

PUBLIC VERSION

OFFICE OF ECONOMICS



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

November 30, 2001

MEMORANDUM

EC-Y-048

TO: THE COMMISSION

THRU: Robert B. Koopman  
Director, Office of Economics

Cathy DeFilippo  
Chief, Applied Economics Division

FROM: Craig Thomsen  
Joshua Levy  
International Economists

SUBJECT: Investigation No. TA-201-73: STEEL—Corrections to the Remedy Memorandum

Replacement pages for the remedy memo on the subject investigation are attached. Business proprietary information in the report is identified by brackets or lines in the margins, although APO Parties should use the public version of this report as the guide for confidentiality. The Commission is scheduled to vote on the remedy phase of this investigation on December 7, 2001, and its determination is to be transmitted to the President on December 19, 2001.

Attachment

cc: Director, Office of Investigations  
Director, Office of Industries  
Secretary  
Assigned staff

**Table FLAT-5****Quantity and value inputs used in the economic modeling for certain flat steel products**

Input	Slab	Plate	Hot-rolled	Cold-rolled	Coated	Tin
Domestic shipment quantity ( <i>tons</i> )	432,617	6,023,568	22,996,700	15,363,388	19,282,571	2,926,331
Domestic shipment value (\$1,000)	\$143,205	\$2,417,648	\$6,658,938	\$6,839,493	\$10,296,552	\$1,723,409
Canadian import quantity ( <i>tons</i> )	221,355	167,712	459,954	219,104	583,794	91,570
Canadian import value (\$1,000)	\$53,991	\$66,527	\$163,838	\$103,233	\$324,057	\$58,932
Mexican import quantity ( <i>tons</i> )	1,635,969	211	335,401	206,291	288,642	39
Mexican import value (\$1,000)	\$381,793	\$80	\$110,621	\$74,674	\$170,047	\$34
Non-NAFTA import quantity ( <i>tons</i> )	5,402,489	782,844	6,664,289	2,338,379	1,586,893	488,587
Non-NAFTA import value (\$1,000)	\$1,171,646	\$311,815	\$1,989,057	\$1,109,140	\$878,661	\$282,624

Table FLAT-12 contains summary data concerning the effect of various tariff levels on the domestic price, quantity, and revenue for each of the market segments. Also included is a weighted-average total for the plate, hot-rolled, cold-rolled, coated segments listed with and without the effects of slab included.

**Table FLAT-6**

**Slab: Summary effects of different tariff levels**

U.S. industry effects <sup>1</sup> (In percent unless otherwise noted)	Tariff rate				
	10 percent	15 percent	20 percent	25 percent	30 percent
Domestic price	3.3 to 6.2	4.8 to 9.3	6.4 to 12.3	7.8 to 15.1	9.2 to 18.1
Domestic quantity	8.7 to 21.8	13.1 to 33.5	17.4 to 45.7	21.7 to 58.3	25.9 to 71.3
Domestic revenue	13.4 to 28.0	20.2 to 43.5	27.2 to 60.0	34.2 to 77.5	41.3 to 95.9
Non-NAFTA import price	8.3 to 8.9	12.4 to 13.4	16.5 to 17.8	20.6 to 22.2	24.6 to 26.7
Non-NAFTA import quantity	-8.5 to -3.5	-12.4 to -5.1	-16.2 to -6.7	-19.8 to -8.2	-23.2 to -9.7
Canadian import price	3.3 to 6.2	4.8 to 9.3	6.4 to 12.3	7.8 to 15.1	9.2 to 18.1
Canadian import quantity	8.7 to 21.8	13.1 to 33.5	17.4 to 45.7	21.7 to 58.3	25.9 to 71.3
Mexican import price	7.4 to 8.6	11.1 to 12.8	14.7 to 17.0	18.3 to 21.2	21.8 to 25.4
Mexican import quantity	-4.8 to -1.8	-7.0 to -2.6	-9.1 to -3.4	-11.1 to -4.2	-13.1 to -5.0
Covered import share	89.3 to 90.4	88.0 to 89.9	86.7 to 89.3	85.4 to 88.7	83.9 to 88.2
Net welfare effects (\$1,000)	(527) to 7,820	(3,372) to 8,201	(8,146) to 6,540	(16,446) to 3,032	(26,918) to (2,154)
U.S. industry effects <sup>1</sup> (In percent unless otherwise noted)	Tariff rate				
	35 percent	40 percent	45 percent	50 percent	
Domestic price	10.6 to 20.9	11.9 to 23.7	13.2 to 26.5	14.5 to 29.2	
Domestic quantity	30.1 to 84.7	34.3 to 98.5	38.4 to 112.7	42.5 to 127.2	
Domestic revenue	48.4 to 115.3	55.6 to 135.7	62.9 to 156.9	70.2 to 179.0	
Non-NAFTA import price	28.7 to 31.1	32.7 to 35.5	36.9 to 39.9	40.6 to 44.3	
Non-NAFTA import quantity	-26.6 to -11.2	-29.8 to -12.6	-32.8 to -13.9	-35.8 to -15.2	
Canadian import price	10.6 to 20.9	11.9 to 23.7	13.2 to 26.5	14.5 to 29.2	
Canadian import quantity	30.1 to 84.7	34.3 to 98.5	38.4 to 112.7	42.5 to 127.2	
Mexican import price	25.3 to 29.5	28.8 to 33.6	32.2 to 37.7	35.6 to 41.8	
Mexican import quantity	-15.1 to -5.8	-17.0 to -6.5	-18.9 to -7.3	-20.8 to -8.0	
Covered import share	82.5 to 87.6	80.9 to 87.0	79.3 to 86.5	77.6 to 85.9	
Net welfare effects (\$1,000)	(39,425) to (8,866)	(53,836) to (16,571)	(70,033) to (23,012)	(87,899) to (30,263)	

