

# United States International Trade Commission

## STEEL: MONITORING DEVELOPMENTS IN THE DOMESTIC INDUSTRY (INVESTIGATION No. TA-204-9)

## STEEL-CONSUMING INDUSTRIES: COMPETITIVE CONDITIONS WITH RESPECT TO STEEL SAFEGUARD MEASURES (INVESTIGATION No. 332-452)

VOLUME II: INVESTIGATION No. TA-204-9 (PART II)  
(TUBULAR AND STAINLESS PRODUCTS AND APPENDICES)

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# **U.S. International Trade Commission**

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## **Steel:**

**Monitoring Developments in the Domestic Industry  
(Investigation No. TA-204-9)**

## **Steel-Consuming Industries:**

**Competitive Conditions With Respect to Steel  
Safeguard Measures**

**(Investigation No. 332-452)**

**Volume II: Investigation No. TA-204-9 (Part II)  
(Tubular and Stainless Products and Appendices)**



*Steel: Monitoring Developments in the Domestic Industry  
(Investigation No. TA-204-9)*

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## ERRATA SHEET

Publication No. 3632 *Steel: Monitoring Developments in the Domestic Industry* (Investigation TA-204-9) and *Steel-Consuming Industries: Competitive Conditions With Respect to Steel Safeguard Measures* (Investigation No. 332-452) has been edited since its initial publication. The new release of Publication No. 3632 reflect changes in page numbering and the tables of contents only. There are no changes to the data or subject matter of the publication.



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## **CHAPTER 4**

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### **CARBON AND ALLOY TUBULAR STEEL**



## PART I: OVERVIEW (TUBULAR STEEL)

### ORGANIZATION OF THIS SECTION

Information in this carbon and alloy tubular steel (tubular steel)<sup>1</sup> section is organized into four parts: (1) overview of issues concerning the industries producing tubular steel; (2) industry and market data for non-OCTG welded pipe and tube (welded, welded pipe, welded tube); (3) industry and market data for fittings and flanges (fittings); and (4) adjustment efforts of U.S. tubular producers. Information collected on the foreign industries producing the subject products is presented in appendix F.

### U.S. PRODUCERS

Information on the number of reporting U.S. producers of tubular steel and a summary of U.S. producers' positions with respect to the section 203 relief is presented in table TUBULAR I-1.<sup>2</sup> A list of U.S. producers of tubular steel providing a response to the Commission's producers' questionnaire in this investigation is presented in table TUBULAR I-2.

**Table TUBULAR I-1**

**Tubular steel: Summary of U.S. producers' positions with respect to the section 203 relief, by products and forms**

Item	Support relief	Oppose relief	Take no position	No response	Total
Welded	22	0	4	0	26
Fittings	6	0	1	1	8

<sup>1</sup> Responses are shown only for products a firm produces and for which it provided data. A firm may produce more than one of the products or forms.

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

**Table TUBULAR I-2**

**Tubular steel: U.S. producers' production, by products, April 2002-March 2003**

\* \* \* \* \*

### STRUCTURAL DEVELOPMENTS

Information on developments in the domestic industries producing welded products and fittings, including bankruptcy protection filings, mergers and acquisitions, and significant capital investments is presented below. A list of U.S. producers that have recently filed for bankruptcy protection is presented in table TUBULAR I-3. Table TUBULAR I-4 presents industry mergers and acquisitions. Table TUBULAR I-5 presents major publicly announced capital investments of U.S. producers.

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<sup>1</sup> For purposes of this report, the term "tubular steel" consists of subject welded pipe and tube and fittings.

<sup>2</sup> As previously mentioned, information on U.S. producers' positions with respect to the section 203 import relief, by firms and by products, is presented in app. E. In some instances, firms have expressed positions for products they do not produce.

**Table TUBULAR I-3**

**Tubular steel: U.S. producers<sup>1</sup> that have filed for bankruptcy protection, 2000-2003**

Month and year of bankruptcy filing	Company and location(s)	Products	Status	Tubular steel capability (million short tons)	Employees affected	Comments
November 2000	Vision Metals <i>Ann Arbor, MI Rosenberg, TX</i>	Seamless and welded pipe and tubing	MI-operating; TX-closed Dec. 2001	( <sup>2</sup> )	610	Michigan plant restarted as Michigan Seamless Tube, LLC, December 2002.
December 2000	LTV <i>Various plants</i>	Pipe and tubing; (also hot- and cold-rolled sheet, galvanized sheet, tinplate)	Youngstown closed by Maverick in February 2003; Portland closed by Copperweld in February 2003; other tubular facilities listed in comments are currently operating as Copperweld or Maverick	1.9		Integrated (non-tubular) assets of LTV bought by ISG in April 2002. Unable to find a buyer for the tubular assets which had been purchased by LTV from Copperweld and Welded Tube in 1999, these assets ( <i>Chicago, IL, Portland, OR, Birmingham, AL, Bedford Park, IL, Shelby, OH, Piqua, OH</i> are the plants producing subject welded product) were spun off as a separate company called Copperweld in October 2002. Maverick bought five LTV tubular facilities ( <i>Youngstown, OH, Ferndale, MI, Cedar Springs, GA, Elyria, OH, Counce, TN</i> ) in December 2002.
July 2001	Excaliber Holding Corp. <i>Benwood, WV Birmingham, AL Seymour, IN</i>	Mechanical tubing and fabricated tube	Shut down welded tube production around July 2001	0.2	800	Company was a fabricator of tube subassemblies for automotive, RV, construction, trucking, and agricultural industries with 3 plants producing welded tube and other plants only fabricating the downstream products. Certain fabricating assets (not welded-tube producing assets) were purchased by Leggett & Platt in August 2001.
July 2001	Laclede Steel Co. <i>Alton, IL Fairless Hills, PA</i>	Bar, welded standard pipe, welded chain	Shut down August 2001	0.6	525	Emerged from November 1998 bankruptcy in January 2001. Filed again for bankruptcy in July 2001.

<sup>1</sup> Geneva Steel filed for bankruptcy in September 2002 after having ceased operation in November 2001. Geneva Steel was primarily a producer of flat steel, but also produced nonsubject line pipe. Although Geneva Steel sold \*\*\* welded tube for piling or other applications, such sales were minor and incidental to its primary business and therefore Geneva Steel is not included as a producer of subject welded pipe for purposes of this investigation.

<sup>2</sup> No public information is available for welded tubular capability.

Source: Compiled from various public sources.

**Table TUBULAR I-4**

**Tubular steel: Significant steel company mergers and acquisitions, 1999-2003<sup>1</sup>**

<b>Month and Year</b>	<b>Company</b>	<b>Description and capabilities</b>
		<b><i>Million short tons tubular capability</i></b>
November 1999	LTV Steel	LTV, a large integrated steel company which made welded pipe (0.8 capability), acquired Copperweld Steel (0.7 capability) and Welded Tube Co. of America (0.5 capability), major producers of pipe and tubing, including carbon, alloy, and stainless steel.
September 2000	Maverick Tube	Maverick Tube (1.0 capability) acquired Longview, WA, hollow structural sections and line pipe mill (0.1 capability) from Prudential Steel Ltd., a Canadian producer of tubular products.
July 2001	AK Steel	AK Steel, an integrated producer of hot- and cold-rolled sheet, coated products, pipe and tubing products (0.4 capability), and stainless steel, acquired the assets of Alpha Tube Co. (0.2 capability), a bankrupt producer of welded steel tubing.
October 2001	Anvil International	Anvil International, a subject fittings producer, acquired the assets of Beck Manufacturing, a manufacturer of steel, PVC, and aluminum fittings. Beck will reportedly operate as a standalone division of Anvil.
April 2002	Wheatland Tube	John Maneely Company, the parent company of Wheatland Tube Co. (0.4 capability), acquired the Sawhill Tubular Division (0.2 capability) of AK Steel.
December 2002	Maverick Tube	Maverick (1.0 capability) acquired certain tubular assets of LTV Steel Corp. This acquisition was for five plants (Youngstown, OH; Ferndale, MI; Cedar Springs, GA; Elyria, OH; and Counce, TN; with a combined 0.7 capability) that formerly were the LTV Steel Tubular Products Division of LTV Steel prior to the purchase of Copperweld Steel and Welded Tube discussed above. Maverick closed the Youngstown facility in February 2003.
June 2003	Dura-Bond Industries	Dura-Bond (no capability) acquired the idled large diameter welded pipe facility in Steelton, PA (0.3 capability) from ISG.
July 2003	Novamerican (Canada)	Acquired ISG/Bethlehem's half of BethNova Tube (0.1 capability).
<p><sup>1</sup> Leggett and Platt Inc. purchased portions of Excaliber Holding Corp.'s tube-fabricating operations, but not its welded tube assets, in August 2001.</p> <p>Source: Compiled by Commission staff from various public sources.</p>		

**Table TUBULAR I-5**

**Tubular steel: Major capital investments of U.S. steel companies, as reported in public sources, 1999-2003**

Year	Company and location	Facility	Reported investment <sup>1</sup>
			<i>Million dollars</i>
1999	LTV Steel <i>Marion, OH</i>	New 146,000 tons per year automotive structural tubing facility.	66
1999	Maverick Tube <i>Hickman, AR</i>	Construction started on new large diameter pipe manufacturing plant. Production began first quarter 2001.	40
2000	Novamerican Corp. <i>Dorval, Quebec, Canada</i>	New tubing facility operated by Nova Tube and Steel, Inc. in Morrisville, PA.	
2001	Lone Star Steel <i>Lone Star, TX</i>	New pipe heat-treatment facility. New descaling system.	
2001	BethNova Tube <sup>2 3</sup> <i>Jefferson, IN</i>	New facility to make hydro-formed tubes for the automotive industry. Annual production expected to reach 120,000 tons.	19.5
2002	Lock Joint Tube <i>South Bend, IN</i>	New equipment to manufacture mechanical tubing. Announced plans to install another three tube mills.	5
2002	Northwest Pipe <i>Portland, OR</i>	Purchase of new spiral mill to be installed in Saginaw, TX.	
2003	Northwest Pipe <i>Portland, OR</i>	Purchase of new spiral mill to be installed in Parkersburg, WV.	
2003	Sharon Tube <i>Sharon, PA</i>	Expanded existing ERW mill in Nile, OH which is capable of producing large outside diameter and heavy wall to manufacture redraw hollows for its cold drawn operations. This plant was fully operational in April 2003.	9.5

<sup>1</sup> Where no value is given, data were not reported in source.  
<sup>2</sup> A joint venture of Bethlehem Steel and Novamerican Steel.  
<sup>3</sup> AISE, found at [http://www.steelnews.com/north\\_american/2001\\_target\\_blanks/june01/bethnova.htm](http://www.steelnews.com/north_american/2001_target_blanks/june01/bethnova.htm), retrieved Sept. 8, 2003.

Source: *AISE Iron and Steel Engineer* and *AISE Steel Technology*, various issues; Preston Press, *Domestic Mill Activity*, various issues, unless otherwise specified.

