share based on value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

PART III: CONDITION OF THE U.S. INDUSTRY

U.S. CAPACITY, PRODUCTION, SHIPMENTS, INVENTORIES, AND EMPLOYMENT

Data on U.S. producers' capacity, production, capacity utilization, shipments, inventories, and employment for stainless bar, stainless rod, and stainless wire are presented in tables STAINLESS III-1 through STAINLESS III-3, respectively.

Table STAINLESS III-1
Stainless bar: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

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Table STAINLESS III-2
Stainless rod: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

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Table STAINLESS III-3

Stainless wire: U.S. producers' capacity, production, shipments, inventories, and employment data, April 2000-March 2003

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FINANCIAL

Financial data provided by U.S. producers, concerning stainless steel bar, rod, and wire are presented in tables STAINLESS III-4 through STAINLESS III-6, respectively.

Six out of eight firms reported receiving CDSOA (Byrd Amendment) funds for stainless bar operations, three out of four firms for stainless rod operations, and none out of thirteen firms for stainless wire operations. Commission staff reclassified all reported CDSOA funds received to “other income.”

Four firms reported pension expenses for stainless bar operations, of which one firm classified in SG&A expenses, two firms split between COGS and SG&A expenses, and one firm reported in categories of COGS. For stainless rod operations, none of the firms reported pension expenses. Four firms reported pension expenses for stainless wire operations, all classified in categories of COGS.

Three firms reported other post employment benefits for stainless bar operations, of which one firm classified in SG&A expenses, one firm split between COGS and SG&A expenses, and one firm reported in categories of COGS. For stainless rod and wire operations, none of the firms reported other post employment benefits.

Table STAINLESS III-4
Stainless bar: Results of operations of U.S. producers, April 2000-March

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Table STAINLESS III-5
Stainless rod: Results of operations of U.S. producers, April 2000-March

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Table STAINLESS III-6
Stainless wire: Results of operations of U.S. producers, April 2000-March 2003

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PART IV: ADJUSTMENT EFFORTS

U.S. PRODUCERS' ADJUSTMENT PLANS

U.S. producers were asked whether they had indicated to USTR since the initiation of the original section 201 investigation or to the Commission in its response to the producers' questionnaire issued in connection with investigation No. TA-201-73 that their firm would make adjustments in their subject steel products operations that would permit them to compete more effectively with imports of subject steel products after relief expires if their firm were to receive import relief as a result of that investigation. The responses of stainless products producers are presented in table D-4 in appendix D. A summary of responses is presented in table STAINLESS IV-1.

Table STAINLESS IV-1

Stainless products: U.S. producers' responses to the question of whether or not adjustment plans were submitted to USTR or the Commission in the section 201 investigation

Item	Firms that submitted adjustment plans	Firms that did not submit adjustment plans	Firms that did not know whether adjustment plans were submitted	Total
Number	10	8	3	21

**EFFECTS OF THE IMPORT RELIEF ACTION
ON INDIVIDUAL FIRMS' OPERATIONS**

The Commission asked U.S. producers to describe the significance of the tariffs and/or tariff-rate quotas imposed by the President effective on or after March 20, 2002, in terms of their effect on their firms' operations. The responses of stainless products producers are presented in appendix E.

**U.S. PRODUCERS' EFFORTS TO COMPETE
MORE EFFECTIVELY IN THE U.S. MARKET**

The Commission asked U.S. producers to indicate whether they had undertaken any efforts to compete more effectively in the U.S. market for the subject steel products. The responses of stainless products producers are presented in appendix F.

PART V: PRICING AND RELATED INFORMATION¹

CHANGES IN U.S. DEMAND

Twelve of 15 responding U.S. producers reported that U.S. demand for stainless steel products has decreased and three reported that demand has remained the same since March 20, 2002. U.S. producers that reported decreased demand generally cited the slowing U.S. economy, particularly weakness in the oil and gas, power generation, aerospace, automotive, construction, petrochemical, and capital goods sectors.

Twenty-nine of 37 responding importers reported that U.S. demand for stainless steel products has decreased, seven reported that demand has remained the same, and one reported that demand has increased since March 20, 2002. Importers that reported decreased demand generally cited the slowing U.S. economy and the loss of manufacturing production to other countries. Declining market sectors cited by importers include aerospace, power generation, capital goods, and oil and gas.

Fifteen of 16 responding U.S. producers reported that there have been no changes in the types or prices of substitute products since March 20, 2002. Thirty-three of 37 responding importers reported that there have been no changes in the types or prices of substitute products since March 20, 2002.

Apparent U.S. consumption of stainless steel products *** by *** percent from *** short tons in SY 2001 to *** short tons in SY 2002.

CHANGES IN U.S. SUPPLY

Twelve of 18 U.S. producers reported making efforts to increase product availability to their customers since March 20, 2002. Eleven of 18 responding U.S. producers reported that their order backlogs for stainless steel products have decreased, three reported that backlogs have stayed the same, and four reported that backlogs have increased. Twelve of 18 responding U.S. producers reported that their on-time shipment percentage stayed the same, four reported that their on-time shipment percentage increased, and two reported that their on-time percentage decreased. Seventeen of 18 responding U.S.

¹ This section does not include any information from purchaser questionnaire responses due to time constraints. Purchaser information will be included in this section in the final report.

producers reported that there has not been a change in the geographic market to which they sell stainless steel products. Fifteen of 17 responding U.S. producers reported that there have not been changes in their channels of distribution. Twelve of 18 responding U.S. producers reported no change in the share of their sales of stainless steel products that are from inventory. Thirteen of 14 responding U.S. producers reported no changes in average lead times for sales from inventory, whereas only seven of 15 responding U.S. producers reported no changes in average lead times for sales from production. Ten of 18 responding U.S. producers reported no changes in their product range and 16 of 18 responding U.S. producers reported no changes in the demand for, or production of, alternate products.

CHANGES IN IMPORT SUPPLY

Thirteen of 47 importers reported making efforts to increase product availability to their customers since March 20, 2002. Twenty-two of 46 responding importers reported that their order backlogs for stainless steel products have decreased, 22 reported that backlogs have stayed the same, and two reported that backlogs have increased. Thirty-six of 47 responding importers reported that their on-time shipment percentage stayed the same, four reported that their on-time shipment percentage increased, and 7 reported that their on-time percentage decreased. Forty-six of 47 responding importers reported that there has not been a change in the geographic market to which they sell stainless steel products. Thirty-three of 37 responding importers reported that there have not been changes in their channels of distribution. Thirty-six of 43 responding importers reported no change in the share of their sales of stainless steel products that are from inventory. Thirty-one of 32 responding importers reported no changes in average lead times for sales from inventory, and 30 of 35 responding importers reported no changes in average lead times for sales from production. Thirty-eight of 46 responding importers reported no changes in their product range, and 34 of 41 reported no changes in the demand for or production of alternate products. Nine of 44 responding importers reported importing stainless steel products from foreign producers from which they had not imported prior to March 20, 2002.

FACTORS AFFECTING PRICES

Producer and Importer Responses

U.S. producers and importers were asked to report the importance of 16 factors that have influenced the price of stainless steel products in the U.S. market (STAINLESS V-1). U.S. producers and importers were also asked to indicate whether the same 16 factors have tended to increase, decrease, or have no effect on the price of stainless steel products since March 20, 2002 (table STAINLESS V-2).

Table STAINLESS V-1
The relative contribution of factors to the price of steel since March 20, 2003

Item	Producers	Importers
Changes in competition between U.S. producers	1.8	2.3
Changes in the level of competition from substitute products	3.6	3.2
Changes in the level of competition by imports	1.1	1.9
Changes in the level of competition from imports from excluded countries	(¹)	(²)
Changes in the level of competition from imports from non-excluded countries	1.0	(²)
Changes in the cost of raw materials	1.2	2.0
Changes in energy costs	1.9	2.7
Changes in U.S. production capacity	2.0	2.3
Changes in the allocation of production capacity to alternate products	3.8	3.3
Changes in the productivity of domestic producers	2.9	2.7
Changes in labor agreements, contracts, etc.	3.6	2.9
Changes in transportation/delivery cost changes	2.9	2.6
Changing market patterns	2.5	2.8
Changes in demand for steel	(¹)	1.8
Changes in demand for steel within the United States	1.3	(²)
Changes in demand for steel outside United States	2.9	(²)
¹ Did not ask U.S. producers to rank this factor. ² Did not ask importers to rank this factor.		
Note.—Numbers in the table represent the average ranking of each factor by responding producers and importers, on a scale from 1 to 4 where 1 = very important, 2 = important, 2 = important, and 3 = somewhat important, and 4 = not important.		
Source: Compiled from data submitted in response to Commission questionnaires.		