<sup>1</sup> The estimated domestic producers' and import price, quantity, and revenue effects resulting from the specific tariff level are measured as the percentage increases from actual levels in 2000. The welfare effects are the levels that are estimated to result from the specific tariff level. The ranges of estimated effects are based on different combinations of elasticity estimates.

**Table FLAT-8**  
**Hot-rolled: Summary effects of different tariff levels**

U.S. industry effects <sup>1</sup> (In percent unless otherwise noted)	Tariff rate				
	10 percent	15 percent	20 percent	25 percent	30 percent
Domestic price	0.6 to 1.7	0.9 to 2.5	1.1 to 3.1	1.3 to 3.7	1.6 to 4.3
Domestic quantity	2.5 to 6.8	3.6 to 9.7	4.6 to 12.3	5.6 to 14.6	6.5 to 16.6
Domestic revenue	3.3 to 8.3	4.8 to 11.8	6.2 to 14.9	7.5 to 17.7	8.8 to 20.2
Non-NAFTA import price	6.3 to 8.0	9.4 to 12.0	12.4 to 15.9	15.3 to 19.8	18.2 to 23.8
Non-NAFTA import quantity	-25.9 to -13.5	-36.0 to -19.3	-44.6 to -24.6	-39.5 to -23.9	-58.3 to -33.8
Canadian import price	0.6 to 1.7	0.9 to 2.5	1.1 to 3.1	1.3 to 3.7	1.6 to 4.3
Canadian import quantity	2.5 to 6.8	3.6 to 9.7	4.6 to 12.3	5.6 to 14.6	6.5 to 16.6
Mexican import price	4.9 to 6.9	7.3 to 10.2	9.5 to 13.6	11.7 to 16.8	13.8 to 20.0
Mexican import quantity	-18.6 to -10.8	-26.4 to -15.5	-33.3 to -19.9	-39.5 to -23.9	-45.0 to -27.7
Covered import share	17.4 to 20.0	15.1 to 18.7	13.1 to 17.5	11.4 to 16.4	10.0 to 15.4
Net welfare effects (\$1,000)	2,080 to 24,777	(10,941) to 21,730	(32,418) to 11,324	(59,642) to (4,265)	(90,862) to (20,320)
U.S. industry effects <sup>1</sup> (In percent unless otherwise noted)	Tariff rate				
	35 percent	40 percent	45 percent	50 percent	
Domestic price	1.7 to 4.7	1.9 to 5.2	2.1 to 5.5	2.2 to 5.9	
Domestic quantity	7.3 to 18.4	8.1 to 19.9	8.9 to 21.3	9.6 to 22.6	
Domestic revenue	9.9 to 22.4	11.0 to 24.4	12.0 to 26.1	13.0 to 27.7	
Non-NAFTA import price	21.0 to 27.6	23.8 to 31.5	26.5 to 35.4	29.2 to 39.2	
Non-NAFTA import quantity	-63.7 to -37.9	-68.3 to -41.6	-72.2 to -45.0	-75.6 to -48.1	
Canadian import price	1.7 to 4.7	1.9 to 5.2	2.9 to 7.7	2.2 to 5.9	
Canadian import quantity	7.3 to 18.4	8.1 to 19.9	12.4 to 31.1	9.6 to 22.6	
Mexican import price	15.8 to 23.2	17.7 to 26.3	19.6 to 29.4	21.5 to 32.5	
Mexican import quantity	-49.9 to -31.1	-54.3 to -34.3	-58.2 to -37.3	-61.7 to -40.0	
Covered import share	8.7 to 14.5	7.7 to 13.6	6.7 to 12.8	5.9 to 12.1	
Net welfare effects (\$1,000)	(124,936) to (39,591)	(160,986) to (60,840)	(198,350) to (84,334)	(236,513) to (109,746)	
<sup>1</sup> The estimated domestic producers' and import price, quantity, and revenue effects resulting from the specific tariff level are measured as the percentage increases from actual levels in 2000. The welfare effects are the levels that are estimated to result from the specific tariff level. The ranges of estimated effects are based on different combinations of elasticity estimates.					