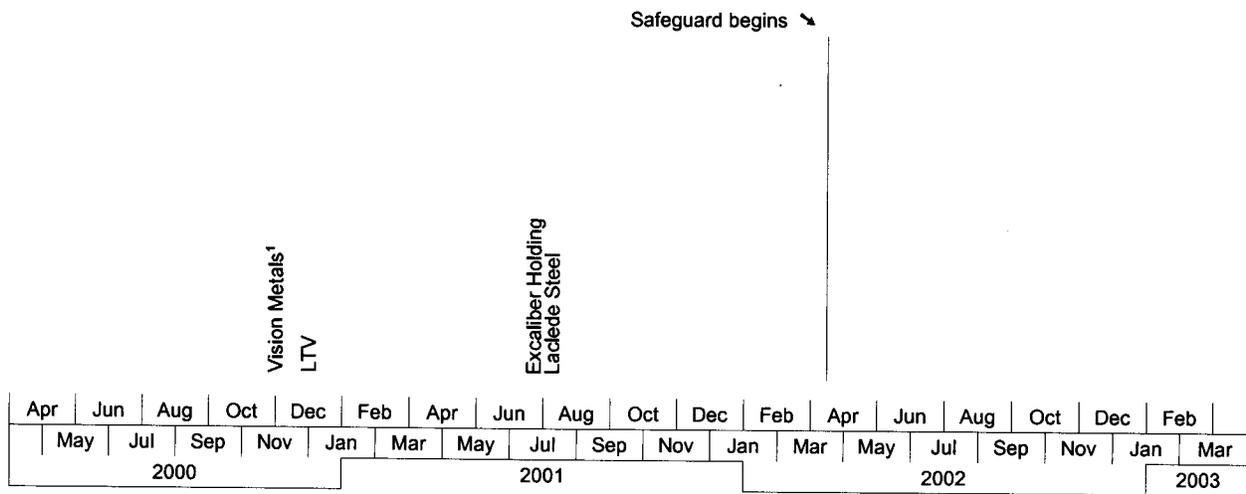
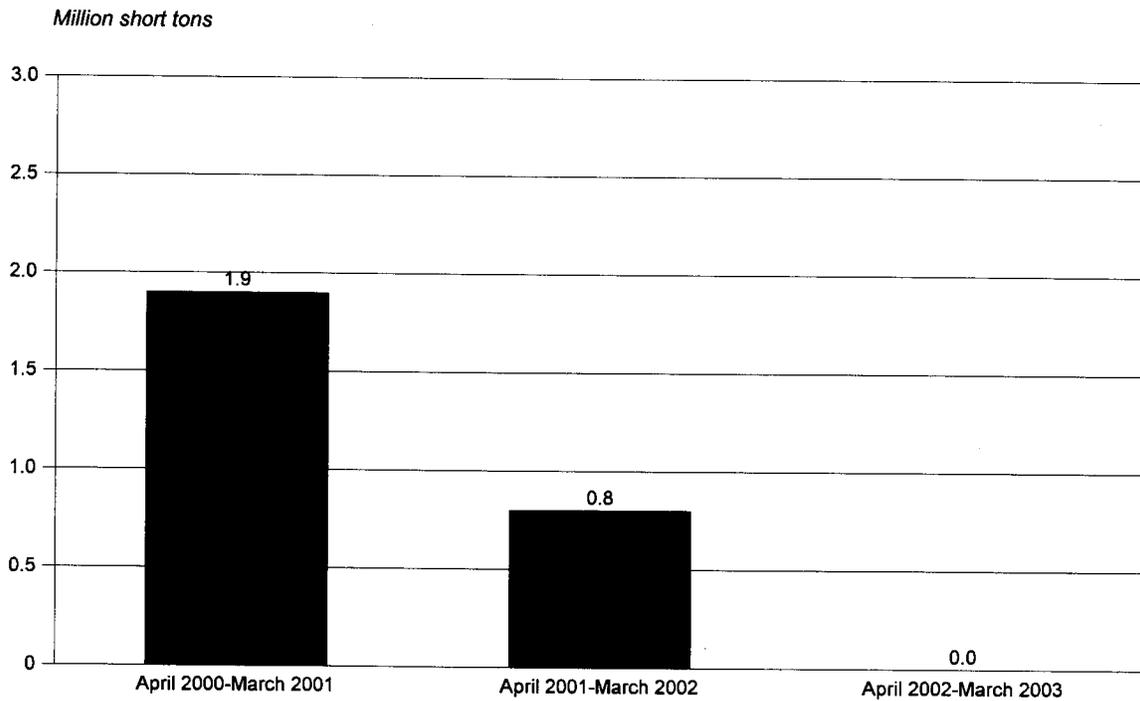
### Timelines

Figure TUBULAR I-1 illustrates the timeline for bankruptcies and the related tubular product capability.<sup>3</sup> Bankruptcies were few in number and were primarily of large steel companies for which tubular products were only a fraction of their production. For mergers and acquisitions activity, tubular product capability<sup>4</sup> is shown in Figure TUBULAR I-2. Merger activity was moderate throughout the period examined, but grew during the first year of the safeguard measures.

<sup>3</sup> Tubular capability instead of raw steel capability is shown because many tube producers have no raw steel capability.

<sup>4</sup> No capability is shown for Anvil's acquisition of Beck (both fittings producers).

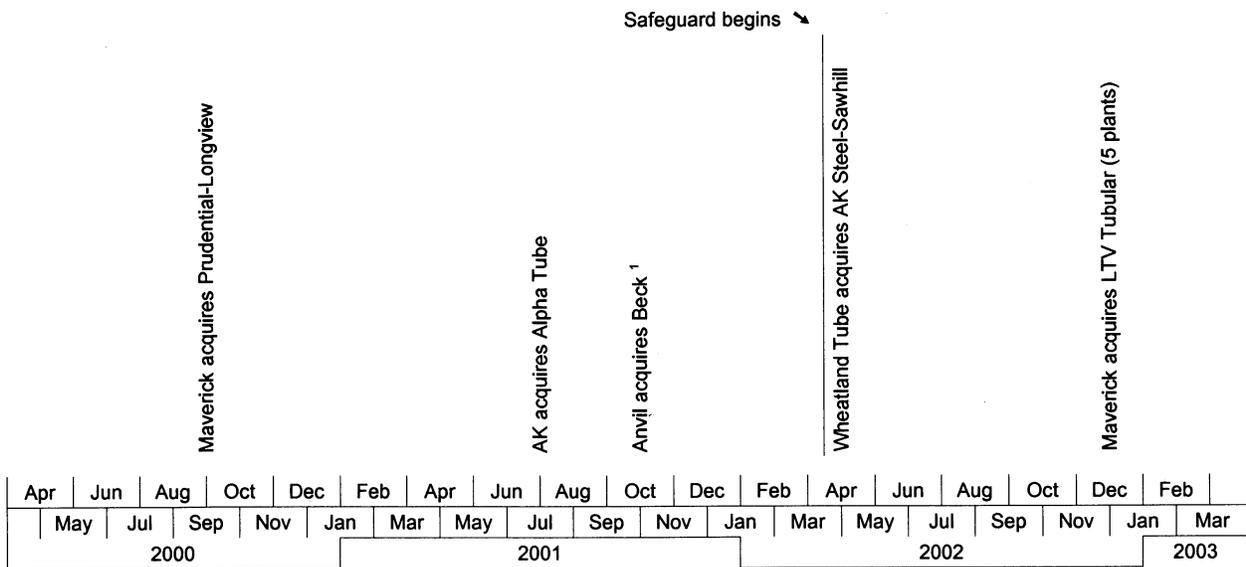
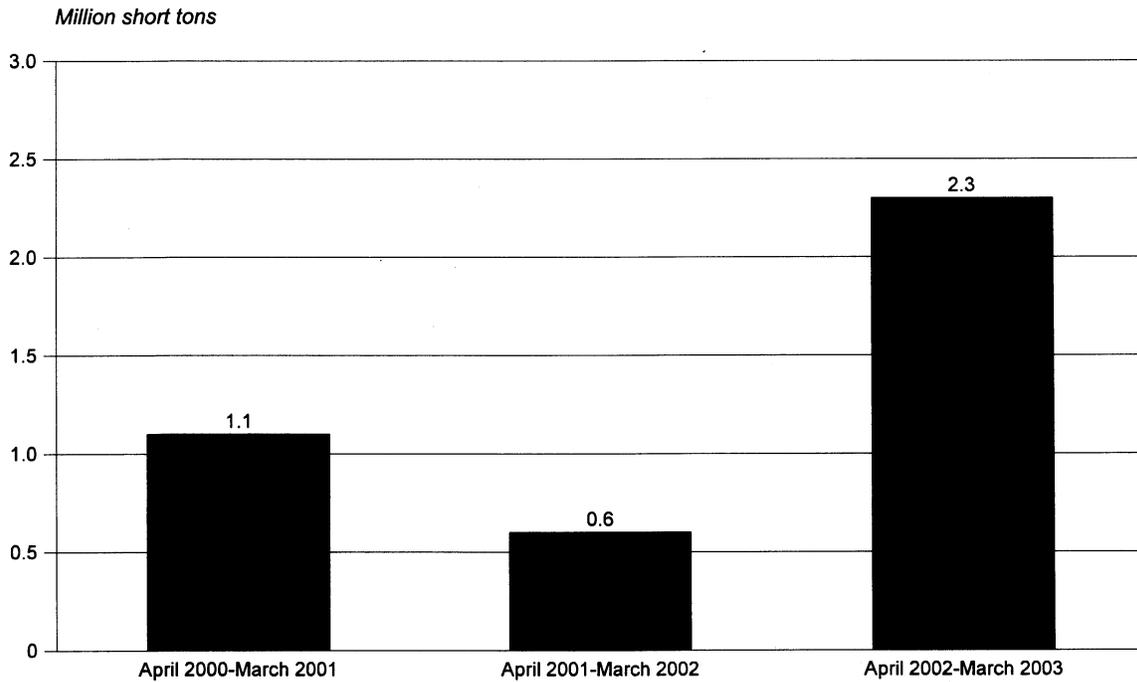
**Figure TUBULAR I-1**  
**Tubular steel: Firms filing for bankruptcy protection and related tubular capability, April 2000-March 2003**



<sup>1</sup> Welded tubular capability unknown.

Source: Table TUBULAR I-3 and other publicly available information.

**Figure TUBULAR I-2**  
**Tubular steel: Mergers and acquisitions and related tubular capability, April 2000-March 2003**



<sup>1</sup> Capability data not applicable; firms are both fittings producers, not pipe/tube producers.

Source: Table TUBULAR I-4 and other publicly available information.

## PART II: INDUSTRY AND MARKET DATA (WELDED)

### DESCRIPTION AND USES

Carbon and alloy welded tubular steel (welded, welded pipe, and welded tube) is 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 typically by welding, although clipping, riveting, and forging may also be 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. HTS statistical reporting numbers for subject welded products are presented in table TUBULAR II-1.

**Table TUBULAR II-1**

**Welded: Subject HTS statistical reporting numbers**

Item	Statistical reporting numbers				
Welded <sup>1</sup>	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	

<sup>1</sup>The temporary HTS subheadings for welded products (other than OCTG) established by proclamation or delegated authority pursuant to trade legislation are:

- (1) 9903.73.74 and 9903.73.75 for products outside the scope of the section 201 investigation and therefore excluded from the section 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 section 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 (ranging from 5 tons to 100,000 tons) 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 *ad valorem* additional tariffs through March 19, 2003, 12 percent additional tariffs through March 19, 2004, and 9 percent additional tariffs through March 20, 2005.

As indicated in (2), certain temporary subheadings specify particular types of welded products which are excluded from the additional tariffs when entered up to certain quantitative limits, i.e., a particular number of tons; the individual quantity limit of each exemption and the time period(s) to which the exemption applies are stated or referenced in the article description of the temporary HTS subheading. Whenever imports of a particular type of welded product exceed the specified quantitative limit, then the quantity in excess of such limit would not be covered by the temporary HTS subheading identified in (2) and would instead be covered by the temporary HTS items identified in (3) and subject to the additional section 203 tariffs.

Source: Harmonized Tariff Schedule of the United States (2003).

## MARKET ENVIRONMENT

### Changes in U.S. Demand

Welded tubular products are used in a variety of end uses. Standard pipe is used for conveyance in industrial applications, as well as having uses in construction, electric power generation, and in the oil market. Mechanical tubing is used in automotive and structural applications. Large diameter line pipe is used in the transmission of oil and gas. As shown in section OVERVIEW II, the value of U.S. nonresidential construction put in place decreased by 4.8 percent between the first quarter of 2002 and the first quarter of 2003 (table OVERVIEW II-1). The value of U.S. construction of utilities, pipelines, and railroads put in place decreased by 5.1 percent between the first quarter of 2002 and the first quarter of 2003.

The data collected by the Commission (which do not include 100 percent of U.S. production) indicate that apparent U.S. consumption of welded tubular products increased by 9.0 percent from April 2000-March 2001 to April 2001-March 2002, then decreased by 10.5 percent in April 2002-March 2003.

Fourteen of 20 responding U.S. welded tube producers and 20 of 31 responding welded tube importers reported that U.S. demand for steel has decreased since March 20, 2002.<sup>1</sup> U.S. welded tube producers that reported decreased demand generally cited the slowing U.S. economy, particularly weakness in capital spending and the construction market sector. Welded tube importers that reported decreased demand generally cited the slowing U.S. economy and greater competition for end products using welded tube. Declining market sectors cited by welded tube importers include automotive, construction, and capital goods. Welded tube importers that reported increased demand cited increased demand for oil and gas.<sup>2</sup>

Nineteen of 23 responding U.S. welded tube producers and 30 of 33 responding welded tube importers reported that there have been no changes in the types or prices of substitute products since March 20, 2002.

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<sup>1</sup> Four producers reported that demand has remained the same, and two reported that demand has increased. Seven importers reported that demand has remained the same, and four reported that demand has increased.