Table STAINLESS V-2
The influence of factors on the price of steel since March 20, 2002

Item	Producers			Importers		
	I	N	D	I	N	D
Changes in competition between U.S. producers	4	5	7	10	25	9
Changes in the level of competition from substitute products	1	15	0	5	38	2
Changes in the level of competition by imports	(¹)	(¹)	(¹)	17	19	9
Changes in the level of competition from imports from excluded countries	6	3	7	(²)	(²)	(²)
Changes in the level of competition from imports from non-excluded countries	8	3	5	(²)	(²)	(²)
Changes in the cost of raw materials	12	4	0	31	13	2
Changes in energy costs	11	5	0	22	22	1
Changes in U.S. production capacity	1	7	8	11	22	11
Changes in the allocation of production capacity to alternate products	0	16	0	4	38	1
Changes in the productivity of domestic producers	1	9	6	3	36	5
Changes in labor agreements, contracts, etc.	0	16	0	3	40	0
Changes in transportation/delivery cost changes	9	7	0	22	19	0
Changing market patterns	2	11	3	3	34	5
Changes in demand for steel	(¹)	(¹)	(¹)	3	14	23
Changes in demand for steel within the United States	0	4	12	(²)	(²)	(²)
Changes in demand for steel outside United States	1	13	2	(²)	(²)	(²)
¹ U.S. producers were not asked report the effect of this factor on pricing. ² Importers were not asked report the effect of this factor on pricing. Note.—The numbers in the table represent the number of responding producers and importers that reported that changes in a factor have tended to increase prices (I), have had no effect (N), or have tended to decrease prices (D) for steel since March 20, 2002. Source: Compiled from data submitted in response to Commission questionnaires.						

Changes in Raw Material Costs

Unit raw material costs, by stainless steel product category are shown in table STAINLESS V-3.

Table STAINLESS V-3

Stainless products: Unit raw material costs, by product category, April 2000-March 2003

* * * * *

PRICING PRACTICES

Nearly all responding U.S. producers and importers reported making no changes in the way they determine the price they charge or discounts allowed for sales of stainless steel products since March 20, 2002. Thirteen of 15 responding U.S. producers and 40 of 42 responding importers reported that there has not been a change in the share of their sales that are on a contract vis-a-vis a spot basis. Nine of 13 U.S. producers and nine of 23 importers reported that contract prices tend to follow a similar trend as spot prices, although several noted that spot prices tended to be more volatile.

PRICE DATA

The Commission asked for quarterly sales value and quantity data for U.S. producers' and importers' sales of the following four stainless steel products during April 2000 March 2003:

Product 12A.—Stainless steel bar, grade 304/304L, 1 inch in diameter, annealed, cold-finished, of round shape.

Product 12B.—Grade 304, hot-rolled, annealed and descaled stainless steel, 90-degree angle, 2" x 2" x 1/4".

Product 13.—Grade AISI 304 wire rod, 5.5 mm (0.217") diameter, hot-rolled, annealed, and pickled.

Product 14.—Grade 302 HQ cold-heading stainless steel round wire, 0.099 to 0.127 inch (2.515 to 3.226 mm) in diameter annealed.

Table STAINLESS V-4 shows the share of U.S. producers' U.S. commercial shipments of stainless steel products accounted for by the reported pricing data. Table STAINLESS V-4 also shows the share of U.S. imports of stainless steel products accounted for by the reported pricing data.

Table STAINLESS V-4
Stainless products: Percent share accounted for by price data, by product category

* * * * *

Price Trends

Weighted-average prices, margins of underselling/overselling, and quantities sold of U.S.-produced, covered imported, and noncovered imported stainless steel products are shown in tables STAINLESS V-5 through FLAT V-8. Weighted average prices of U.S.-produced, covered imported, and noncovered imported stainless steel products are also shown in figure G-4 of appendix G. A summary of the price data, by product, is shown in table STAINLESS V-9, and summaries of the margins of underselling/(overselling) of imports from covered and noncovered sources are shown in tables STAINLESS V-10 and STAINLESS V-11, respectively.

Table STAINLESS V-5

Stainless bar: Weighted-average price and quantity data for U.S.-produced and imported product 12A from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003

* * * * *

Table STAINLESS V-6

Stainless bar: Weighted-average price and quantity data for U.S.-produced and imported product 12B from covered sources and noncovered sources, and margins of (underselling), by quarters, April 2000-March 2003

* * * * *

Table STAINLESS V-7

Stainless rod: Weighted-average price and quantity data for U.S.-produced and imported product 13 from covered sources and noncovered sources, and margins of underselling), by quarters, April 2000-March 2003

* * * * *

Table STAINLESS V-8

Stainless wire: Weighted-average price and quantity data for U.S.-produced and imported product 14 from covered sources and noncovered sources, and margins of underselling, by quarters, April 2000-March 2003

* * * * *

Table STAINLESS V-9
Stainless products: Change in quarterly prices of U.S. product, imports from covered sources and imports from noncovered sources, by product

* * * * *

Table STAINLESS V-10
Summary of quarters of underselling and overselling, and the range of margins of underselling and overselling of imports from covered sources, by product, April 2000-March 2003

* * * * *

Table STAINLESS V-11
Summary of quarters of underselling and overselling, and the range of margins of underselling and overselling of imports from noncovered sources, by product, April 2000-March 2003

* * * * *

PART VI: THE FOREIGN INDUSTRIES

The Commission requested information from foreign producers concerning their production, capacity, shipments, and inventories of all stainless products. Tables STAINLESS VI-1 through STAINLESS VI-4 present data for stainless bar, stainless rod, and stainless wire. Data are presented separately for covered and noncovered sources; there were no foreign industry data reported for stainless rod or stainless wire produced in noncovered sources.

Table STAINLESS VI-1
Stainless bar: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

Table STAINLESS VI-2
Stainless bar: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

Table STAINLESS VI-3
Stainless rod: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-March 2005

* * * * *

Table STAINLESS VI-4
Stainless wire: Data for producers in covered countries, April 2000-March 2003, and projections for April 2003-March 2004, and April 2004-March 2005

* * * * *

APPENDIX A

FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA-204-9]

Steel: Monitoring Developments in the Domestic Industry

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of an investigation under section 204(a) of the Trade Act of 1974 (19 U.S.C. 2254(a)) (the Act).

SUMMARY: The Commission instituted the investigation for the purpose of preparing the report to the President and the Congress required by section 204(a)(2) of the Trade Act of 1974 on the results of its monitoring of developments with respect to the domestic steel industry since the President imposed tariffs and tariff-rate quotas on imports of certain steel products,¹ effective March 20, 2002.

For further information concerning the conduct of this investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 206, subparts A and F (19 CFR part 206).

EFFECTIVE DATE: March 5, 2003.

FOR FURTHER INFORMATION CONTACT:

Elizabeth Haines (202-205-3200), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the

¹ Subheadings 9903.72.30 through 9903.74.24 of the Harmonized Tariff Schedule of the United States cover the steel products included in these safeguard measures as well as specifying products and sources excluded from the safeguard measures. In the 2003 HTS, subheadings 9903.72.30 through 9903.72.48 cover carbon and alloy steel slabs; subheadings 9903.72.50 through 9903.73.39 cover carbon and alloy steel flat-rolled products (including plates and other hot-rolled steel, cold-rolled steel other than grain-oriented steel, and clad, coated, and plated steel); subheadings 9903.73.42 through 9903.73.62 cover certain carbon and alloy steel bars, rods, and light shapes; subheadings 9903.73.65 through 9903.73.71 cover carbon steel concrete reinforcing bars (rebars); subheadings 9903.73.74 through 9903.73.86 cover certain carbon and alloy steel non-seamless pipes and tubes; subheadings 9903.73.88 through 9903.73.95 cover certain tube and pipe fittings; subheadings 9903.73.97 through 9903.74.16 cover stainless steel bars, rods, angles, shapes, and sections; and subheadings 9903.74.18 through 9903.74.24 cover stainless steel wire.

Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—Following receipt of a report from the Commission in December 2001 under section 202 of the Trade Act of 1974 (19 U.S.C. 2252) containing affirmative determinations and remedy recommendations, the President, on March 5, 2002, pursuant to section 203 of the Trade Act of 1974 (19 U.S.C. 2253), issued Proclamation 7529, imposing import relief in the form of tariffs and tariff-rate quotas on imports of certain steel products for a period of 3 years and 1 day, effective March 20, 2002. Section 204(a)(1) of the Trade Act of 1974 (19 U.S.C. 2254(a)(1)) requires that the Commission, so long as any action under section 203 of the Trade Act remains in effect, monitor developments with respect to the domestic industry, including the progress and specific efforts made by workers and firms in the domestic industry to make a positive adjustment to import competition. Section 204(a)(2) requires, whenever the initial period of an action under section 203 of the Trade Act exceeds 3 years, that the Commission submit a report on the results of the monitoring under section 204(a)(1) to the President and the Congress not later than the mid-point of the initial period of the relief, or by September 19, 2003, in this case. Section 204(a)(3) requires that the Commission hold a hearing in the course of preparing each such report.

Participation in the investigation and service list.—Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, not later than 21 days after publication of this notice in the **Federal Register**. The Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Limited disclosure of confidential business information (CBI).—Pursuant to section 206.17 of the Commission's rules, the Secretary will make CBI gathered in this investigation available to authorized applicants under an administrative protective order (APO) issued in the investigation, provided that the application is made not later than 21 days after the publication of this

notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive CBI under the APO.

Public hearings.—As required by statute, the Commission has scheduled hearings in connection with this investigation. The hearings will be held beginning at 9:30 a.m. on July 10, 2003 (stainless steel products), July 15, 2003 (carbon and alloy flat products), July 17, 2003 (carbon and alloy long products), and July 22, 2003 (carbon and alloy tubular products), at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Requests to appear at the hearings should be filed in writing with the Secretary to the Commission on or before June 20, 2003. Requests should identify the products to be addressed and the amount of time requested. All persons desiring to appear at the hearings and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on July 7, 2003, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the hearings are governed by sections 201.6(b)(2) and 201.13(f) of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony in camera no later than 7 days prior to the date of the hearing.

Written submissions.—Each party is encouraged to submit a prehearing brief to the Commission. The deadline for filing prehearing briefs is July 2, 2003. Parties may also file posthearing briefs. The deadlines for filing posthearing briefs are July 18, 2003 (for material covered at the hearing on July 10, 2003), July 25, 2003 (for material covered at the hearings on July 15 and 17, 2003) and August 1, 2003 (for material covered at the hearing on July 22, 2003). In addition, any person who has not entered an appearance as a party to the investigation may submit, on or before August 1, 2003, a written statement concerning the matters to be addressed in the Commission's report to the President. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's rules. Any CBI that is provided will be subject to limited disclosure under the APO (see above) and may be included in the report that the Commission sends to the President. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic

means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 Fed. Reg. 68036 (November 8, 2002).

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

Authority: This investigation is being conducted under the authority of section 204(a) of the Trade Act of 1974; this notice is published pursuant to section 206.3 of the Commission's rules.

Dated: March 10, 2003.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 03-6123 Filed 3-13-03; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION****[Investigation No. TA-204-9]****Steel: Monitoring Developments in the
Domestic Industry****AGENCY:** United States International
Trade Commission.**ACTION:** Revised schedule for the subject
investigation.

EFFECTIVE DATE: April 10, 2003.**FOR FURTHER INFORMATION CONTACT:**
Elizabeth Haines (202-205-3200), Office
of Investigations, U.S. International
Trade Commission, 500 E Street SW.,
Washington, DC 20436. Hearing-
impaired persons can obtain
information on this matter by contacting
the Commission's TDD terminal on 202-
205-1810. Persons with mobility
impairments who will need special
assistance in gaining access to the
Commission should contact the Office
of the Secretary at 202-205-2000.
General information concerning the
Commission may also be obtained by

accessing its internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On March 5, 2003, the Commission established a schedule for the conduct of the subject investigation (68 FR 12380, March 14, 2003). The Commission is revising its schedule for the investigation as follows: the hearings will be held at the U.S. International Trade Commission Building at 9:30 a.m. on July 10, 2003 (stainless steel products), July 17, 2003 (carbon and alloy tubular products), July 22, 2003 (carbon and alloy flat products), and July 24, 2003 (carbon and alloy long products), and the deadlines for filing posthearing briefs are July 18, 2003 (for material covered at the hearing on July 10, 2003), July 25, 2003 (for material covered at the hearing on July 17, 2003), and August 1, 2003 (for material covered at the hearings on July 22 and 24, 2003).

For further information concerning this investigation see the Commission's notice cited above and the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 206, subparts A and F (19 CFR part 206).

Authority: This investigation is being conducted under authority of section 204(a) of the Trade Act of 1974; this notice is published pursuant to § 206.3 of the Commission's rules.

Issued: April 11, 2003.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 03-9332 Filed 4-15-03; 8:45 am]

BILLING CODE 7020-02-P

APPENDIX B

HEARING WITNESSES

RESERVED FOR HEARING WITNESSES

APPENDIX C

SUMMARY TABLES

Public Version

Table FLAT C-1
Slabs: Summary data concerning the U.S. market, April 2000-March 2003

Quantity= <i>short tons</i> ; value=\$1,000; unit values, unit labor costs, and unit expenses are <i>per short ton</i> ; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources: ²						
Quantity	4,526,237	5,075,704	4,539,802	0.3	12.1	-10.6
Value	962,734	837,269	939,733	-2.4	-13.0	12.2
Unit value	\$213	\$165	\$207	-2.7	-22.4	25.5
Ending inventory (<i>quantity</i>) ³	611,917	862,790	683,656	11.7	41.0	-20.8
Noncovered sources:						
Quantity	1,897,202	1,509,273	2,482,769	30.9	-20.4	64.5
Value	422,348	284,778	557,394	32.0	-32.6	95.7
Unit value	\$223	\$189	\$225	0.8	-15.2	19.0
Ending inventory (<i>quantity</i>) ³	338,075	322,197	341,022	0.9	-4.7	5.8
All sources:						
Quantity	6,423,439	6,584,977	7,022,570	9.3	2.5	6.6
Value	1,385,081	1,122,047	1,497,127	8.1	-19.0	33.4
Unit value	\$216	\$170	\$213	-1.1	-21.0	25.1
Ending inventory (<i>quantity</i>) ³	949,992	1,184,987	1,024,678	7.9	24.7	-13.5
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	***	***	***
Production (<i>quantity</i>)	***	***	***	***	***	***
Capacity utilization ¹	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory (<i>quantity</i>)	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	***	***	***

Table continued. See footnotes at end of table.

Table FLAT C-1--Continued

Slabs: Summary data concerning the U.S. market, April 2000-March 2003

Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
U.S. producers:--Continued						
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net commercial sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales ¹	***	***	***	***	***	***
Operating income or (loss)/sales ¹	***	***	***	***	***	***
¹ "Reported data" are in percent and "period changes" are in percentage points. ² Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin). ³ Inventories of U.S. imports are based on responses to Commission questionnaires. ⁴ Not applicable.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

Public Version

Table FLAT C-2

Plate: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted

Item	Reported data			Period changes		
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	4/00-3/01-4/02-3/03	4/00-3/01-4/01-3/02	4/01-3/02-4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources: ²						
Quantity	652,347	652,737	195,241	-70.1	0.1	-70.1
Value	272,760	267,483	100,955	-63.0	-1.9	-62.3
Unit value	\$418	\$410	\$517	23.7	-2.0	26.2
Ending inventory (<i>quantity</i>) ³	18,406	20,198	19,453	5.7	9.7	-3.7
Noncovered sources:						
Quantity	312,251	358,046	493,828	58.2	14.7	37.9
Value	110,466	120,801	172,075	55.8	9.4	42.4
Unit value	\$354	\$337	\$348	-1.5	-4.6	3.3
Ending inventory (<i>quantity</i>) ³	4,290	3,241	4,215	-1.7	-24.5	30.1
All sources:						
Quantity	964,598	1,010,784	689,068	-28.6	4.8	-31.8
Value	383,226	388,284	273,030	-28.8	1.3	-29.7
Unit value	\$397	\$384	\$396	-0.3	-3.3	3.1
Ending inventory (<i>quantity</i>) ³	22,696	23,439	23,668	4.3	3.3	1.0
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	***	***	***
Production (<i>quantity</i>)	***	***	***	***	***	***
Capacity utilization ¹	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory (<i>quantity</i>)	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	***	***	***

Table continued. See footnotes at end of table.