**Table FLAT-10**  
**Coated: Summary effects of different tariff levels**

U.S. industry effects <sup>1</sup> (In percent unless otherwise noted)	Tariff rate				
	10 percent	15 percent	20 percent	25 percent	30 percent
Domestic price	0.1 to 0.5	0.2 to 0.8	0.3 to 1.0	0.3 to 1.2	0.4 to 1.3
Domestic quantity	0.6 to 2.0	0.9 to 2.8	1.1 to 3.6	1.4 to 4.2	1.6 to 4.8
Domestic revenue	0.8 to 2.4	1.2 to 3.4	1.5 to 4.3	1.8 to 5.1	2.1 to 5.8
Non-NAFTA import price	6.6 to 8.3	9.9 to 12.4	13.1 to 16.6	16.3 to 20.7	19.4 to 24.7
Non-NAFTA import quantity	-23.4 to -12.3	-32.5 to -17.6	-40.3 to -22.4	-46.9 to -26.7	-52.7 to -30.7
Canadian import price	0.1 to 0.5	0.2 to 0.8	0.3 to 1.0	0.3 to 1.2	0.4 to 1.3
Canadian import quantity	0.6 to 2.0	0.9 to 2.8	1.1 to 3.6	1.4 to 4.2	1.6 to 4.8
Mexican import price	5.0 to 7.2	7.4 to 10.8	9.8 to 14.3	12.1 to 17.8	14.3 to 21.2
Mexican import quantity	-18.1 to -10.4	-25.5 to -14.9	-32.0 to -19.0	-37.8 to -22.8	-42.8 to -26.3
Covered import share	6.7 to 7.6	6.0 to 7.2	5.3 to 6.8	4.7 to 6.4	4.3 to 6.1
Net welfare effects (\$1,000)	2,204 to 13,681	(2,432) to 12,964	(11,625) to 8,669	(23,460) to 1,593	(37,320) to (5,494)
U.S. industry effects <sup>1</sup> (In percent unless otherwise noted)	Tariff rate				
	35 percent	40 percent	45 percent	50 percent	
Domestic price	0.4 to 1.5	0.5 to 1.6	0.5 to 1.8	0.6 to 1.9	
Domestic quantity	1.8 to 5.3	2.0 to 5.8	2.2 to 6.2	2.4 to 6.6	
Domestic revenue	2.4 to 6.4	2.7 to 7.0	2.9 to 7.5	3.2 to 8.0	
Non-NAFTA import price	22.5 to 28.8	25.6 to 32.9	28.6 to 36.9	31.6 to 41.0	
Non-NAFTA import quantity	-57.6 to -34.3	-62.0 to -37.7	-65.7 to -40.7	-69.0 to -43.6	
Canadian import price	0.4 to 1.5	0.5 to 1.6	0.5 to 1.8	0.6 to 1.9	
Canadian import quantity	1.8 to 5.3	2.0 to 5.8	2.2 to 6.2	2.4 to 6.6	
Mexican import price	16.5 to 24.6	18.7 to 28.0	20.8 to 31.4	22.9 to 34.7	
Mexican import quantity	-47.4 to -29.5	-51.4 to -32.5	-55.0 to -35.2	-58.3 to -37.8	
Covered import share	3.8 to 5.7	3.5 to 5.5	3.1 to 5.2	2.8 to 5.0	
Net welfare effects (\$1,000)	(52,724) to (13,716)	(69,302) to (23,231)	(86,759) to (33,850)	(104,873) to (45,414)	