<sup>2</sup> One domestic producer of large diameter line pipe testified that the U.S. pipeline industry has undergone one of the biggest shocks ever to its system in the past two years as a result of the fallout from the Enron collapse. This has resulted in a significant reduction in expenditures on pipeline activities. Testimony of Donald Bohach, Vice-President, Marketing and Sales, Stupp Corp., transcript of Commission hearing (July 17, 2003) at 53. A standard pipe producer testified that demand has declined so much that, even without the production of their largest facilities, they have had no problem keeping up with orders. He did not anticipate any increase in demand in the near future from the non-residential construction sector, which is the sector to which their products are primarily sold. Testimony of Mark Magno, Vice-President, Marketing, Wheatland Tube Co., transcript of Commission hearing (July 17, 2003) at 59. A second standard pipe producer testified that the square footage of building construction was down 30 percent in 2002 versus 2001. Testimony of Robert Bussiere, General Manager, Fire Protection Products, Allied Tube & Conduit Corp., transcript of Commission hearing (July 17, 2003) at 87. A mechanical tubing producer maintained that the overall effect of the recession and the September 11 tragedy has caused firms to decide to postpone investment in big capital projects. He also stated that downstream markets for mechanical tubing have been losing a tremendous amount of sales to foreign producers, particularly Chinese producers. Perry Katsafanas, President, Leavitt Tube Co., transcript of Commission hearing (July 17, 2003) at 88-89. Finally, an organized labor witness testified that there has been a particular drop in demand for energy pipe for use in the energy industry since the Enron debacle. He also stated that many of the downstream firms that use mechanical pipe have closed their doors in the United States and moved to China. Testimony of Leo Gerard, International President, United Steelworkers of America, AFL-CIO-CLC, transcript of Commission hearing (July 17, 2003) at 89-90.

## Changes in U.S. Supply

Prior to the imposition of the section 203 safeguard measure, Laclede Steel, a producer of carbon and alloy steel hot-rolled bar, welded standard pipe, and welded chain with raw steel capacity of 0.6 million short tons, filed for bankruptcy in July 2001 and shut down its operations in August 2001. Additional capacity reductions reportedly occurred at Excalibur Holding.<sup>3</sup>

Following the imposition of the section 203 safeguard measure, three other tubular facilities were shut down. In June 2002, Olympic Steel Tube shut down its Cleveland, OH tubular facility; in February 2003, Maverick shut down its Youngstown, OH tubular facility (formerly an LTV asset); and also in February 2003, Copperweld shut down its Portland, OR tubular facility (also formerly an LTV asset).<sup>4</sup>

As shown in table TUBULAR II-2, with the exceptions of efforts to increase product availability and decreasing order backlogs, the majority of welded tube producers reported no changes in their marketing practices since March 20, 2002.

**Table TUBULAR II-2**

**Welded: U.S. producer responses to questions regarding firms' activities since March 20, 2002**

Marketing practice/market conditions	Number of producers reporting		
	No	Yes	
Efforts to increase product availability	11	14	
Change in geographic market	22	3	
Change in channels of distribution	21	3	
Change in share of sales from inventory	22	3	
Change in average lead times from inventory	19	4	
Change in average lead times from production	16	8	
Change in product range	17	8	
Change in demand for or production of alternate products	19	6	
	Increased	Decreased	Stayed same
Change in order backlogs	4	13	7
Change in on-time shipping percentage	5	1	18

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

<sup>3</sup> See table TUBULAR I-3.

<sup>4</sup> A mechanical tubing producer testified that, over the past two years he has seen more capacity leave the U.S. welded pipe industry than at any time since the integrated producers exited the welded pipe and tube business in the early 1980's. He cited the closures of Excalibur Tube, Olympic Steel Tube, the former LTV tubular facility in Youngstown OH, and Copperweld's tubular plants in Birmingham, AL, Portland, OR, and Piqua, OH. Testimony of Perry Katsafanas, President, Leavitt Tube Co., transcript of Commission hearing (July 17, 2003) at 47-48. Counsel to the Korean respondents maintained that the Commission capacity and capacity utilization data indicates that the welded pipe industry has not closed all of its inefficient capacity. Donald Cameron, counsel to Korean respondents, transcript of hearing (July 17, 2003) at 200.

Forty-nine of 133 responding welded tube purchasers reported experiencing difficulties procuring steel in the quantities necessary to meet their needs since March 20, 2002. Fifty-four of 124 responding welded tube purchasers reported increased average lead times for their purchases of domestic steel, 56 reported no change in domestic lead times, and 14 reported decreased domestic lead times. Welded tube purchasers were asked to identify actions taken by domestic producers since March 20, 2002 to make a positive adjustment to import competition.<sup>5</sup> Seventy-nine of 133 responding welded tube purchasers did not indicate that producers had taken any such actions. However, 13 of 133 responding purchasers reported that domestic producers had introduced new or innovative products, 15 reported that domestic producers had improved product quality, 17 reported that domestic producers had expanded marketing efforts, 16 reported that domestic producers had improved customer service, and 23 reported that domestic producers had made other positive adjustment efforts.<sup>6</sup>

Based on data compiled in this investigation, U.S. welded tube producers' capacity utilization was 52.9 percent and their inventories as a percentage of total shipments were 14.3 percent during April 2002-March 2003. Exports accounted for 3.4 percent of total shipments.

### **Changes in Import Supply**

Imports of welded pipe from covered countries fell by 48.9 percent between the periods April 2001-March 2002 and April 2002-March 2003, whereas imports of welded pipe from noncovered countries increased by 8.0 percent between the same periods. Total imports declined 22.1 percent.<sup>7</sup>

The U.S. market share accounted for by imports of welded pipe from covered countries fell from 22.6 percent in April 2001-March 2002 to 12.9 percent in April 2002-March 2003. The U.S. market share accounted for by imports of welded pipe from noncovered countries increased from 20.1 percent in April 2001-March 2002 to 24.2 percent in April 2002-March 2003. The U.S. market share accounted for by all imports decreased from 42.7 to 37.1 percent.<sup>8</sup>

As shown in table TUBULAR II-3, the majority of welded pipe importers reported no changes in their marketing practices since March 20, 2002.

Covered and noncovered country producers' capacity, capacity utilization, U.S. export shipments as a percentage of total shipments, and inventories as a percentage of total shipments during April 2002-March 2003 are shown in table TUBULAR II-4.

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<sup>5</sup> Purchasers were asked to indicate whether domestic producers had taken any of the following actions: introduction of new or innovative product, improved product quality, expansion of marketing efforts including e-commerce, improvements in customer service, and other efforts to make a positive adjustment to import competition.

<sup>6</sup> Some purchasers reported more than one of these actions.

<sup>7</sup> See table TUBULAR II-7.

<sup>8</sup> See table TUBULAR II-10.

**Table TUBULAR II-3**

**Welded: U.S. importer responses to questions regarding firms' activities since March 20, 2002**

Marketing practice	Number of importers reporting		
	No	Yes	
Efforts to increase product availability	31	15	
Change in geographic market	43	2	
Change in channels of distribution	39	2	
Change in share of sales from inventory	38	5	
Change in average lead times from inventory	28	0	
Change in average lead times from production	25	9	
Change in product range	40	10	
Change in demand for or production of alternate products	38	4	
Importing of steel from foreign producers from which previously have not imported	36	11	
	Increased	Decreased	Stayed same
Change in order backlogs	5	16	24
Change in on-time shipping percentage	5	12	30

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

**Table TUBULAR II-4**

**Welded: Covered and noncovered country producers' capacity, capacity utilization, export shipments to the United States as a percentage of total shipments, and inventories as a percentage of total shipments, April 2002-March 2003**

Source	Capacity	Capacity utilization	Exports to United States/ total shipments	Inventories/ total shipments
	<i>Short tons</i>	<i>Percent</i>		
Covered	7,760,639	85.8	6.3	4.8
Noncovered	3,662,050	55.2	18.4	9.2

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

## Timeline

Figure TUBULAR-II-1 shows monthly shipments of welded tubular products by U.S. producers, and total imports as well as imports separately from countries subject to the safeguard measures and countries exempt from the safeguard measures, along with a timeline of significant events that may have influenced the market environment. Shipment data for domestic producers depicted in the graph are from the American Iron and Steel Institute, and differ somewhat from shipment data presented elsewhere in this report, which are based on questionnaire data (which do not include monthly data). Import data are consistent with those in other tables presented in this report. The timeline showing significant events includes significant supply changes due to shut downs (shown below the timeline) and start ups (shown above the line). Also shown above the line are significant safeguard dates,<sup>9</sup> while antidumping duty orders are shown below the line.<sup>10 11</sup>

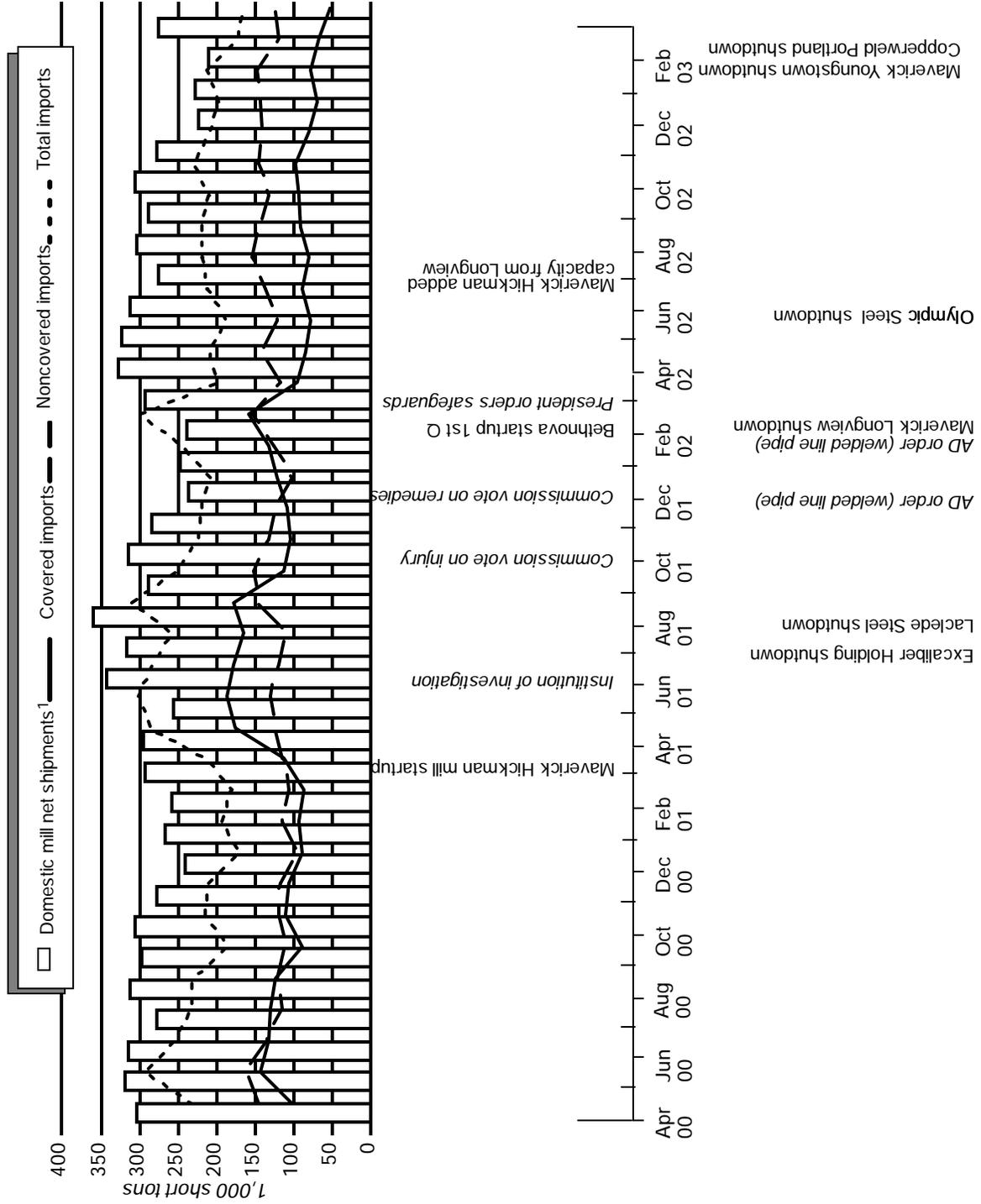
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<sup>9</sup> Counsel to CPTI 201 coalition testified that a surge in imports from Korea between the time of the Commission's injury determination and the President's remedy decision helped "to ruin the first year of relief for the domestic industry by landing such massive quantities of inventories into the U.S. market prior to the beginning of relief." Roger Schagrin, counsel to the CPTI 201 coalition, transcript of Commission hearing (July 17, 2003) at 18. He further testified that imports from some countries not covered by the safeguard measures, notably India and Turkey, had surged compared to the 1996-1997 base period used by the Administration for excluding developing countries. Ibid. at 18-19.