Table FLAT C-2--Continued

Plate: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. producers:--Continued						
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net commercial sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales ¹	***	***	***	***	***	***
Operating income or (loss)/sales ¹	***	***	***	***	***	***
¹ "Reported data" are in percent and "period changes" are in percentage points. ² Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin). ³ Inventories of U.S. imports are based on responses to Commission questionnaires.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

Table FLAT C-3
Hot-rolled: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources: ²						
Quantity	3,708,787	1,839,439	2,240,618	-39.6	-50.4	21.8
Value	1,151,042	516,360	758,461	-34.1	-55.1	46.9
Unit value	\$310	\$281	\$339	9.1	-9.6	20.6
Ending inventory (<i>quantity</i>) ³	133,579	135,671	169,205	26.7	1.6	24.7
Noncovered sources:						
Quantity	2,578,556	1,338,168	2,760,986	7.1	-48.1	106.3
Value	769,845	341,369	868,007	12.8	-55.7	154.3
Unit value	\$299	\$255	\$314	5.3	-14.6	23.2
Ending inventory (<i>quantity</i>) ³	57,663	25,463	81,335	41.1	-55.8	219.4
All sources:						
Quantity	6,287,343	3,177,607	5,001,604	-20.5	-49.5	57.4
Value	1,920,886	857,729	1,626,468	-15.3	-55.3	89.6
Unit value	\$306	\$270	\$325	6.4	-11.6	20.5
Ending inventory (<i>quantity</i>) ³	191,242	161,134	250,540	31.0	-15.7	55.5
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	***	***	***
Production (<i>quantity</i>)	***	***	***	***	***	***
Capacity utilization ¹	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory (<i>quantity</i>)	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	***	***	***

Table continued. See footnotes at end of table.

Table FLAT C-3--Continued
Hot-rolled: Summary data concerning the U.S. market, April 2000-March 2003

Quantity= <i>short tons</i> ; value= <i>\$1,000</i> ; unit values, unit labor costs, and unit expenses are <i>per short ton</i> ; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. producers:--Continued						
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net commercial sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales ¹	***	***	***	***	***	***
Operating income or (loss)/sales ¹	***	***	***	***	***	***
¹ "Reported data" are in percent and "period changes" are in percentage points. ² Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin). ³ Inventories of U.S. imports are based on responses to Commission questionnaires. ⁴ Not applicable.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

Table FLAT C-4
Cold-rolled: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources: ²						
Quantity	2,079,737	2,276,229	548,229	-73.6	9.4	-75.9
Value	1,006,054	859,332	338,442	-66.4	-14.6	-60.6
Unit value	\$484	\$378	\$617	27.6	-22.0	63.5
Ending inventory (<i>quantity</i>) ³	213,327	167,645	166,580	-21.9	-21.4	-0.6
Noncovered sources:						
Quantity	800,566	694,073	1,156,511	44.5	-13.3	66.6
Value	310,108	221,186	460,847	48.6	-28.7	108.4
Unit value	\$387	\$319	\$398	2.9	-17.7	25.0
Ending inventory (<i>quantity</i>) ³	36,754	22,363	38,268	4.1	-39.2	71.1
All sources:						
Quantity	2,880,303	2,970,301	1,704,740	-40.8	3.1	-42.6
Value	1,316,163	1,080,518	799,289	-39.3	-17.9	-26.0
Unit value	\$457	\$364	\$469	2.6	-20.4	28.9
Ending inventory (<i>quantity</i>) ³	250,081	190,008	204,848	-18.1	-24.0	7.8
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	***	***	***
Production (<i>quantity</i>)	***	***	***	***	***	***
Capacity utilization ¹	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory (<i>quantity</i>)	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	***	***	***

Table continued. See footnotes at end of table.

Table FLAT C-4--Continued
Cold-rolled: Summary data concerning the U.S. market, April 2000-March 2003

Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
U.S. producers:--Continued						
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net commercial sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales ¹	***	***	***	***	***	***
Operating income or (loss)/sales ¹	***	***	***	***	***	***
¹ "Reported data" are in percent and "period changes" are in percentage points. ² Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin). ³ Inventories of U.S. imports are based on responses to Commission questionnaires. ⁴ Not applicable.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

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Table FLAT C-5
Coated: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources: ²						
Quantity	1,289,633	1,221,049	842,857	-34.6	-5.3	-31.0
Value	732,479	610,867	511,805	-30.1	-16.6	-16.2
Unit value	\$568	\$500	\$607	6.9	-11.9	21.4
Ending inventory (<i>quantity</i>) ³	208,192	187,030	166,800	-19.9	-10.2	-10.8
Noncovered sources:						
Quantity	993,207	1,033,959	1,906,000	91.9	4.1	84.3
Value	539,179	521,548	1,025,723	90.2	-3.3	96.7
Unit value	\$543	\$504	\$538	-0.9	-7.1	6.7
Ending inventory (<i>quantity</i>) ³	42,835	48,347	72,229	68.6	12.9	49.4
All sources:						
Quantity	2,282,840	2,255,008	2,748,857	20.4	-1.2	21.9
Value	1,271,658	1,132,416	1,537,528	20.9	-11.0	35.8
Unit value	\$557	\$502	\$559	0.4	-9.9	11.4
Ending inventory (<i>quantity</i>) ³	251,027	235,377	239,029	-4.8	-6.2	1.6
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	***	***	***
Production (<i>quantity</i>)	***	***	***	***	***	***
Capacity utilization ¹	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory (<i>quantity</i>)	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	***	***	***

Table continued. See footnotes at end of table.

Table FLAT C-5--Continued
Coated: Summary data concerning the U.S. market, April 2000-March 2003

Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
Quantity= <i>short tons</i> ; value= <i>\$1,000</i> ; unit values, unit labor costs, and unit expenses are <i>per short ton</i> ; period changes=percent, except where noted						
U.S. producers:--Continued						
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net commercial sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales ¹	***	***	***	***	***	***
Operating income or (loss)/sales ¹	***	***	***	***	***	***
¹ "Reported data" are in percent and "period changes" are in percentage points. ² Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs and flat products (other than tin). ³ Inventories of U.S. imports are based on responses to Commission questionnaires. ⁴ Not applicable.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

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Table FLAT C-6

Tin: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources:						
Quantity	360,372	437,045	165,059	-54.2	21.3	-62.2
Value	219,140	257,013	101,756	-53.6	17.3	-60.4
Unit value	\$608	\$588	\$616	1.4	-3.3	4.8
Ending inventory (<i>quantity</i>) ²	81,057	98,239	72,881	-10.1	21.2	-25.8
Noncovered sources:						
Quantity	149,811	144,479	161,221	7.6	-3.6	11.6
Value	88,090	82,105	92,936	5.5	-6.8	13.2
Unit value	\$588	\$568	\$576	-2.0	-3.4	1.4
Ending inventory (<i>quantity</i>) ²	2,200	2,100	1,500	-31.8	-4.5	-28.6
All sources:						
Quantity	510,182	581,523	326,280	-36.0	14.0	-43.9
Value	307,230	339,118	194,692	-36.6	10.4	-42.6
Unit value	\$602	\$583	\$597	-0.9	-3.2	2.3
Ending inventory (<i>quantity</i>) ²	83,257	100,339	74,381	-10.7	20.5	-25.9
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	***	***	***
Production (<i>quantity</i>)	***	***	***	***	***	***
Capacity utilization ¹	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory (<i>quantity</i>)	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	***	***	***

Table continued. See footnotes at end of table.

Table FLAT C-6--Continued

Tin: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. producers:--Continued						
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net commercial sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales ¹	***	***	***	***	***	***
Operating income or (loss)/sales ¹	***	***	***	***	***	***
¹ "Reported data" are in percent and "period changes" are in percentage points. ² Inventories of U.S. imports are based on responses to Commission questionnaires. ³ Not applicable.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

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Table LONG C-1
Hot bar: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources:						
Quantity	777,921	708,271	480,517	-38.2	-9.0	-32.2
Value	406,022	370,519	266,106	-34.5	-8.7	-28.2
Unit value	\$522	\$523	\$554	6.1	0.2	5.9
Ending inventory (quantity) ²	44,690	37,480	36,190	-19.0	-16.1	-3.4
Noncovered sources:						
Quantity	1,527,754	1,281,609	1,426,887	-6.6	-16.1	11.3
Value	596,887	475,949	568,919	-4.7	-20.3	19.5
Unit value	\$391	\$371	\$399	2.1	-4.9	7.4
Ending inventory (quantity) ²	53,379	63,588	89,457	67.6	19.1	40.7
All sources:						
Quantity	2,305,675	1,989,880	1,907,404	-17.3	-13.7	-4.1
Value	1,002,909	846,468	835,025	-16.7	-15.6	-1.4
Unit value	\$435	\$425	\$438	0.6	-2.2	2.9
Ending inventory (quantity) ²	98,069	101,068	125,647	28.1	3.1	24.3
U.S. producers:						
Average capacity (quantity)	***	***	***	***	***	***
Production (quantity)	***	***	***	***	***	***
Capacity utilization ¹	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory (quantity)	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	***	***	***

Table continued. See footnotes at end of table.