<sup>1</sup> The estimated domestic producers' and import price, quantity, and revenue effects resulting from the specific tariff level are measured as the percentage increases from actual levels in 2000. The welfare effects are the levels that are estimated to result from the specific tariff level. The ranges of estimated effects are based on different combinations of elasticity estimates.

**Table FLAT-12**

**Summary of domestic price and quantity effects of differing tariff levels, in percent**

Tariff level and effect	Slab	Plate	Hot-rolled	Cold-rolled	Coated	Tin	Total <sup>1</sup> (slab out)	Total <sup>1</sup> (slab in)
<b>10% Price</b>	3.3 to 6.2	0.2 to 0.7	0.6 to 1.7	0.4 to 1.4	0.1 to 0.5	0.2 to 0.7	0.1 to 0.7	0.1 to 0.7
Quantity	8.7 to 21.8	1.4 to 3.5	2.5 to 6.8	1.1 to 3.7	0.6 to 2.0	1.1 to 3.2	1.5 to 4.3	1.5 to 4.4
Revenue	13.4 to 28.0	1.8 to 4.1	3.3 to 8.3	1.7 to 4.6	0.8 to 2.4	1.4 to 3.7	1.8 to 4.6	1.8 to 4.8
<b>15% Price</b>	4.8 to 9.3	0.3 to 1.0	0.9 to 2.5	0.5 to 2.0	0.2 to 0.8	0.3 to 1.0	0.1 to 1.0	0.1 to 1.1
Quantity	13.1 to 33.5	2.0 to 4.9	3.6 to 9.7	1.7 to 5.2	0.9 to 2.8	1.7 to 4.6	2.2 to 6.1	2.2 to 6.3
Revenue	20.2 to 43.5	2.6 to 5.6	4.8 to 11.8	2.5 to 6.6	1.2 to 3.4	2.1 to 5.3	2.6 to 6.6	2.7 to 6.8
<b>20% Price</b>	6.4 to 12.3	0.4 to 1.2	1.1 to 3.1	0.7 to 2.5	0.3 to 1.0	0.4 to 1.2	0.2 to 1.3	0.2 to 1.4
Quantity	17.4 to 45.7	2.6 to 6.1	4.6 to 12.3	2.1 to 6.6	1.1 to 3.6	2.1 to 5.8	2.8 to 7.7	2.9 to 7.9
Revenue	27.2 to 60.0	3.3 to 7.0	6.2 to 14.9	3.2 to 8.3	1.5 to 4.3	2.7 to 6.8	3.3 to 8.3	3.5 to 8.6
<b>25% Price</b>	7.8 to 15.1	0.5 to 1.4	1.3 to 3.7	0.8 to 3.0	0.3 to 1.2	0.5 to 1.4	0.2 to 1.6	0.2 to 1.6
Quantity	21.7 to 58.3	3.1 to 7.1	5.6 to 14.6	2.6 to 7.8	1.4 to 4.2	2.6 to 6.9	3.4 to 9.1	3.5 to 9.4
Revenue	34.2 to 77.5	3.9 to 8.2	7.5 to 17.7	3.9 to 9.8	1.8 to 5.1	3.3 to 8.0	4.0 to 9.8	4.2 to 10.2
<b>30% Price</b>	9.2 to 18.1	0.6 to 1.6	1.6 to 4.3	1.0 to 3.4	0.4 to 1.3	0.6 to 1.7	0.3 to 1.8	0.3 to 1.9
Quantity	25.9 to 71.3	3.6 to 8.0	6.5 to 16.6	3.0 to 8.8	1.6 to 4.8	3.0 to 7.8	3.9 to 10.3	4.0 to 10.7
Revenue	41.3 to 95.9	4.6 to 9.2	8.8 to 20.2	4.5 to 11.2	2.1 to 5.8	3.8 to 9.2	4.7 to 11.2	4.9 to 11.6
<b>35% Price</b>	10.6 to 20.9	0.7 to 1.8	1.7 to 4.7	1.1 to 3.8	0.4 to 1.5	0.6 to 1.8	0.3 to 2.0	0.3 to 2.1
Quantity	30.1 to 84.7	4.1 to 8.7	7.3 to 18.4	3.4 to 9.8	1.8 to 5.3	3.4 to 8.7	4.4 to 11.4	4.6 to 11.9
Revenue	48.4 to 115.3	5.1 to 10.0	9.9 to 22.4	5.1 to 12.4	2.4 to 6.4	4.3 to 10.3	5.3 to 12.4	5.5 to 12.9