<sup>10</sup> Commerce imposed antidumping duty orders on welded large diameter line pipe from Japan on December 6, 2001 (66 FR 63368) and from Mexico on February 27, 2002 (67 FR 8937).

<sup>11</sup> Imports may also have been affected by safeguard measures imposed on line pipe in March 2000, just before the period examined in the timeline. The President imposed tariff rate quotas on welded line pipe on March 1, 2000. Inasmuch as line pipe can be produced in the same facilities used to produce subject welded pipe, the safeguard measures on line pipe could affect the availability of foreign welded pipe subject to the instant investigation. Counsel testified in the 201 investigation that "with imports of line pipe restricted Korean producers and producers in other countries around the world increased exports of other welded pipe and tube products by even more than their decreased exports of line pipe." Roger Schagrin, counsel to the CPTI 201 coalition, transcript of Commission hearing in Investigation TA-201-73 (September 17, 2001) at 63-64.

**Figure TUBULAR II-1**  
**Welded non-OCTG pipe: Monthly imports and monthly domestic mill net shipments, antidumping duty (AD) orders, facility shutdowns and startups, and investigation milestones, April 2000-March 2003**



<sup>1</sup> Domestic mill shipments, excluding shipments to reporting companies.

Source: Compiled from official statistics of the U.S. Department of Commerce; statistics of the American Iron and Steel Institute, AIS 10 (various months); and publicly available information.

## U.S. INDUSTRY DATA

Table TUBULAR II-5 presents information on U.S. welded pipe producers' capacity, production, shipments, inventories, and employment. The Commission received usable questionnaire responses from 26 welded products producers that are believed to account for a substantial share of U.S. production capacity during the period April 2002-March 2003.

The following tabulation presents firms that reported calendar-year 2000 production capacity in the section 201 investigation but did not provide data in this investigation.<sup>12</sup>

\* \* \* \* \*

\*\*\*. \*\*\*. Therefore, the welded data including capacity data shown in table TUBULAR II-2 are understated for the April 2000-March 2001 and April 2001-March 2002 periods.

Several producers have reportedly ceased welded tube operations during the period examined; e.g., Excaliber's operations were broken up in August 2001, Laclede closed in September 2001, Olympic Steel closed in June 2002,<sup>13</sup> Copperweld closed its Portland, OR mill in February 2003, and Maverick closed its Youngstown, OH facility in February 2003.<sup>14</sup>

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<sup>12</sup> \*\*\* returned questionnaires in both the 201 and the 204 investigations. In the firm's questionnaire response in the section 201 investigation the firm reported welded tube capacity of \*\*\* short tons and production of \*\*\* short tons in 2000; however, in its questionnaire in this investigation the firm reported that it did not produce subject welded pipe.

<sup>13</sup> See Olympic Steel's Form 10-K filing for the year ending December 31, 2002. The firm reported losses for fiscal years 2000, 2001, and 2002.

<sup>14</sup> According to testimony at the Commission's hearing, "{a}t the time of the combination of LTV Tubular, Copperweld and Welded Tube Co. of America to form the LTV Copperweld subsidiary of LTV Steel, significant capacity rationalizing has occurred. That was in 2000 and 2001." Testimony of Parry Katsafanas, President, Leavitt Tube Co., hearing transcript, July 17, 2003 at 48. In May 2003, \*\*\* and thereby reducing the capacity of \*\*\* from \*\*\* short tons per year to \*\*\* short tons per year. Staff conversation with \*\*\*, September 5, 2003. Additionally, Copperweld has announced the anticipated closures of its structural tubing plant in Birmingham, AL, as well as its mechanical tubing mill in Piqua, OH. Staff telephone conversation with \*\*\*, September 9, 2003.

**Table TUBULAR II-5**

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

Item	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003
	<b>Quantity (short tons)</b>		
Capacity <sup>1</sup>	7,519,521	7,441,796	7,744,735
Production	4,135,729	4,074,940	4,097,957
Internal consumption/transfers	102,681	120,008	115,571
U.S. commercial shipments	3,827,649	3,896,806	3,825,860
U.S. shipments	3,930,330	4,016,814	3,941,431
Export shipments	170,561	137,065	138,700
Total shipments	4,100,891	4,153,879	4,080,131
Ending inventories	604,431	546,480	584,311
	<b>Value (\$1,000)</b>		
Internal consumption/transfers	57,321	60,148	60,970
U.S. commercial shipments	2,299,681	2,161,152	2,278,582
U.S. shipments	2,357,002	2,221,300	2,339,552
Export shipments	113,433	87,109	89,527
Total shipments	2,470,435	2,308,410	2,429,078
	<b>Unit value (per short ton)</b>		
Internal consumption/transfers	\$558	\$501	\$528
U.S. commercial shipments	601	555	596
U.S. shipments	600	553	594
Export shipments	665	636	645
Total shipments	602	556	595
	<b>Ratios and shares (percent)</b>		
Capacity utilization	55.0	54.8	52.9
U.S. shipments to distributors	67.0	63.5	65.8
U.S. shipments to end users	33.0	36.5	34.2
Inventories/total shipments	14.7	13.2	14.3
	<b>Employment data</b>		
PRWs <sup>2</sup> (number)	5,980	5,734	6,014
Hours worked (1,000)	12,050	11,552	11,888
Wages paid (\$1,000)	230,020	226,295	250,990
Hourly wages	\$19.09	\$19.59	\$21.11
Productivity (short tons/1,000 hours)	343.2	352.8	344.7
Unit labor costs (per short ton)	\$55.62	\$55.53	\$61.25
<p><sup>1</sup> If *** were included in the data, reported capacity would be *** short tons for April 2000-March 2001 and approximately *** short tons in April 2001-March 2002 (***); therefore, capacity in April 2002-March 2003 would be *** percent less than in April 2001-March 2002 and *** percent less than in April 2000-March 2001.</p> <p><sup>2</sup> Production and related workers.</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.</p>			

As presented in table TUBULAR II-5, reporting U.S. producers' aggregate output-related indicators reflected little change in the period April 2002 to March 2003. In the first relief year, the domestic industry's capacity reportedly increased by 4.1 percent, production increased by 0.6 percent, and U.S. shipments decreased by 1.9 percent.<sup>15</sup> Each of these indicators was little different than in the period from April 2000 to March 2001.<sup>16</sup> Capacity utilization decreased from 54.8 percent to 52.9 percent in the period April 2002 to March 2003, and was below the 55.0 percent level of the period from April 2000 to March 2001. The number of production and related workers employed increased by 4.9 percent in the first relief year, and was 0.6 percent higher than in the period from April 2000 to March 2001. Productivity decreased by 2.3 percent, while hourly wage rates increased by 7.8 percent, resulting in higher unit labor costs in the period April 2002 to March 2003.

## FINANCIAL DATA

Financial data on welded pipe other than OCTG provided by U.S. producers are presented in table TUBULAR II-6.

U.S. firms were requested to provide information on whether they received funds under the Continued Dumping and Subsidy Offset Act (CDSOA or Byrd Amendment), their pension expenses, and their post-employment expenses other than pensions (OPEBs). Ten firms reported receiving funds under the CDSOA, which they classified as other income.<sup>17</sup> Thirteen firms reported that they incurred pension expenses in their operations producing welded pipe, and generally classified those expenses within either other factory costs or direct labor, two categories of the cost of goods sold (COGS). Three of the thirteen also reported part of their pension expenses as a component of total selling, general, and administrative (SG&A) expenses. Seven firms reported incurring OPEBs, and classified those expenses within COGS.

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<sup>15</sup> The value of the domestic industry's U.S. shipments increased by 5.3 percent, reflecting an increase in the average unit value of such shipments. Both the value and the average unit value of such shipments were lower than in the period April 2000 to March 2001.

<sup>16</sup> As noted above, a number of welded pipe mills closed over the period examined. The closure of mills such as those of Laclede Steel and Olympic Steel, as well as the \*\*\*, and their corresponding absence from the data collected, would tend to overstate a trend of increasing shipments (or other volume-related measures), or understate a trend of declining shipments (or other volume-related measures), over the period examined. It should be noted, however, that the absence of data from mills that opened or ramped up production during the period, such as \*\*\*, would have the opposite effect on the presented trends.

<sup>17</sup> \*\*\* classified these funds received as an offset to SG&A; Commission staff adjusted them to other income.

**Table TUBULAR II-6**

**Welded: Results of operations of U.S. producers, April 2000-March 2003**

<b>Item</b>	<b>April 2000- March 2001</b>	<b>April 2001- March 2002</b>	<b>April 2002- March 2003</b>
<b>Quantity (short tons)</b>			
Net commercial sales	4,009,903	4,045,134	3,977,774
<b>Value (\$1,000)</b>			
Net commercial sales	2,414,275	2,246,516	2,381,308
Cost of goods sold (COGS)	2,079,772	1,930,635	2,099,694
Gross profit or (loss)	334,504	315,881	281,614
SG&A expenses	196,713	194,819	203,538
Operating income or (loss)	137,790	121,063	78,076
Interest expense	50,385	30,581	39,212
Other (income)/expenses, net	11,860	6,759	(3,920)
Net income or (loss)	75,545	83,723	42,784
Depreciation/amortization	74,769	74,233	74,576
Cash flow	150,314	157,956	117,360
CDSOA funds received	0	3,627	4,313
Pension (credit)/expense	(1,342)	2,891	7,647
Other post-employment benefits	5,609	6,317	6,498
Capital expenditures	79,884	61,399	83,790
R&D expenses	7,609	6,957	7,214
<b>Ratio to net commercial sales (percent)</b>			
COGS	86.1	85.9	88.2
Gross profit or (loss)	13.9	14.1	11.8
SG&A expenses	8.1	8.7	8.5
Operating income or (loss)	5.7	5.4	3.3
Net income or (loss)	3.1	3.7	1.8
<b>Unit value (per short ton)</b>			
Net commercial sales	\$602	\$555	\$599
COGS total	519	477	528
Raw materials	355	318	353
Direct labor	59	57	63
Other factory costs	104	102	112
Gross profit or (loss)	83	78	71
SG&A expenses	49	48	51
Operating income or (loss)	34	30	20
<b>Number of firms reporting</b>			
Operating losses	6	7	8
Data	26	26	26
Source: Compiled from data submitted in response to Commission questionnaires.			

As presented in table TUBULAR II-6, reporting U.S. producers' net commercial sales decreased on a quantity basis but increased on a value basis in the period April 2002 to March 2003; net sales measured by either measure, however, were below the levels reported in the period April 2000 to March 2001. In the first 12 months of the section 203 safeguard measure, the domestic industry's average unit values for commercial sales increased from \$555 to \$599, but were still below the \$602 average unit value for the period from April 2000 to March 2001.

COGS increased more on a unit basis than did average unit values. In the period April 2002 to March 2003, unit raw materials costs increased sharply, as did unit labor and other factory costs. Because unit costs increased by a greater degree than unit revenues, and the industry's sales volumes declined, its financial performance declined as well. The industry's operating margins declined from 5.4 percent to 3.3 percent. By contrast, the industry's operating margin was 5.7 percent in the period from April 2000 to March 2001.

Industry representatives stated at the hearing that reported raw material costs reflect changes in the cost of steel that they consume (mostly hot-rolled steel in coils, or slab in the case of CSI).<sup>18</sup> Domestic producers have implemented cost reduction programs, including layoffs and termination of salaried and hourly workers, consolidated facilities, and replaced or upgraded equipment to improve efficiency.<sup>19</sup> These efforts also are seen in the industry's levels of capital investment.<sup>20</sup>

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<sup>18</sup> Several industry representatives testified that raw material costs had increased; *see e.g.* testimony of Robert Bussiere, General Manager Fire Protection Products, Allied Tube, transcript of Commission hearing (July 17, 2003) at 121; and Mark Magno, Vice President, Marketing, Wheatland Tube, transcript of Commission hearing (July 17, 2003) at 124. Parry Katsafanas, President, Leavitt Tube, testified his firm was able to recover only 67 percent of the increased steel costs (transcript of Commission hearing (July 17, 2003) at 122-123. A spokesman for IPSCO testified that, although his firm is vertically integrated, IPSCO's pipe facility is located near Nucor's Hickman, AR, steel mill, and often purchases its steel from Nucor. L. Scott Barnes, Vice President, Commercial, IPSCO Tubulars, Inc. (transcript of Commission hearing (July 17, 2003) at 162-163. He also stated that while raw material costs for hot-rolled have moderated from the beginning to the end of the periods investigated, "other costs such as for health care insurance and energy costs, have continued increasing." L. Scott Barnes, Vice President, Commercial, IPSCO Tubulars, Inc., transcript of Commission hearing (July 17, 2003) at 51; *see also* CPTI posthearing brief at 8. Counsel to the Korean respondents emphasized the relationship between pipe prices and raw material (flat-rolled) costs in their assessment of the effectiveness of relief. Posthearing brief of Korean respondents at 7-9 and 20-21.