Table LONG C-1--Continued

Hot bar: Summary data concerning the U.S. market, April 2000-March 2003

Quantity= <i>short tons</i> ; value= <i>\$1,000</i> ; unit values, unit labor costs, and unit expenses are <i>per short ton</i> ; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. producers:--Continued						
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net commercial sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales ¹	***	***	***	***	***	***
Operating income or (loss)/sales ¹	***	***	***	***	***	***
¹ "Reported data" are in percent and "period changes" are in percentage points.						
² Inventories of U.S. imports are based on responses to Commission questionnaires.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

Table LONG C-2

Cold bar: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources:						
Quantity	217,227	181,738	99,304	-54.3	-16.3	-45.4
Value	167,241	138,502	81,146	-51.5	-17.2	-41.4
Unit value	\$770	\$762	\$817	6.1	-1.0	7.2
Ending inventory (<i>quantity</i>) ²	13,911	24,024	19,183	37.9	72.7	-20.2
Noncovered sources:						
Quantity	81,266	84,685	110,302	35.7	4.2	30.3
Value	65,168	64,407	82,377	26.4	-1.2	27.9
Unit value	\$802	\$761	\$747	-6.9	-5.2	-1.8
Ending inventory (<i>quantity</i>) ²	646	581	568	-12.0	-10.0	-2.2
All sources:						
Quantity	298,493	266,423	209,607	-29.8	-10.7	-21.3
Value	232,409	202,908	163,523	-29.6	-12.7	-19.4
Unit value	\$779	\$762	\$780	0.2	-2.2	2.4
Ending inventory (<i>quantity</i>) ²	14,557	24,605	19,751	35.7	69.0	-19.7
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	4.2	0.2	4.0
Production (<i>quantity</i>)	***	***	***	-12.5	-18.1	6.8
Capacity utilization ¹	***	***	***	-10.9	-12.4	1.5
U.S. shipments:						
Quantity	***	***	***	-12.4	-15.1	3.1
Value	***	***	***	-14.6	-17.3	3.2
Unit value	***	***	***	-2.5	-2.6	0.1
Export shipments:						
Quantity	***	***	***	6.3	-8.5	16.2
Value	***	***	***	3.6	-12.3	18.2
Unit value	***	***	***	-2.5	-4.2	1.8
Ending inventory (<i>quantity</i>)	***	***	***	-16.7	-16.2	-0.5
Inventories/total shipments ¹	***	***	***	-0.9	-0.3	-0.7

Table continued. See footnotes at end of table.

Table LONG C-2--Continued

Cold bar: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. producers:--Continued						
Production workers	***	***	***	-22.9	-11.1	-13.2
Hours worked (1,000s)	***	***	***	-23.9	-13.2	-12.3
Wages paid (\$1,000)	***	***	***	-20.2	-14.2	-7.0
Hourly wages	***	***	***	4.8	-1.2	6.1
Productivity (tons/1,000 hours)	***	***	***	14.9	-5.6	21.8
Unit labor costs	***	***	***	-8.8	4.6	-12.9
Net commercial sales:						
Quantity	***	***	***	-20.7	-19.7	-1.3
Value	***	***	***	-23.3	-22.7	-0.8
Unit value	***	***	***	-3.3	-3.7	0.4
Cost of goods sold (COGS)	***	***	***	-22.6	-20.6	-2.5
Gross profit or (loss)	***	***	***	-30.5	-42.8	21.5
SG&A expenses	***	***	***	-21.8	-17.2	-5.5
Operating income or (loss)	***	***	***	-53.9	(³)	(³)
Capital expenditures	***	***	***	-26.7	74.5	-58.0
Unit COGS	***	***	***	-2.4	-1.1	-1.2
Unit SG&A expenses	***	***	***	-1.3	3.1	-4.3
Unit operating income or (loss)	***	***	***	-41.9	(³)	(³)
COGS/sales ¹	***	***	***	0.9	2.4	-1.5
Operating income or (loss)/sales ¹	***	***	***	-1.0	-2.9	1.9

¹ "Reported data" are in percent and "period changes" are in percentage points.

² Inventories of U.S. imports are based on responses to Commission questionnaires.

³ Not applicable.

Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table LONG C-3
Rebar: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources ²	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources: ²						
Quantity	1,192,597	1,367,171	304,938	-74.4	14.6	-77.7
Value	264,805	293,263	72,087	-72.8	10.7	-75.4
Unit value	\$222	\$215	\$236	6.5	-3.4	10.2
Ending inventory (<i>quantity</i>) ³	0	1,340	0	0.0	1,340.0	-1,340.0
Noncovered sources:						
Quantity	361,375	484,694	729,313	101.8	34.1	50.5
Value	83,921	111,305	172,643	105.7	32.6	55.1
Unit value	\$232	\$230	\$237	1.9	-1.1	3.1
Ending inventory (<i>quantity</i>) ³	671	1,615	3,676	447.8	140.7	127.6
All sources:						
Quantity	1,553,972	1,851,865	1,034,251	-33.4	19.2	-44.2
Value	348,726	404,568	244,730	-29.8	16.0	-39.5
Unit value	\$224	\$218	\$237	5.4	-2.6	8.3
Ending inventory (<i>quantity</i>) ³	671	2,955	3,676	447.8	340.4	24.4
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	0.2	-0.3	0.5
Production (<i>quantity</i>)	***	***	***	9.5	4.7	4.6
Capacity utilization ¹	***	***	***	7.0	3.8	3.2
U.S. shipments:						
Quantity	***	***	***	11.7	7.2	4.2
Value	***	***	***	7.7	5.3	2.3
Unit value	***	***	***	-3.6	-1.8	-1.8
Export shipments:						
Quantity	***	***	***	31.8	-31.5	92.6
Value	***	***	***	27.4	-31.6	86.2
Unit value	***	***	***	-3.4	-0.1	-3.3
Ending inventory (<i>quantity</i>)	***	***	***	-23.0	-4.2	-19.6
Inventories/total shipments ¹	***	***	***	-3.4	-1.1	-2.3

Table continued. See footnotes at end of table.

Table LONG C-3--Continued
Rebar: Summary data concerning the U.S. market, April 2000-March 2003

Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
U.S. producers:--Continued						
Production workers	***	***	***	-1.0	1.8	-2.7
Hours worked (1,000s)	***	***	***	0.2	1.3	-1.0
Wages paid (\$1,000)	***	***	***	11.2	8.0	2.9
Hourly wages	***	***	***	10.9	6.7	4.0
Productivity (tons/1,000 hours)	***	***	***	9.2	3.4	5.7
Unit labor costs	***	***	***	1.6	3.2	-1.6
Net commercial sales:						
Quantity	***	***	***	13.3	5.7	7.3
Value	***	***	***	8.9	3.7	4.9
Unit value	***	***	***	-3.9	-1.8	-2.2
Cost of goods sold (COGS)	***	***	***	15.2	3.3	11.6
Gross profit or (loss)	***	***	***	-46.9	7.9	-50.8
SG&A expenses	***	***	***	-13.3	-0.3	-13.1
Operating income or (loss)	***	***	***	(⁴)	26.1	(⁴)
Capital expenditures	***	***	***	-22.2	-39.9	29.4
Unit COGS	***	***	***	1.7	-2.3	4.0
Unit SG&A expenses	***	***	***	-23.5	-5.6	-18.9
Unit operating income or (loss)	***	***	***	(⁴)	19.3	(⁴)
COGS/sales ¹	***	***	***	5.3	-0.4	5.7
Operating income or (loss)/sales ¹	***	***	***	-3.8	0.7	-4.5
¹ "Reported data" are in percent and "period changes" are in percentage points. ² Although Moldova, Turkey, and Venezuela are generally excluded from the section 203 relief, they are covered sources with respect to imports of rebar. ³ Inventories of U.S. imports are based on responses to Commission questionnaires. ⁴ Not applicable.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