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**Table FLAT-12-Continued**

**Summary of domestic price, quantity, and revenue effects of differing tariff levels**

Tariff level and effect	Slab	Plate	Hot-rolled	Cold-rolled	Coated	Tin	Total <sup>1</sup> (slab out)	Total <sup>1</sup> (slab in)
<b>40% Price</b>	11.9 to 23.7	0.7 to 1.9	1.9 to 5.2	1.2 to 4.2	0.5 to 1.6	0.7 to 2.0	0.3 to 2.2	0.4 to 2.3
Quantity	34.3 to 98.5	4.5 to 9.3	8.1 to 19.9	3.8 to 10.6	2.0 to 5.8	3.8 to 9.5	4.9 to 12.4	5.1 to 13.0
Revenue	55.6 to 135.7	5.6 to 10.7	11.0 to 24.4	5.7 to 13.4	2.7 to 7.0	4.8 to 11.2	5.9 to 13.4	6.1 to 14.1
<b>45% Price</b>	13.2 to 26.5	0.8 to 2.1	2.1 to 5.5	1.3 to 4.5	0.8 to 2.2	0.8 to 2.2	0.4 to 2.4	0.4 to 2.5
Quantity	38.4 to 112.7	4.9 to 9.9	8.9 to 21.3	4.1 to 11.4	4.2 to 10.3	4.2 to 10.3	5.3 to 13.3	5.5 to 13.9
Revenue	62.9 to 156.9	6.1 to 11.4	12.0 to 26.1	6.2 to 14.4	5.3 to 12.1	5.3 to 12.1	6.4 to 14.4	6.7 to 15.2
<b>50% Price</b>	14.5 to 29.2	0.9 to 2.2	2.2 to 5.9	1.4 to 4.8	0.8 to 2.3	0.8 to 2.3	0.4 to 2.5	0.4 to 2.7
Quantity	42.5 to 127.2	5.2 to 10.4	9.6 to 22.6	4.4 to 12.0	4.5 to 10.9	4.5 to 10.9	5.7 to 14.0	6.0 to 14.8
Revenue	70.2 to 179.0	6.6 to 11.9	13.0 to 27.7	6.7 to 15.3	5.7 to 12.8	5.7 to 12.8	6.9 to 15.3	7.2 to 16.1
<sup>1</sup> Totals do not include tin.								

**CONSIDERATIONS UNDER SECTION 203(a)(2)**

**Adjustment Assistance and Worker Retraining**

According to information on the Department of Labor's website, workers from several firms that produce flat steel products have been certified for adjustment assistance.<sup>15</sup> Firms listed include LTV Steel, Thompson Steel Company, North Star Steel, WCI Steel, Inc., Geneva Steel, National Steel Corporation, Allegheny Ludlum Steel, and United States Steel LLC.

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<sup>15</sup> See Department of Labor's website at [wdsc.doleta.gov/trade\\_act/taa](http://wdsc.doleta.gov/trade_act/taa). In addition, staff has attempted to contact the Department of Commerce to obtain information on firms that have been certified for adjustment assistance but to date has not received the information. To the extent that additional information becomes available, it will be forwarded to the Commission.

All corrected tables that appeared in the confidential version of this memorandum which refer to stainless and tool steel products (i.e., pages STAINLESS-19 to STAINLESS-24) are now contained in the public version of EC-Y-046 (the "Remedy Memorandum").