<sup>19</sup> Posthearing brief of the CPTI 201 Coalition at 6. *See also* posthearing brief of U.S. Steel with respect to welded tubular products at 3.

<sup>20</sup> Posthearing brief of the CPTI 201 Coalition at 7-8 and exh. 2. For a discussion of investment and its relationship to import relief, *see* the posthearing brief of Korean respondents at 9-10 and exh. 1.

## U.S. IMPORTS

Table TUBULAR II-7 presents data on U.S. imports of welded tubular products by sources for the period April 2000-March 2003. Table TUBULAR II-8 presents data on U.S. imports from covered sources, by tariff categories during April 2002-March 2003. Table TUBULAR II-9 presents U.S. importers' U.S. shipments and end-of-period inventories for the April 2000-March 2003 period.

As presented in table TUBULAR II-7, in the period April 2002 to March 2003, total imports declined, imports from covered sources declined sharply, and imports from sources not covered by the safeguard measure increased. The quantity of total imports declined from 2,988,231 short tons to 2,327,495 short tons. Imports from countries covered by the safeguard measure declined from 1,583,353 short tons to 809,695 short tons. The quantity of U.S. imports from countries not covered by the safeguard measure increased from 1,404,878 short tons to 1,517,800 short tons.<sup>21</sup>

## APPARENT U.S. CONSUMPTION AND MARKET SHARES

Data on apparent U.S. consumption and market shares of welded tubular products are presented in table TUBULAR II-10 and figure TUBULAR II-2.

As discussed in the section of this chapter entitled *Market Environment*, in the period April 2002 to March 2003, demand in the primary market sectors for welded pipe generally declined, and most of the responding U.S. welded pipe producers and importers agreed that demand for steel has decreased since March 2002. As presented in table TUBULAR II-10, the data gathered by the Commission in this investigation indicate that the quantity of apparent U.S. consumption of welded pipe decreased by 10.5 percent in the period April 2002 to March 2003, and at the conclusion of this period was 2.5 percent below the level of the period from April 2000 to March 2001.<sup>22</sup>

In the period April 2002 to March 2003, the domestic industry increased its share of the U.S. market from 57.3 percent to 62.9 percent. Imports from covered countries saw their market share decrease from 22.6 percent to 12.9 percent, while imports from noncovered countries saw their market share increase from 20.1 percent to 24.2 percent.

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<sup>21</sup> The value of U.S. imports from covered sources declined less steeply than the quantity, as the average unit value of such imports increased by 19.2 percent in the first 12 months of the section 203 safeguard measure. Similarly, the value of U.S. imports from noncovered sources increased more steeply than the quantity, as the average unit value of such imports increased by 7.2 percent. The average unit value of all imports increased by 11.5 percent in the first relief year, and were 8.5 percent higher than in the period April 2000 to March 2001.

<sup>22</sup> As noted above, a number of welded pipe mills closed over the period examined. The closure of mills such as those of Laclede Steel and Olympic Steel, as well as the \*\*\*, and their corresponding absence from the data collected, would tend to overstate a trend of increasing shipments (or other volume-related measures), or understate a trend of declining shipments (or other volume-related measures), over the period examined. It should be noted, however, that the absence of data from mills that opened or ramped up production during the period, such as \*\*\*, would have the opposite effect on the presented trends.

**Table TUBULAR II-7**  
**Welded: U.S. imports, by sources, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	Period change from period 2 to period 3
	<b>Quantity (short tons)</b>			<b>Percent</b>
Covered sources <sup>1</sup>	1,179,493	1,583,353	809,695	-48.9
Noncovered sources: <sup>2</sup>				
Canada	925,591	912,996	859,989	-5.8
India	32,469	52,348	131,154	150.5
Mexico	178,763	174,483	220,836	26.6
Turkey	26,518	52,205	132,844	154.5
Subtotal	1,163,341	1,192,032	1,344,823	12.8
All others	155,935	212,846	172,977	-18.7
Subtotal (noncovered)	1,319,276	1,404,878	1,517,800	8.0
Total (all imports)	2,498,768	2,988,231	2,327,495	-22.1
	<b>Landed, duty paid value (\$1,000)</b>			
Covered sources <sup>1</sup>	584,967	786,623	479,506	-39.0
Noncovered sources: <sup>2</sup>				
Canada	506,723	476,590	515,974	8.3
India	14,791	22,590	60,288	166.9
Mexico	97,272	88,249	115,505	30.9
Turkey	12,234	17,830	50,456	183.0
Subtotal	631,020	605,259	742,223	22.6
All others	63,875	97,717	72,172	-26.1
Subtotal (noncovered)	694,895	702,976	814,395	15.9
Total (all imports)	1,279,862	1,489,600	1,293,901	-13.1
	<b>Unit value (per short ton)</b>			
Covered sources <sup>1</sup>	\$496	\$497	\$592	19.2
Noncovered sources: <sup>2</sup>				
Canada	547	522	600	14.9
India	456	432	460	6.5
Mexico	544	506	523	3.4
Turkey	461	342	380	11.2
Average	542	508	552	8.7
All others	410	459	417	-9.1
Average (noncovered)	527	500	537	7.2
Average (all imports)	512	498	556	11.5
	<b>Share of total imports based on quantity (percent)</b>			<b>Percentage point</b>
Covered sources <sup>1</sup>	47.2	53.0	34.8	-18.2
Noncovered sources: <sup>2</sup>				
Canada	37.0	30.6	36.9	6.4
India	1.3	1.8	5.6	3.9
Mexico	7.2	5.8	9.5	3.6
Turkey	1.1	1.7	5.7	4.0
Subtotal	46.6	39.9	57.8	17.9
All others	6.2	7.1	7.4	0.3
Subtotal (noncovered)	52.8	47.0	65.2	18.2
Total (all imports)	100.0	100.0	100.0	0.0
	<b>Ratio of imports to production (percent)</b>			
Covered sources <sup>1</sup>	28.5	38.9	19.8	-19.1
Noncovered sources	31.9	34.5	37.0	2.6
Total	60.4	73.3	56.8	-16.5

<sup>1</sup> Although Thailand is generally exempt from the section 203 relief, it is a covered source with respect to imports of welded.

<sup>2</sup> Noncovered sources accounting for 3 percent or more of total U.S. imports (based on quantity) in April 2002-March 2003 are presented separately.

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

Source: Compiled from official statistics of Commerce.

**Table TUBULAR II-8**

**Welded: U.S. imports from covered sources, by tariff categories, April 2002-March 2003**

\* \* \* \* \*

**Table TUBULAR II-9**

**Welded: U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003**

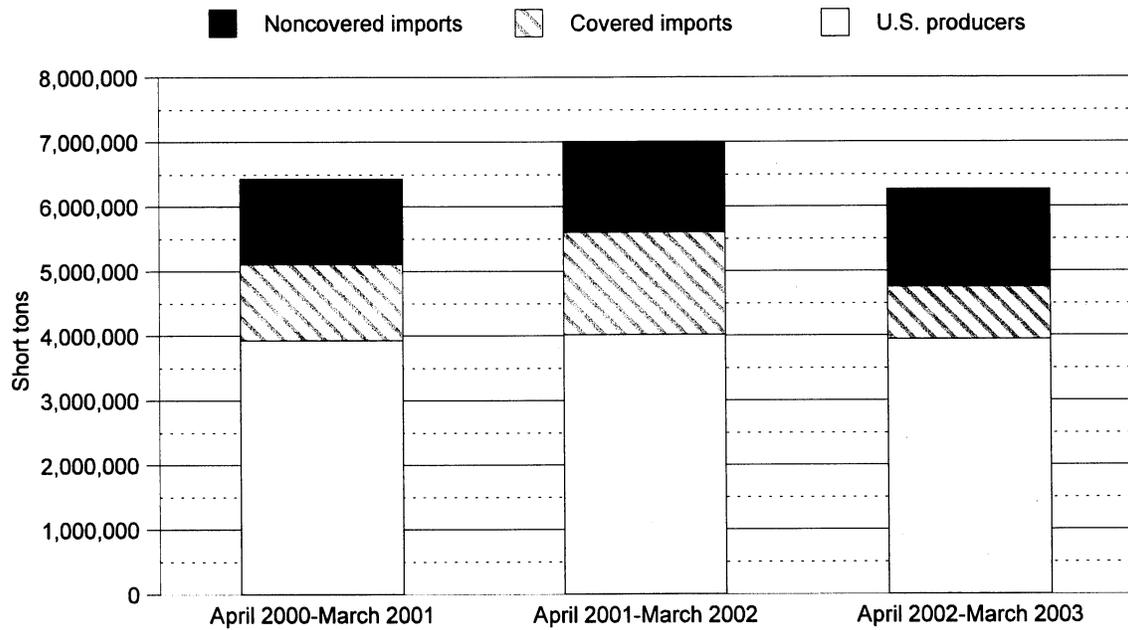
Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Covered sources: <sup>1</sup>			
U.S. shipments of imports	391,511	723,835	411,866
End-of-period inventories	4,772	6,767	4,425
Noncovered sources:			
U.S. shipments of imports	305,847	382,694	323,300
End-of-period inventories	5,958	6,747	6,017
Total:			
U.S. shipments of imports	697,358	1,106,529	735,166
End-of-period inventories	10,730	13,514	10,442
	<b>Ratio of inventories to U.S. shipments of imports (percent)</b>		
Covered sources	1.2	0.9	1.1
Noncovered sources	1.9	1.8	1.9
Average	1.5	1.2	1.4
<p><sup>1</sup> Although Thailand is generally exempt from the section 203 relief, it is a covered source with respect to imports of welded.</p> <p>Note—Because of rounding, figures may not add to totals shown.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>			

**Table TUBULAR II-10**

**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
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	3,930,330	4,016,814	3,941,431
U.S. imports from:			
Covered sources <sup>1</sup>	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	6,429,098	7,005,045	6,268,926
	<b>Value (\$1,000)</b>		
U.S. producers' U.S. shipments	2,357,002	2,221,300	2,339,552
U.S. imports from:			
Covered sources <sup>1</sup>	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	3,636,865	3,710,900	3,633,452
	<b>U.S. market share based on quantity (percent)</b>		
U.S. producers' U.S. shipments	61.1	57.3	62.9
U.S. imports from:			
Covered sources <sup>1</sup>	18.3	22.6	12.9
Noncovered sources	20.5	20.1	24.2
Total U.S. imports	38.9	42.7	37.1
	<b>U.S. market share based on value (percent)</b>		
U.S. producers' U.S. shipments	64.8	59.9	64.4
U.S. imports from:			
Covered sources <sup>1</sup>	16.1	21.2	13.2
Noncovered sources	19.1	18.9	22.4
Total U.S. imports	35.2	40.1	35.6
<sup>1</sup> Although Thailand is generally exempt from the section 203 relief, it is a covered source with respect to imports of welded.			
Note—Because of rounding, figures may not add to totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

**Figure TUBULAR II-2**  
**Welded: Apparent U.S. consumption, by sources, April 2000-March 2003**



Source: Table TUBULAR II-10.

## **PRICING AND RELATED INFORMATION**

### **Factors Affecting Prices**

#### **Producer, Importer, and Purchaser Responses**

U.S. welded tube producers and importers were asked to report the importance of certain factors that have influenced the price of steel in the U.S. market, and to indicate whether these factors have tended to increase, decrease, or have no effect on the price of steel since March 20, 2002 (table TUBULAR II-11 and TUBULAR II-12). U.S. welded tube purchasers were also asked to report the importance of these factors, and to indicate whether they have tended to increase, decrease, or have no effect on the price of steel since March 20, 2002 (table TUBULAR II-13).

The three factors rated most important by U.S. welded tube producers were: changes in demand for steel within the United States; changes in the level of competition from imports from excluded countries; and changes in the cost of raw materials. The three factors rated most important by welded tube importers were: changes in demand for steel; changes in U.S. production capacity; and changes in competition between U.S. producers. The three factors rated most important by welded tube purchasers were: changes in demand for steel within the United States; changes in the cost of raw materials; and changes in U.S. production capacity.<sup>23</sup>

#### **Pricing Practices**

Nearly all responding U.S. welded tube producers and importers reported making no changes in the way they determine the price they charge or discounts allowed for sales of steel since March 20, 2002. Twenty-two of 24 responding U.S. welded tube producers and 32 of 38 responding welded tube importers reported that there has not been a change in the share of their sales that is on a contract versus a spot basis. Nine of 12 U.S. welded tube producers and 15 of 24 welded tube 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.