Public Version

Table TUBULAR C-1

Welded: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources:						
Quantity	1,179,493	1,583,353	809,695	-31.4	34.2	-48.9
Value	584,967	786,623	479,506	-18.0	34.5	-39.0
Unit value	\$496	\$497	\$592	19.4	0.2	19.2
Ending inventory (<i>quantity</i>) ²	4,772	6,767	4,425	-7.3	41.8	-34.6
Noncovered sources:						
Quantity	1,319,276	1,404,878	1,517,800	15.0	6.5	8.0
Value	694,895	702,976	814,395	17.2	1.2	15.9
Unit value	\$527	\$500	\$537	1.9	-5.0	7.2
Ending inventory (<i>quantity</i>) ²	5,958	6,747	6,017	1.0	13.2	-10.8
All sources:						
Quantity	2,498,768	2,988,231	2,327,495	-6.9	19.6	-22.1
Value	1,279,862	1,489,600	1,293,901	1.1	16.4	-13.1
Unit value	\$512	\$498	\$556	8.5	-2.7	11.5
Ending inventory (<i>quantity</i>) ²	10,730	13,514	10,442	-2.7	26.0	-22.7
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	3.4	-0.8	4.3
Production (<i>quantity</i>)	***	***	***	-0.1	-0.3	0.3
Capacity utilization ¹	***	***	***	-1.6	0.4	-2.0
U.S. shipments:						
Quantity	***	***	***	1.5	3.6	-2.1
Value	***	***	***	0.1	-4.5	4.8
Unit value	***	***	***	-1.4	-7.9	7.1
Export shipments:						
Quantity	***	***	***	-23.6	-21.0	-3.2
Value	***	***	***	-24.4	-24.2	-0.3
Unit value	***	***	***	-1.1	-3.9	2.9
Ending inventory (<i>quantity</i>)	***	***	***	-3.7	-9.7	6.7
Inventories/total shipments ¹	***	***	***	-0.6	-1.9	1.2

Table continued. See footnotes at end of table.

Table TUBULAR C-1--Continued

Welded: Summary data concerning the U.S. market, April 2000-March 2003

Quantity= <i>short tons</i> ; value= <i>\$1,000</i> ; unit values, unit labor costs, and unit expenses are <i>per short ton</i> ; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. producers:--Continued						
Production workers	***	***	***	1.4	-4.1	5.8
Hours worked (1,000s)	***	***	***	-0.3	-3.8	3.6
Wages paid (\$1,000)	***	***	***	10.4	-1.1	11.6
Hourly wages	***	***	***	10.8	2.8	7.8
Productivity (tons/1,000 hours)	***	***	***	0.3	3.6	-3.2
Unit labor costs	***	***	***	10.5	-0.8	11.3
Net commercial sales:						
Quantity	***	***	***	0.1	2.2	-2.0
Value	***	***	***	-0.8	-5.9	5.4
Unit value	***	***	***	-0.9	-7.9	7.6
Cost of goods sold (COGS)	***	***	***	1.6	-6.1	8.2
Gross profit or (loss)	***	***	***	-15.7	-4.7	-11.6
SG&A expenses	***	***	***	4.1	-1.4	5.5
Operating income or (loss)	***	***	***	-44.0	-9.3	-38.2
Capital expenditures	***	***	***	11.9	-19.1	38.4
Unit COGS	***	***	***	1.5	-8.0	10.4
Unit SG&A expenses	***	***	***	4.0	-3.5	7.7
Unit operating income or (loss)	***	***	***	-44.1	-11.3	-37.0
COGS/sales ¹	***	***	***	2.1	-0.2	2.3
Operating income or (loss)/sales ¹	***	***	***	-2.5	-0.2	-2.3
¹ "Reported data" are in percent and "period changes" are in percentage points.						
² Inventories of U.S. imports are based on responses to Commission questionnaires.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

Table TUBULAR C-2

Fittings: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources:						
Quantity	109,629	136,164	99,573	-9.2	24.2	-26.9
Value	211,615	239,696	194,125	-8.3	13.3	-19.0
Unit value	\$1,930	\$1,760	\$1,950	1.0	-8.8	10.8
Ending inventory (<i>quantity</i>) ²	4,398	8,819	8,663	97.0	100.5	-1.8
Noncovered sources:						
Quantity	38,040	35,759	31,549	-17.1	-6.0	-11.8
Value	116,097	111,483	90,950	-21.7	-4.0	-18.4
Unit value	\$3,052	\$3,118	\$2,883	-5.5	2.2	-7.5
Ending inventory (<i>quantity</i>) ²	1,495	1,793	1,838	22.9	19.9	2.5
All sources:						
Quantity	147,669	171,923	131,121	-11.2	16.4	-23.7
Value	327,712	351,178	285,075	-13.0	7.2	-18.8
Unit value	\$2,219	\$2,043	\$2,174	-2.0	-8.0	6.4
Ending inventory (<i>quantity</i>) ²	5,893	10,612	10,501	78.2	80.1	-1.0
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	-17.3	-2.3	-15.3
Production (<i>quantity</i>)	***	***	***	-36.5	-29.4	-10.1
Capacity utilization ¹	***	***	***	-17.5	-20.8	3.3
U.S. shipments:						
Quantity	***	***	***	-39.9	-30.7	-13.3
Value	***	***	***	-17.4	-9.6	-8.7
Unit value	***	***	***	37.5	30.5	5.3
Export shipments:						
Quantity	***	***	***	-35.7	-31.6	-6.1
Value	***	***	***	-22.1	-21.1	-1.2
Unit value	***	***	***	21.3	15.3	5.2
Ending inventory (<i>quantity</i>)	***	***	***	-30.2	-19.6	-13.1
Inventories/total shipments ¹	***	***	***	3.1	3.2	-0.1

Table continued. See footnotes at end of table.

Table TUBULAR C-2--Continued

Fittings: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. producers:--Continued						
Production workers	***	***	***	-18.4	-8.0	-11.4
Hours worked (1,000s)	***	***	***	-17.4	-7.0	-11.2
Wages paid (\$1,000)	***	***	***	-12.4	-5.5	-7.3
Hourly wages	***	***	***	6.0	1.6	4.4
Productivity (tons/1,000 hours)	***	***	***	-23.2	-24.1	1.2
Unit labor costs	***	***	***	38.0	33.8	3.1
Net commercial sales:						
Quantity	***	***	***	-40.8	-30.9	-14.2
Value	***	***	***	-19.4	-11.5	-9.0
Unit value	***	***	***	36.0	28.2	6.1
Cost of goods sold (COGS)	***	***	***	-29.8	-22.6	-9.2
Gross profit or (loss)	***	***	***	105.5	123.4	-8.0
SG&A expenses	***	***	***	-0.9	0.3	-1.2
Operating income or (loss)	***	***	***	(³)	(³)	-22.3
Capital expenditures	***	***	***	-22.5	5.8	-26.8
Unit COGS	***	***	***	18.5	12.0	5.8
Unit SG&A expenses	***	***	***	67.3	45.2	15.2
Unit operating income or (loss)	***	***	***	(³)	(³)	-9.4
COGS/sales ¹	***	***	***	-11.9	-11.7	-0.2
Operating income or (loss)/sales ¹	***	***	***	9.2	10.1	-0.9

¹ "Reported data" are in percent and "period changes" are in percentage points.

² Inventories of U.S. imports are based on responses to Commission questionnaires.

³ Not applicable.

Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table STAINLESS C-1

Stainless bar: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources:						
Quantity	117,977	82,798	63,739	-46.0	-29.8	-23.0
Value	283,441	203,861	150,682	-46.8	-28.1	-26.1
Unit value	\$2,403	\$2,462	\$2,364	-1.6	2.5	-4.0
Ending inventory (<i>quantity</i>) ²	10,438	9,487	9,410	-9.8	-9.1	-0.8
Noncovered sources:						
Quantity	25,796	25,829	35,975	39.5	0.1	39.3
Value	54,716	56,836	74,331	35.8	3.9	30.8
Unit value	\$2,121	\$2,201	\$2,066	-2.6	3.7	-6.1
Ending inventory (<i>quantity</i>) ²	2,041	2,216	2,048	0.3	8.6	-7.6
All sources:						
Quantity	143,772	108,627	99,714	-30.6	-24.4	-8.2
Value	338,157	260,697	225,013	-33.5	-22.9	-13.7
Unit value	\$2,352	\$2,400	\$2,257	-4.1	2.0	-6.0
Ending inventory (<i>quantity</i>) ²	12,479	11,703	11,458	-8.2	-6.2	-2.1
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	8.1	5.6	2.3
Production (<i>quantity</i>)	***	***	***	-14.7	-12.4	-2.6
Capacity utilization ¹	***	***	***	-16.2	-13.1	-3.1
U.S. shipments:						
Quantity	***	***	***	-15.2	-10.8	-4.9
Value	***	***	***	-26.6	-14.4	-14.3
Unit value	***	***	***	-13.4	-3.9	-9.9
Export shipments:						
Quantity	***	***	***	-7.3	-19.0	14.5
Value	***	***	***	-10.6	-15.8	6.2
Unit value	***	***	***	-3.6	4.0	-7.2
Ending inventory (<i>quantity</i>)	***	***	***	-25.9	-18.3	-9.3
Inventories/total shipments ¹	***	***	***	-1.8	-1.1	-0.7

Table continued. See footnotes at end of table.