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<sup>23</sup> Available information indicates that U.S. demand for welded tubular products has declined since March 20, 2002. Most U.S. producers and importers reported that U.S. demand for welded tubular products has decreased since March 20, 2002. Apparent U.S. consumption of welded tubular products decreased by 10.5 percent between April 2001-March 2002 and April 2002-March 2003 (table TUBULAR II-10). The value of non-residential construction put in place decreased by 4.8 percent since April 2002 (table OVERVIEW II-1). The value of utilities, pipelines, and railroads construction put in place decreased by 5.1 percent.

Unit raw materials costs for welded tubular products increased by 11.0 percent between April 2001-March 2002 and April 2002-March 2003. Prices for carbon steel plate and sheet, primary inputs for welded tubular products, increased significantly between the first quarter of 2002 and the first quarter of 2003 (table FLAT II-28). Imports of welded tubular products from noncovered sources increased by 8.0 percent between April 2001-March 2002 and April 2002-March 2003 (table TUBULAR II-7). U.S. welded tube producers' capacity reportedly increased by 4.1 percent, and capacity utilization fell by 1.8 percentage points between April 2001-March 2002 and April 2002-March 2003 (table TUBULAR II-5). As discussed above, however, actual capacity in place appears to have declined. (Table TUBULAR II-5, n. 1).

**Table TUBULAR II-11**

**Welded: As reported by *producers*, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in demand for steel within the United States	1.5	2	4	17
Changes in the level of competition from imports from excluded countries	1.6	9	5	10
Changes in the cost of raw materials	1.6	16	4	3
Changes in competition between U.S. producers	1.7	9	9	6
Changes in U.S. production capacity	1.9	3	9	11
Changes in the level of competition from imports from non-excluded countries	2.0	8	7	9
Changes in demand for steel outside the United States	2.0	12	7	2
Changes in energy costs	2.3	15	8	0
Changes in the productivity of domestic producers	2.3	3	17	4
Changes in transportation/delivery cost changes	2.6	16	8	0
Changing market patterns	2.6	1	17	6
Changes in labor agreements, contracts, etc.	2.9	3	19	2
Changes in the level of competition from substitute products	3.0	3	19	1
Changes in the allocation of production capacity to alternate products	3.0	0	22	2

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding producers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding producers 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.

Note—Not all producers answered for all of the factors.

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

**Table TUBULAR II-12**

**Welded: As reported by *importers*, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in demand for steel	1.7	5	14	26
Changes in U.S. production capacity	1.7	17	20	9
Changes in competition between U.S. producers	1.8	20	17	8
Changes in the level of competition by imports	2.0	14	15	17
Changes in the cost of raw materials	2.3	31	15	1
Changes in transportation/delivery cost changes	2.4	24	22	0
Changes in energy costs	2.6	25	20	0
Changes in the productivity of domestic producers	2.6	8	31	6
Changing market patterns	2.6	9	30	6
Changes in labor agreements, contracts, etc.	2.8	8	33	4
Changes in the allocation of production capacity to alternate products	3.0	7	36	1
Changes in the level of competition from substitute products	3.1	4	39	1

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding importers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding 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.

Note—Not all importers answered for all of the factors.

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

**Table TUBULAR II-13**

**Welded: As reported by purchasers, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in demand for steel within the United States	1.7	22	39	59
Changes in the cost of raw materials	1.8	75	38	7
Changes in U.S. production capacity	1.8	43	45	34
Changes in competition between U.S. producers	1.9	46	55	23
Changes in the level of competition from imports from non-excluded countries	2.2	38	46	36
Changes in energy costs	2.2	81	41	1
Changes in demand for steel outside the United States	2.2	50	44	14
Changes in the productivity of domestic producers	2.4	21	75	22
Changing market patterns	2.4	32	68	20
Changes in transportation/delivery cost changes	2.4	76	48	1
Changes in the level of competition from imports from excluded countries	2.5	32	76	15
Changes in labor agreements, contracts, etc.	2.7	19	82	12
Changes in the allocation of production capacity to alternate products	3.1	14	101	4
Changes in the level of competition from substitute products	3.2	7	108	8
<p><sup>1</sup> The numbers in this column represent the average ranking of each factor by responding purchasers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.</p> <p><sup>2</sup> The numbers in these columns represent the number of responding purchasers 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.</p> <p>Note—Not all purchasers answered for all of the factors.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>				

## Price Data

The Commission asked for quarterly sales value and quantity data for U.S. producers' and importers' sales of the following two welded 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. This commodity product is used for light load-bearing applications or low-pressure conveyance of air, steam, gas, water, oil, or other fluids. It is used in machinery, fence posts, buildings, sprinkler systems, irrigation systems and water wells.

***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. This commodity product is typically used in ornamental railing, furniture or other fabricated products.

Reported pricing data accounted for 27.0 percent of the quantity of U.S. producers' U.S. commercial shipments of welded tubular products, 13.0 percent of the quantity of total imports, and 21.5 percent and 5.9 percent, respectively, of the quantity of U.S. imports of covered and noncovered welded tubular products during April 2000-March 2003.

Weighted-average prices, margins of underselling/overselling, and quantities sold of U.S.-produced, covered imported, and noncovered imported welded tubular products are shown in tables TUBULAR II-14 and TUBULAR II-15. Weighted-average prices of U.S.-produced, covered imported, and noncovered imported welded tubular products are also shown in figures TUBULAR II-3 and TUBULAR II-4.<sup>24</sup> A summary of the price data, by product, is shown in table TUBULAR II-16 and summaries of the margins of underselling/overselling of imports from covered and noncovered sources are shown in tables TUBULAR II-17 and TUBULAR II-18, respectively.

The Commission collected quarterly pricing data for two welded pipe and tube products. Domestic producers' prices for standard pipe increased by 17.7 percent from the first quarter of 2002 to the first quarter of 2003, and their prices for mechanical/ornamental tubing increased by 14.5 percent over the same period. Prices for both products, however, were lower in the first quarter of 2003 than they were in the second quarter of 2000, by 1.4 percent and 0.5 percent, respectively. Prices of both imported products increased from the first quarter of 2002 to the first quarter of 2003 from sources covered by the safeguard measure, rising by 12.4 and 24.9 percent, respectively, as well as from sources not covered by the safeguard measure, increasing by \*\*\* percent and \*\*\* percent, respectively. In the period April 2002 to March 2003, imports from sources covered by the safeguard measure and imports from sources not covered by the measure undersold the domestically produced product in every quarterly comparison.

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<sup>24</sup> Public price data for steel pipe and tube products are shown in figure H-9 of app. H

**Table TUBULAR II-14**

**Welded: Weighted-average price and quantity data for U.S.-produced and imported product 10A<sup>1</sup> from covered sources and noncovered sources, and margins of underselling, by quarters, April 2000-March 2003**

Period	United States		Imports from covered sources			Imports from noncovered sources		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin
	<i>Per ton</i>	<i>Short tons</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Percent</i>
<b>2000:</b>								
April-June	\$515.71	93,868	\$452.71	68,840	12.2	\$418.33	4,345	18.9
July-September	500.10	92,105	454.13	68,133	9.2	425.77	4,143	14.9
October-December	486.38	84,251	449.42	66,881	7.6	***	***	***
<b>2001:</b>								
January-March	470.08	83,856	441.23	68,077	6.1	427.88	6,356	9.0
April-June	462.32	83,127	427.55	67,856	7.5	431.61	7,485	6.6
July-September	439.95	82,549	423.86	68,085	3.7	413.03	7,317	6.1
October-December	436.07	75,846	415.43	79,164	4.7	404.94	6,822	7.1
<b>2002:</b>								
January-March	432.08	94,695	421.58	67,302	2.4	423.65	6,738	2.0
April-June	472.15	102,760	452.43	45,489	4.2	422.56	10,630	10.5
July-September	527.60	76,887	465.68	49,025	11.7	450.23	10,373	14.7
October-December	536.85	67,264	474.07	50,452	11.7	461.14	6,833	14.1
<b>2003:</b>								
January-March	508.43	83,705	474.05	46,525	6.8	***	***	***
<sup>1</sup> Circular welded non-alloy steel pipe meeting ASTM A-53 or equivalent, schedule 40, black, plain-end, two inches nominal inside diameter.								
Source: Compiled from data submitted in response to Commission questionnaires.								

**Figure TUBULAR II-3**

**Welded: Weighted-average f.o.b. prices of domestic, covered imported, and noncovered imported product 10A, April 2000-March 2003**

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**Table TUBULAR II-15**

**Welded: Weighted-average price and quantity data for U.S.-produced and imported product 10B<sup>1</sup> from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003**

Period	United States		Imports from covered sources			Imports from noncovered sources		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin
	<i>Per ton</i>	<i>Short tons</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Percent</i>
<b>2000:</b>								
April-June	\$628.70	196,618	\$462.29	2,255	26.5	\$***	***	***
July-September	620.67	182,723	488.97	1,806	21.2	***	***	***
October-December	602.08	170,303	504.24	1,308	16.3	***	***	***
<b>2001:</b>								
January-March	583.20	180,302	416.97	1,443	28.5	***	***	***
April-June	574.69	177,976	***	***	***	***	***	***
July-September	549.16	171,068	***	***	***	***	***	***
October-December	549.89	154,344	***	***	***	***	***	***
<b>2002:</b>								
January-March	546.53	176,647	***	***	***	***	***	***
April-June	584.57	192,229	***	***	***	***	***	***
July-September	624.22	172,732	***	***	***	***	***	***
October-December	648.00	152,816	***	***	***	***	***	***
<b>2003:</b>								
January-March	625.62	168,368	***	***	***	***	***	***
<sup>1</sup> 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.								
Source: Compiled from data submitted in response to Commission questionnaires.								

**Figure TUBULAR II-4**

**Welded: Weighted-average f.o.b. prices of domestic, covered imported, and noncovered imported product 10B, April 2000-March 2003**

\* \* \* \* \*

**Table TUBULAR II-16**

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

Product	United States		Imports from covered sources		Imports from noncovered sources	
	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003
<i>Percent</i>						
10A	-1.4	17.7	4.7	12.4	***	***
10B	-0.5	14.5	***	24.9	-5.1	7.3

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

**Table TUBULAR II-17**

**Welded: 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**

Product	Underselling			Overselling		
	Number of margins of underselling	High margin of underselling	Low margin of underselling	Number of margins of overselling	High margin of overselling	Low margin of overselling
		<i>Percent</i>	<i>Percent</i>			<i>Percent</i>
10A	12	12.2	2.4	0	( <sup>1</sup> )	( <sup>1</sup> )
10B	12	28.5	15.4	0	( <sup>1</sup> )	( <sup>1</sup> )

<sup>1</sup> Not applicable.

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

**Table TUBULAR II-18**

**Welded: 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**

Product	Underselling			Overselling		
	Number of margins of underselling	High margin of underselling	Low margin of underselling	Number of margins of overselling	High margin of overselling	Low margin of overselling
		<i>Percent</i>	<i>Percent</i>			<i>Percent</i>
10A	12	18.9	2.0	0	( <sup>1</sup> )	( <sup>1</sup> )
10B	9	11.2	2.4	3	2.0	( <sup>2</sup> )

<sup>1</sup> Not applicable.  
<sup>2</sup> Less than 0.05 percent.

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



## PART III: INDUSTRY AND MARKET DATA (FITTINGS)

### DESCRIPTION AND USES<sup>1</sup>

Carbon and alloy fittings and flanges (fittings) generally are 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. HTS statistical reporting numbers for subject fittings are presented in table TUBULAR III-1.

**Table TUBULAR III-1**  
**Fittings: Subject HTS statistical reporting numbers**

Item	Statistical reporting numbers				
Fittings <sup>1</sup>	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	

<sup>1</sup> The temporary HTS subheadings for fittings established by proclamation or delegated authority pursuant to trade legislation are:

(1) 9903.77.51 for products excluded from the section 203 remedy,

(2) 9903.77.50 for products entered in quantities up to a stated limit of 3,000 tons 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 *ad valorem* additional tariffs through March 19, 2003, 10 percent additional tariffs through March 19, 2004, and 7 percent additional tariffs through March 20, 2005.

As indicated in (2), temporary subheading 9903.77.50 specifies a particular type of fittings which is excluded from the additional tariffs when entered up to 3,000 tons during the 12-month period beginning on September 1, 2002 or September 1, 2003 or during the period from September 1, 2004 through March 20, 2005, inclusive. Whenever imports of the particular type of fitting covered by 9903.77.50 exceed 3,000 tons, then the quantity in excess would not be covered by the temporary HTS subheading 9903.77.50 and would instead be covered by the temporary HTS items identified in (3) and subject to the additional section 203 tariffs.