Table STAINLESS C-1--Continued

Stainless bar: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. producers:--Continued						
Production workers	***	***	***	-31.7	-16.1	-18.6
Hours worked (1,000s)	***	***	***	-38.8	-22.3	-21.2
Wages paid (\$1,000)	***	***	***	-41.8	-26.6	-20.7
Hourly wages	***	***	***	-5.9	-5.8	0.0
Productivity (tons/1,000 hours)	***	***	***	33.3	8.4	23.0
Unit labor costs	***	***	***	-32.0	-14.3	-20.6
Net commercial sales:						
Quantity	***	***	***	-14.6	-11.1	-3.9
Value	***	***	***	-25.7	-14.4	-13.1
Unit value	***	***	***	-13.0	-3.8	-9.6
Cost of goods sold (COGS)	***	***	***	-17.8	-9.2	-9.5
Gross profit or (loss)	***	***	***	-97.1	-62.3	-92.4
SG&A expenses	***	***	***	-2.4	5.7	-7.6
Operating income or (loss)	***	***	***	(³)	(³)	-101.8
Capital expenditures	***	***	***	-73.4	-51.8	-44.8
Unit COGS	***	***	***	-3.8	2.1	-5.8
Unit SG&A expenses	***	***	***	14.3	18.8	-3.8
Unit operating income or (loss)	***	***	***	(³)	(³)	-110.0
COGS/sales ¹	***	***	***	9.5	5.5	4.0
Operating income or (loss)/sales ¹	***	***	***	-11.5	-7.0	-4.5

¹ "Reported data" are in percent and "period changes" are in percentage points.

² Inventories of U.S. imports are based on responses to Commission questionnaires.

³ Not applicable.

Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Public Version

Table STAINLESS C-2

Stainless rod: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted

Item	Reported data			Period changes		
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	4/00-3/01-4/02-3/03	4/00-3/01-4/01-3/02	4/01-3/02-4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources:						
Quantity	67,642	64,283	40,558	-40.0	-5.0	-36.9
Value	133,622	108,548	74,975	-43.9	-18.8	-30.9
Unit value	\$1,975	\$1,689	\$1,849	-6.4	-14.5	9.5
Ending inventory (<i>quantity</i>) ²	5,134	6,663	4,509	-12.2	29.8	-32.3
Noncovered sources:						
Quantity	10,852	2,408	5,052	-53.4	-77.8	109.8
Value	15,608	4,149	7,545	-51.7	-73.4	81.8
Unit value	\$1,438	\$1,723	\$1,493	3.8	19.8	-13.3
Ending inventory (<i>quantity</i>) ²	775	360	357	-53.9	-53.5	-0.8
All sources:						
Quantity	78,495	66,691	45,610	-41.9	-15.0	-31.6
Value	149,230	112,697	82,520	-44.7	-24.5	-26.8
Unit value	\$1,901	\$1,690	\$1,809	-4.8	-11.1	7.1
Ending inventory (<i>quantity</i>) ²	5,909	7,023	4,866	-17.7	18.9	-30.7
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	10.1	9.1	1.0
Production (<i>quantity</i>)	***	***	***	-3.4	-23.6	26.5
Capacity utilization ¹	***	***	***	-7.0	-17.0	10.0
U.S. shipments:						
Quantity	***	***	***	12.1	-24.5	48.4
Value	***	***	***	-16.0	-28.3	17.2
Unit value	***	***	***	-25.0	-5.1	-21.0
Export shipments:						
Quantity	***	***	***	-21.5	-4.4	-17.8
Value	***	***	***	-3.4	2.7	-6.0
Unit value	***	***	***	22.9	7.5	14.4
Ending inventory (<i>quantity</i>)	***	***	***	151.8	75.3	43.6
Inventories/total shipments ¹	***	***	***	1.3	1.4	-0.1

Table continued. See footnotes at end of table.

Table STAINLESS C-2--Continued
Stainless rod: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are <i>per short ton</i> ; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. producers:--Continued						
Production workers	***	***	***	-14.6	-17.9	4.1
Hours worked (1,000s)	***	***	***	-30.9	-26.4	-6.0
Wages paid (\$1,000)	***	***	***	-33.1	-30.2	-4.1
Hourly wages	***	***	***	-3.2	-5.2	2.1
Productivity (tons/1,000 hours)	***	***	***	37.0	3.8	32.1
Unit labor costs	***	***	***	-29.4	-8.6	-22.7
Net commercial sales:						
Quantity	***	***	***	28.0	-35.4	98.1
Value	***	***	***	19.0	-36.8	88.3
Unit value	***	***	***	-7.1	-2.2	-4.9
Cost of goods sold (COGS)	***	***	***	37.9	-25.1	84.1
Gross profit or (loss)	***	***	***	(³)	(³)	69.3
SG&A expenses	***	***	***	16.4	-7.1	25.4
Operating income or (loss)	***	***	***	(³)	(³)	-11.6
Capital expenditures	***	***	***	-68.3	-13.7	-63.3
Unit COGS	***	***	***	7.7	15.9	-7.1
Unit SG&A expenses	***	***	***	-9.0	43.7	-36.7
Unit operating income or (loss)	***	***	***	(³)	(³)	43.7
COGS/sales ¹	***	***	***	13.8	16.1	-2.3
Operating income or (loss)/sales ¹	***	***	***	-13.6	-21.2	7.7
¹ "Reported data" are in percent and "period changes" are in percentage points. ² Inventories of U.S. imports are based on responses to Commission questionnaires. ³ Not applicable.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

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Table STAINLESS C-3

Stainless wire: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=*short tons*; value=*\$1,000*; unit values, unit labor costs,
and unit expenses are *per short ton*; period changes=percent, except where noted

Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***
Importers' share: ¹						
Covered sources	***	***	***	***	***	***
Noncovered sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Covered sources:						
Quantity	27,935	26,759	25,014	-10.5	-4.2	-6.5
Value	109,328	91,702	85,986	-21.4	-16.1	-6.2
Unit value	\$3,914	\$3,427	\$3,437	-12.2	-12.4	0.3
Ending inventory (<i>quantity</i>) ²	1,409	1,252	833	-40.9	-11.1	-33.5
Noncovered sources:						
Quantity	4,012	4,535	8,236	105.3	13.0	81.6
Value	9,298	8,721	15,105	62.4	-6.2	73.2
Unit value	\$2,318	\$1,923	\$1,834	-20.9	-17.0	-4.6
Ending inventory (<i>quantity</i>) ²	485	1,892	1,600	229.9	290.1	-15.4
All sources:						
Quantity	31,947	31,295	33,251	4.1	-2.0	6.3
Value	118,626	100,423	101,091	-14.8	-15.3	0.7
Unit value	\$3,713	\$3,209	\$3,040	-18.1	-13.6	-5.3
Ending inventory (<i>quantity</i>) ²	1,894	3,144	2,433	28.5	66.0	-22.6
U.S. producers:						
Average capacity (<i>quantity</i>)	***	***	***	4.5	1.3	3.1
Production (<i>quantity</i>)	***	***	***	-13.8	-25.0	15.0
Capacity utilization ¹	***	***	***	-10.9	-16.2	5.3
U.S. shipments:						
Quantity	***	***	***	-12.4	-19.8	9.2
Value	***	***	***	-19.1	-22.3	4.2
Unit value	***	***	***	-7.6	-3.2	-4.6
Export shipments:						
Quantity	***	***	***	-23.2	-29.8	9.4
Value	***	***	***	-22.5	-25.3	3.8
Unit value	***	***	***	1.0	6.4	-5.1
Ending inventory (<i>quantity</i>)	***	***	***	-24.1	-25.9	2.5
Inventories/total shipments ¹	***	***	***	-2.5	-1.4	-1.1

Table continued. See footnotes at end of table.