Source: Harmonized Tariff Schedule of the United States (2003).

### MARKET ENVIRONMENT

#### Changes in U.S. Demand

The fittings category includes pipe fittings and flanges. Fittings and flanges are often distributed with other tubular products, and demand for them is driven by utilities, construction, and import competition in downstream markets. As shown in section OVERVIEW II, the value of U.S. nonresidential construction put in place decreased by 4.8 percent between the first quarter of 2002 and the first quarter of 2003 (table OVERVIEW II-1). The value of U.S. construction of utilities, pipelines, and railroads put in place decreased by 5.1 percent between the first quarter of 2002 and the first quarter of 2003.

The data collected by the Commission (which do not include 100 percent of U.S. production) indicate that apparent U.S. consumption of fittings decreased by 22.5 percent from April 2000-March 2001 to April 2002-March 2003.

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<sup>1</sup> 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 in this investigation.

Three of seven responding U.S. fittings producers reported that U.S. demand for steel has decreased and four reported that demand has remained the same since March 20, 2002. Five of eight responding fittings importers reported that U.S. demand for steel has decreased and three reported that demand has remained the same since March 20, 2002. U.S. fittings producers that reported decreased demand generally cited the slowing U.S. economy, particularly a lack of capital spending, delays in mandated Environmental Protection Agency (EPA) upgrades, and a lack of projects and maintenance in the refining and petrochemical industry. Fittings importers that reported decreased demand also cited the slowing U.S. economy, particularly delays in mandated EPA upgrades, and a lack of projects and maintenance in the refining and petrochemical industry.<sup>2</sup>

All six responding U.S. fittings producers and all eight responding fittings importers reported that there have been no changes in the types or prices of substitute products since March 20, 2002.

### **Changes in U.S. Supply<sup>3</sup>**

As shown in table TUBULAR III-2, the majority of fittings producers reported no changes in their marketing practices since March 20, 2002.

Seventeen of 60 responding fittings purchasers reported experiencing difficulties procuring steel in the quantities necessary to meet their needs since March 20, 2002. Eighteen of 57 responding fittings purchasers reported increased average lead times for their purchases of domestic steel, 31 reported no change in domestic lead times, and 8 reported decreased domestic lead times. Fittings purchasers were asked to identify actions taken by domestic producers since March 20, 2002 to make a positive adjustment to import competition.<sup>4</sup> Of 60 responding fitting purchasers, 35 purchasers did not indicate that producers had taken any such actions. However, 4 of 60 responding purchasers reported that domestic producers had introduced new or innovative products, 5 reported that domestic producers had improved product quality, 9 reported that domestic producers had expanded marketing efforts, 11 reported that domestic producers had improved customer service, and 11 reported that domestic producers had made other positive adjustment efforts.<sup>5</sup>

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<sup>2</sup> One domestic fittings producer testified that over the past year U.S. demand for welded fittings has declined as key consuming industries such as chemicals, construction, oil and gas stagnated. Demand began to slow in November and December of 2002, dropping slightly each month into 2003. Testimony of Don Graham, President, Trinity Fitting Group Inc. (Trinity), transcript of Commission hearing (July 17, 2003) at 68 and 92.

<sup>3</sup> One domestic fittings producer testified that immediately after the rulings in March 2002, Trinity consolidated its four fittings producing facilities into two facilities, although Trinity's fitting capacity remained the same. Testimony of Don Graham, President, Trinity, transcript of Commission hearing (July 17, 2003) at 112-113. Counsel to the CPTI 201 Coalition testified that Anvil purchased the assets of Beck manufacturing early in 2002 and rationalized capacity through plant closures. Roger Shagrin, counsel to the CPTI 201 Coalition, transcript of Commission hearing (July 17, 2003) at 115. Counsel to Trinity maintained that a decline in U.S. fittings capacity was due to Trinity exiting the flange business. Testimony of Cheryl Ellsworth, counsel to Trinity, transcript of Commission hearing (July 17, 2003) at 157.

<sup>4</sup> Purchasers were asked to indicate whether domestic producers had taken any of the following actions: introduction of new or innovative product, improved product quality, expansion of marketing efforts including e-commerce, improvements in customer service, and other efforts to make a positive adjustment to import competition.

<sup>5</sup> Some purchasers reported more than one of these actions.

**Table TUBULAR III-2**

**Fittings: U.S. producer responses to questions regarding firms' activities since March 20, 2002**

Marketing practice	Number of producers reporting		
	No	Yes	
Efforts to increase product availability	6	1	
Change in geographic market	7	0	
Change in channels of distribution	7	0	
Change in share of sales from inventory	4	3	
Change in average lead times from inventory	7	0	
Change in average lead times from production	5	2	
Change in product range	6	1	
Change in demand for or production of alternate products	6	0	
	Increased	Decreased	Stayed same
Change in order backlogs	0	2	5
Change in on-time shipping percentage	1	0	6

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

Based on data compiled in this investigation, U.S. fittings producers' capacity utilization was 55.9 percent and their inventories as a percentage of total shipments were \*\*\* percent during April 2002-March 2003. Exports accounted for \*\*\* percent of total shipments.

### Changes in Import Supply

Imports of fittings from covered countries fell by 26.9 percent between the periods April 2001-March 2002 and April 2002-March 2003, and imports of fittings from noncovered countries fell by 11.8 percent during the same period. Total imports declined 23.7 percent during the same period.<sup>6</sup>

The U.S. market share accounted for by imports of fittings from covered countries fell from 50.4 percent in April 2001-March 2002 to 45.6 percent in April 2002-March 2003. The U.S. market share accounted for by imports of fittings from noncovered countries increased from 13.2 percent in April 2001-March 2002 to 14.5 percent in April 2002-March 2003. The total U.S. market share accounted for by imports decreased from 63.6 percent in April 2001-March 2002 to 60.1 percent in April 2002-March 2002.<sup>7</sup>

As shown in table TUBULAR III-3, with the exceptions of importing steel from new foreign producers and decreasing order backlogs, the majority of fittings importers reported no changes in their marketing practices since March 20, 2002.

<sup>6</sup> See table TUBULAR III-7.

<sup>7</sup> See table TUBULAR III-10.

**Table TUBULAR III-3**

**Fittings: U.S. importer responses to questions regarding firms' activities since March 20, 2002**

Marketing practice	Number of importers reporting		
	No	Yes	
Efforts to increase product availability	8	2	
Change in geographic market	8	0	
Change in channels of distribution	10	0	
Change in share of sales from inventory	4	2	
Change in average lead times from inventory	6	0	
Change in average lead times from production	5	2	
Change in product range	11	0	
Change in demand for or production of alternate products	6	0	
Importing of steel from foreign producers from which previously have not imported	1	10	
	Increased	Decreased	Stayed same
Change in order backlogs	0	4	4
Change in on-time shipping percentage	0	0	9

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

Covered and noncovered country producers' capacity, capacity utilization, U.S. export shipments as a percentage of total shipments, and inventories as a percentage of total shipments during April 2002-March 2003 are shown in table TUBULAR III-4.

**Table TUBULAR III-4**

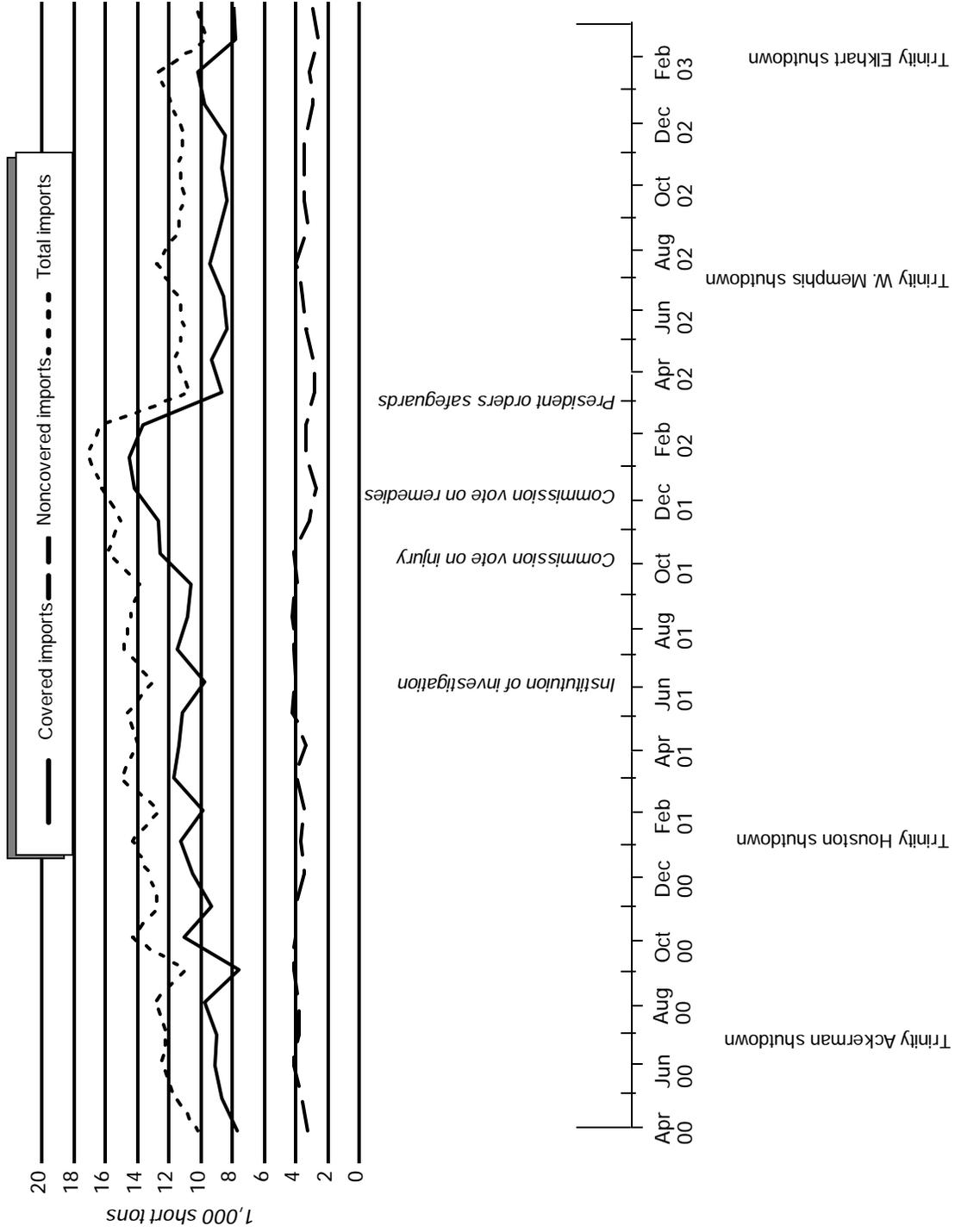
**Fittings: Covered and noncovered country producers' capacity, capacity utilization, export shipments to the United States as a percentage of total shipments, and inventories as a percentage of total shipments, April 2002-March 2003**

\* \* \* \* \*

**Timeline**

Figure TUBULAR III-1 shows monthly total imports of fittings and flanges as well as imports separately from countries subject to the safeguard measures and countries exempt from the safeguard measures, along with a timeline of significant events that may have influenced the market environment. Shipment data for these products are not available from public sources. Import data are consistent with those in other tables presented in this report. The timeline showing significant events includes significant supply changes due to shutdowns (shown below the timeline); shown above the line are significant safeguard dates.

**Figure TUBULAR III-1**  
**Fittings and flanges: Monthly imports, facility shutdowns, and investigation milestones, April 2000-March 2003<sup>1</sup>**



<sup>1</sup> Domestic mill shipment data are not available for this product category.  
 Source: Official statistics of the U.S. Department of Commerce and publicly available information.

## U.S. INDUSTRY DATA

Table TUBULAR III-5 presents information on U.S. fittings producers' capacity, production, shipments, inventories, and employment. The Commission received usable questionnaire responses from eight fittings producers that are estimated to account for approximately two-thirds of U.S. production capacity compared with firms responding in the 201 investigation.<sup>8</sup> The following tabulation presents some of the firms that reported calendar-year 2000 production capacity in the section 201 investigation but did not provide data in this investigation:<sup>9</sup>

\* \* \* \* \*

As presented in table TUBULAR III-5, reporting U.S. producers' aggregate output-related indicators decreased markedly in the period April 2002 to March 2003. In the first relief year, the domestic industry's capacity decreased by 11.1 percent, production decreased by 8.1 percent, and U.S. shipments decreased by 11.5 percent.<sup>10</sup> Each of these indicators was, moreover, substantially lower than in the period from April 2000 to March 2001.<sup>11</sup> Capacity utilization increased modestly from 54.0 percent to 55.9 percent in the period April 2002 to March 2003, but was below the 71.9 percent level of the period from April 2000 to March 2001. The number of production and related workers employed declined by 9.8 percent in the first relief year, and was 16.5 percent lower than in the period from April 2000 to March 2001. Productivity was stable, while the hourly wage rate increased, resulting in increasing unit labor costs in the period April 2002 to March 2003.