Table STAINLESS C-3--Continued
Stainless wire: Summary data concerning the U.S. market, April 2000-March 2003

Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit expenses are <i>per short ton</i> ; period changes=percent, except where noted						
Item	Reported data			Period changes		
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	4/00-3/01- 4/02-3/03	4/00-3/01- 4/01-3/02	4/01-3/02- 4/02-3/03
U.S. producers:--Continued						
Production workers	***	***	***	-24.8	-18.1	-8.3
Hours worked (1,000s)	***	***	***	-27.0	-18.8	-10.1
Wages paid (\$1,000)	***	***	***	-25.6	-21.7	-4.9
Hourly wages	***	***	***	1.9	-3.6	5.7
Productivity (tons/1,000 hours)	***	***	***	16.0	-7.7	25.6
Unit labor costs	***	***	***	-12.1	4.4	-15.8
Net commercial sales:						
Quantity	***	***	***	-13.3	-20.5	9.0
Value	***	***	***	-19.9	-22.9	3.8
Unit value	***	***	***	-7.6	-3.0	-4.7
Cost of goods sold (COGS)	***	***	***	-13.0	-15.9	3.4
Gross profit or (loss)	***	***	***	-59.8	-63.3	9.5
SG&A expenses	***	***	***	-15.9	-13.4	-2.9
Operating income or (loss)	***	***	***	(³)	(³)	18.6
Capital expenditures	***	***	***	-70.0	-18.9	-63.0
Unit COGS	***	***	***	0.4	5.8	-5.1
Unit SG&A expenses	***	***	***	-2.9	8.9	-10.9
Unit operating income or (loss)	***	***	***	(³)	(³)	25.3
COGS/sales ¹	***	***	***	7.3	7.7	-0.4
Operating income or (loss)/sales ¹	***	***	***	-7.9	-9.1	1.2
¹ "Reported data" are in percent and "period changes" are in percentage points. ² Inventories of U.S. imports are based on responses to Commission questionnaires. ³ Not applicable.						
Note.--Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.						
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

APPENDIX D

**COMMENTS OF U.S. PRODUCERS REGARDING
THEIR ADJUSTMENT PLANS SUBMITTED TO USTR
DURING THE SECTION 201 INVESTIGATION**

**COMMENTS OF U.S. PRODUCERS REGARDING
THEIR ADJUSTMENT PLANS SUBMITTED TO USTR
DURING THE SECTION 201 INVESTIGATION**

The Commission asked U.S. producers whether they indicated to USTR since the initiation of the original section 201 investigation or to the Commission in its response to the producers' questionnaire issued in connection with investigation No. TA-201-73 that their firm would make adjustments in their subject steel products operations that would permit them to compete more effectively with imports of subject steel products after relief expires if their firm were to receive import relief as a result of that investigation.¹

Firms responding affirmatively were specifically asked whether there were any reported planned adjustment actions which they had not implemented and if so, they were asked to discuss the reason(s) why specific adjustment actions have not been implemented.² The responses of firms are presented by product categories in tables D-1 through D-4.

¹ *See*, responses to questions II-1-A (flat), II-2-A (long), II-3-A (tubular), and II-4-A (stainless) of the U.S. producers' questionnaire.

² Firms were also asked to attach copies of the specific adjustment plans for their firm as reported to the Commission during inv. No. TA-201-73 or to USTR since the initiation of the original section 201 investigation.

Table D-1

Flat products: Comments of U.S. producers regarding their adjustment plans submitted to USTR during the section 201 investigation

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Table D-2

Long products: Comments of U.S. producers regarding their adjustment plans submitted to USTR during the section 201 investigation

* * * * *

Table D-3

Tubular products: Comments of U.S. producers regarding their adjustment plans submitted to USTR during the section 201 investigation

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Table D-4

Stainless products: Comments of U.S. producers regarding their adjustment plans submitted to USTR during the section 201 investigation

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APPENDIX E

**COMMENTS OF U.S. PRODUCERS ON THE SIGNIFICANCE OF
THE PRESIDENT'S SECTION 203 RELIEF ON THEIR OPERATIONS**

**COMMENTS OF U.S. PRODUCERS ON THE SIGNIFICANCE OF
THE PRESIDENT'S SECTION 203 RELIEF ON THEIR OPERATIONS**

The Commission asked U.S. producers to describe the significance of the tariffs and/or tariff-rate quotas imposed by the President effective on or after March 20, 2002, in terms of their effect on their firms' operations in the following categories:¹

- (a) Production capacity, production, shipments, inventories, and employment.
- (b) Return on investment, ability to generate capital to finance the modernization of domestic plant(s) and equipment, or ability to maintain existing levels of expenditures for research and development.
- (c) Changes in your firm's collective bargaining agreements.

Firms were asked to compare their operations before and after the imposition of the relief. Additionally, firms were asked to explain how they have separated the effects of 201 relief from the effects of other factors, such as closure or re-opening of domestic production facilities, changes in demand, exchange rate changes or antidumping and countervailing duties. The responses of firms are presented in tables E-1 through E-4.

¹ See, responses to questions II-1-B (flat), II-2-B (long), II-3-B (tubular), and II-4-B (stainless) of the U.S. producers' questionnaire.

Table E-1

Flat products: Comments of U.S. producers on the significance of the President's section 203 relief on their operations

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Table E-2

Long products: Comments of U.S. producers on the significance of the President's section 203 relief on their operations

* * * * *

Table E-3

Tubular products: Comments of U.S. producers on the significance of the President's section 203 relief on their operations

* * * * *

Table E-4

Stainless products: Comments of U.S. producers on the significance of the President's section 203 relief on their operations

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APPENDIX F

**COMMENTS OF U.S. PRODUCERS ON THEIR EFFORTS
TO COMPETE MORE EFFECTIVELY IN THE U.S. MARKET**

**COMMENTS OF U.S. PRODUCERS ON THEIR EFFORTS
TO COMPETE MORE EFFECTIVELY IN THE U.S. MARKET**

The Commission asked U.S. producers to indicate whether they had undertaken any efforts to compete more effectively in the U.S. market for the subject steel products.¹ Firms responding affirmatively were asked to identify:

1. any efforts which have been made by firms and/or their workers since March 20, 2002, to compete more effectively,
2. the period (month(s) and year(s)) in which the efforts were made,
3. the expenditure or savings involved, as applicable, and
4. the effectiveness of your efforts, including any competitive advantage acquired (i.e., increased production, cost reduction, quality improvement, increased market share or sales, etc.).

Categories on which to comment were:

- Investments made
- Cost reductions with existing equipment
- Diversifications/expansions
- Mergers and consolidations
- New products developed or new applications for existing products
- Organizational changes
- Changes in production practices
- Marketing changes in U.S. and foreign markets
- Employee reductions
- Changes in pension liabilities, healthcare, and union contracts
- All other efforts made by firm or workers to compete

Furthermore, if firms felt that any of these efforts have been made primarily to compete with sales of imported subject steel products, they were instructed to so indicate and to give the reasons in support of their beliefs. To the extent possible, firms were asked to furnish the Commission with memoranda, studies, or other documentation which indicate that such competitive efforts were undertaken primarily against imports of subject steel. The responses of firms are presented in tables F-1 through F-4.

¹ See, responses to questions II-1-C (flat), II-2-C (long), II-3-C (tubular), and II-4-C (stainless) of the U.S. producers' questionnaire.

Table F-1

Flat products: Comments of U.S. producers on their efforts to compete more effectively in the U.S. market

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Table F-2

Long products: Comments of U.S. producers on their efforts to compete more effectively in the U.S. market

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Table F-3

Tubular products: Comments of U.S. producers on their efforts to compete more effectively in the U.S. market

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Table F-4

Stainless products: Comments of U.S. producers on their efforts to compete more effectively in the U.S. market

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APPENDIX G

WEIGHTED-AVERAGE PRICE GRAPHS

Figure G-1

FLAT: Weighted-average f.o.b. prices of domestic and imported products 1-6, April 2000-March 2003

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Figure G-2

LONG: Weighted-average f.o.b. prices of domestic and imported products 7-9, April 2000-March 2003

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Figure G-3

TUBULAR: Weighted-average f.o.b. prices of domestic and imported products 10A-11, April 2000-March 2003

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Figure G-4

STAINLESS: Weighted-average f.o.b. prices of domestic and imported products 12A-14, April 2000-March 2003

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