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<sup>8</sup> As of the time of the prehearing report, several producers that had responded to the Commission's questionnaire in the 201 investigation had not responded in the instant investigation. \*\*\*.

<sup>9</sup> Some firms that reported production of fittings in the section 201 investigation did not report capacity or production data for fittings in their questionnaire responses in this investigation (previously reported capacity/production in short tons): \*\*\*.

<sup>10</sup> The value of the domestic industry's U.S. shipments decreased by 6.7 percent, reflecting an increase in the average unit value of such shipments. The value of such shipments was lower than in the period April 2000 to March 2001, but the average unit value was 32.1 percent (\$448 per short ton) higher.

<sup>11</sup> After having closed flange production facilities in 1998, 2000, and 2001, Trinity closed two fittings facilities in 2002 and transferred its productive assets to its two remaining fittings production facilities. Posthearing Brief of Trinity at 8. *See also* testimony of Roger Schagrin, counsel to CPTI 201 Coalition, transcript of Commission hearing (July 17, 2003) at 114-115, regarding the purchase of Beck Manufacturing and subsequent rationalization of capacity.

**Table TUBULAR III-5**

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

Item	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003
	<b>Quantity (short tons)</b>		
Capacity	186,531	183,345	162,978
Production	134,192	99,037	91,029
Internal consumption/transfers	292	519	554
U.S. commercial shipments	133,623	97,912	86,531
U.S. shipments	133,915	98,431	87,085
Export shipments	***	***	***
Total shipments	***	***	***
Ending inventories	42,958	38,924	37,990
	<b>Value (\$1,000)</b>		
Internal consumption/transfers	1,810	3,214	3,442
U.S. commercial shipments	184,793	168,567	156,847
U.S. shipments	186,603	171,781	160,289
Export shipments	***	***	***
Total shipments	***	***	***
	<b>Unit value (per short ton)</b>		
Internal consumption/transfers <sup>1</sup>	6,199	6,188	6,216
U.S. commercial shipments	1,383	1,722	1,813
U.S. shipments	1,393	1,745	1,841
Export shipments	***	***	***
Total shipments	***	***	***
	<b>Ratios and shares (percent)</b>		
Capacity utilization	71.9	54.0	55.9
U.S. shipments to distributors	100.0	100.0	100.0
U.S. shipments to end users	0.0	0.0	0.0
Inventories/total shipments	***	***	***
	<b>Employment data<sup>2</sup></b>		
PRWs <sup>3</sup> (number)	1,523	1,410	1,272
Hours worked (1,000)	3,065	2,835	2,575
Wages paid (\$1,000)	44,005	41,442	38,875
Hourly wages	\$14.36	\$14.62	\$15.10
Productivity (short tons/1,000 hours)	***	***	***
Unit labor costs (per short ton)	\$***	\$***	\$***
<p><sup>1</sup> ***. *** reported high unit values for both commercial shipments and internal consumption/transfers.</p> <p><sup>2</sup> ***. Hourly wages, productivity, and unit labor costs are calculated using data of firms providing both numerator and denominator information.</p> <p><sup>3</sup> Production and related workers.</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.</p>			

## FINANCIAL DATA

Financial data on fittings and flanges provided by U.S. producers are presented in table TUBULAR III-6.<sup>12</sup>

**Table TUBULAR III-6**

**Fittings: Results of operations of U.S. producers, April 2000-March 2003**

\* \* \* \* \*

U.S. firms were requested to provide information on whether they received funds under the Continued Dumping and Subsidy Offset Act (CDSOA or Byrd Amendment), their pension expenses, and their post-employment expenses other than pensions (OPEBs). One firm reported receiving CDSOA funds for fittings and flanges.<sup>13</sup> Three firms producing flanges and fittings reported pension expenses, and generally classified such expenses as a component of cost of goods sold (COGS). One firm that produced flanges and fittings reported OPEBs, classified as a part of “other factory costs” within COGS.

With regard to possible increases in raw material costs, a spokesman for Trinity stated that his firm was not experiencing any increase in such costs.<sup>14</sup> Counsel to the Committee on Pipe and Tube Imports (CPTI 201 Coalition) stated that raw material cost increases for the industry producing fittings (nipples or couples, for example) reflect increases in steel costs.<sup>15</sup>

As presented in table TUBULAR III-6, reporting U.S. producers’ net commercial sales decreased on both a quantity and a value basis in the period April 2002 to March 2003, following steep declines in the previous 12-month period, and were substantially below the levels reported in the period April 2000 to March 2001. In the first relief year, the domestic industry’s average unit values for commercial sales increased from \$\*\*\* to \$\*\*\*, and were above the \$\*\*\* average unit value for the period from April 2000 to March 2001.

COGS increased less on a unit basis than did average unit values. In the period April 2002 to March 2003, unit raw materials costs increased sharply, while unit labor and other factory costs increased less rapidly. Because unit revenues increased at a greater rate than unit costs, but net sales quantities decreased, the industry’s financial performance declined in the first relief year. Its operating margin decreased from \*\*\* percent to \*\*\* percent. The latter margin, however, was above the industry’s \*\*\* percent operating margin in the period from April 2000 to March 2001.

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<sup>12</sup> \*\*\*, did not provide usable financial data.

<sup>13</sup> \*\*\* classified these funds as an offset to operating expenses; Commission staff adjusted them to other income.

<sup>14</sup> Trinity explained that its primary raw material input for its commodity grade fittings is seamless pipe, and “while \*\*\*, imports of this product were not subject to the Section 201 duties.” Changes in the per-unit value of its raw material costs reflect changes in the firm’s product mix; “the raw materials required to produce \*\*\*, for example. Testimony of Don A. Graham, President, Trinity, transcript of Commission hearing (July 17, 2003) at p. 158. Hence, changes in raw material unit values \*\*\*. Trinity also achieved cost savings through the closure of plants producing flanges at Elkhart, IN, and West Memphis, TN, and consolidating production and distribution activities at Enid, OK, and Russellville, AR. The cost of plant closure is typically a current charge and any cost savings gained through increased efficiency is reflected over time. See posthearing brief of Trinity at 7-9.

<sup>15</sup> See testimony of Roger B. Schagrin, counsel to the CPTI 201 Coalition, transcript of Commission hearing (July 17, 2003) at 159. See also posthearing brief of CPTI at exh. 2.

## U.S. IMPORTS

Table TUBULAR III-7 presents data on U.S. imports of fittings by sources for the period April 2000-March 2003. Table TUBULAR III-8 presents data on U.S. imports from covered sources, by tariff categories during April 2002-March 2003. Table TUBULAR III-9 presents U.S. importers' U.S. shipments and end-of-period inventories for the April 2000-March 2003 period.

As presented in table TUBULAR III-10, the quantity of total imports, imports from sources subject to the safeguard measure, and imports from sources not subject to the safeguard measure all declined, and the market share of total imports and imports from sources subject to the safeguard measure declined. The quantity of total imports declined from 171,923 short tons to 131,121 short tons. Imports from countries covered by the safeguard measure declined from 136,164 short tons to 99,573 short tons. The quantity of U.S. imports from countries not covered by the safeguard measure declined from 35,759 short tons to 31,549 short tons.<sup>16</sup>

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<sup>16</sup> The value of U.S. imports from covered sources declined less steeply than the quantity, as the average unit value of such imports increased by 10.8 percent in the first 12 months of the section 203 safeguard measure. The value of U.S. imports from noncovered sources, however, decreased more steeply than the quantity, as the average unit value of such imports decreased by 7.5 percent. The average unit values of all imports increased by 6.4 percent in the first 12 months of the section 203 safeguard measure, but was 2.0 percent lower than in the period April 2000 to March 2001.

**Table TUBULAR III-7**  
**Fittings: U.S. imports, by sources, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	Period change from period 2 to period 3
				Percent
<b>Quantity (short tons)</b>				
Covered sources <sup>1</sup>	109,629	136,164	99,573	-26.9
Noncovered sources: <sup>2</sup>				
Canada	16,600	15,994	14,373	-10.1
Mexico	19,971	17,988	13,932	-22.5
Subtotal	36,571	33,982	28,305	-16.7
All others	1,469	1,777	3,244	82.5
Subtotal (noncovered)	38,040	35,759	31,549	-11.8
Total (all imports)	147,669	171,923	131,121	-23.7
<b>Landed, duty paid value (\$1,000)</b>				
Covered sources <sup>1</sup>	211,615	239,696	194,125	-19.0
Noncovered sources: <sup>2</sup>				
Canada	74,768	68,457	56,435	-17.6
Mexico	38,095	39,456	27,967	-29.1
Subtotal	112,863	107,913	84,402	-21.8
All others	3,234	3,570	6,548	83.4
Subtotal (noncovered)	116,097	111,483	90,950	-18.4
Total (all imports)	327,712	351,178	285,075	-18.8
<b>Unit value (per short ton)</b>				
Covered sources <sup>1</sup>	\$1,930	\$1,760	\$1,950	10.8
Noncovered sources: <sup>2</sup>				
Canada	4,504	4,280	3,926	-8.3
Mexico	1,908	2,193	2,007	-8.5
Average	3,086	3,176	2,982	-6.1
All others	2,202	2,009	2,019	0.5
Average (noncovered)	3,052	3,118	2,883	-7.5
Average (all imports)	2,219	2,043	2,174	6.4
<b>Share of total imports based on quantity (percent)</b>				<b>Percentage point</b>
Covered sources <sup>1</sup>	74.2	79.2	75.9	-3.3
Noncovered sources: <sup>2</sup>				
Canada	11.2	9.3	11.0	1.7
Mexico	13.5	10.5	10.6	0.2
Subtotal	24.8	19.8	21.6	1.8
All others	1.0	1.0	2.5	1.4
Subtotal (noncovered)	25.8	20.8	24.1	3.3
Total (all imports)	100.0	100.0	100.0	0.0
<b>Ratio of imports to production (percent)</b>				
Covered sources <sup>1</sup>	81.7	137.5	109.4	-28.1
Noncovered sources	28.3	36.1	34.7	-1.4
Total	110.0	173.6	144.0	-29.6
<sup>1</sup> Although India, Romania, and Turkey are generally exempt from the section 203 relief, they are covered sources with respect to imports of fittings. <sup>2</sup> Noncovered sources accounting for 3 percent or more of total U.S. imports (based on quantity) in April 2002-March 2003 are presented separately.				
Note—Because of rounding, figures may not add to totals shown.				
Source: Compiled from official statistics of Commerce.				

**Table TUBULAR III-8****Fittings: U.S. imports from covered sources, by tariff categories, April 2002-March 2003**

\* \* \* \* \*

**Table TUBULAR III-9****Fittings: U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Covered sources: <sup>1</sup>			
U.S. shipments of imports	75,905	64,943	64,061
End-of-period inventories	4,398	8,819	8,663
Noncovered sources:			
U.S. shipments of imports	4,061	4,026	2,426
End-of-period inventories	1,495	1,793	1,838
Total:			
U.S. shipments of imports	79,966	68,969	66,488
End-of-period inventories	5,893	10,612	10,501
	<b>Ratio of inventories to U.S. shipments of imports (percent)</b>		
Covered sources	5.8	13.6	13.5
Noncovered sources	36.8	44.5	75.8
Average	7.4	15.4	15.8
<sup>1</sup> Although India, Romania, and Turkey are generally exempt from the section 203 relief, they are covered sources with respect to imports of fittings.  Note—Because of rounding, figures may not add to totals shown.  Source: Compiled from data submitted in response to Commission questionnaires.			

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

Data on apparent U.S. consumption and market shares of fittings are presented in table TUBULAR III-10 and figure TUBULAR III-2.

As discussed in the section of this chapter entitled *Market Environment*, in the period April 2002 to March 2003, demand in the primary market sectors for fittings generally declined. Responses of U.S. producers and importers were mixed as to demand trends since March 2002, with a small majority of producers stating that demand was stable and a small majority of importers stating that demand was declining. As presented in table TUBULAR III-10, the data gathered by the Commission in this investigation indicate that the quantity of apparent U.S. consumption of fittings decreased by 19.3 percent in the period April 2002 to March 2003, and at the conclusion of this period was 22.5 percent below the level of the period from April 2000 to March 2001.

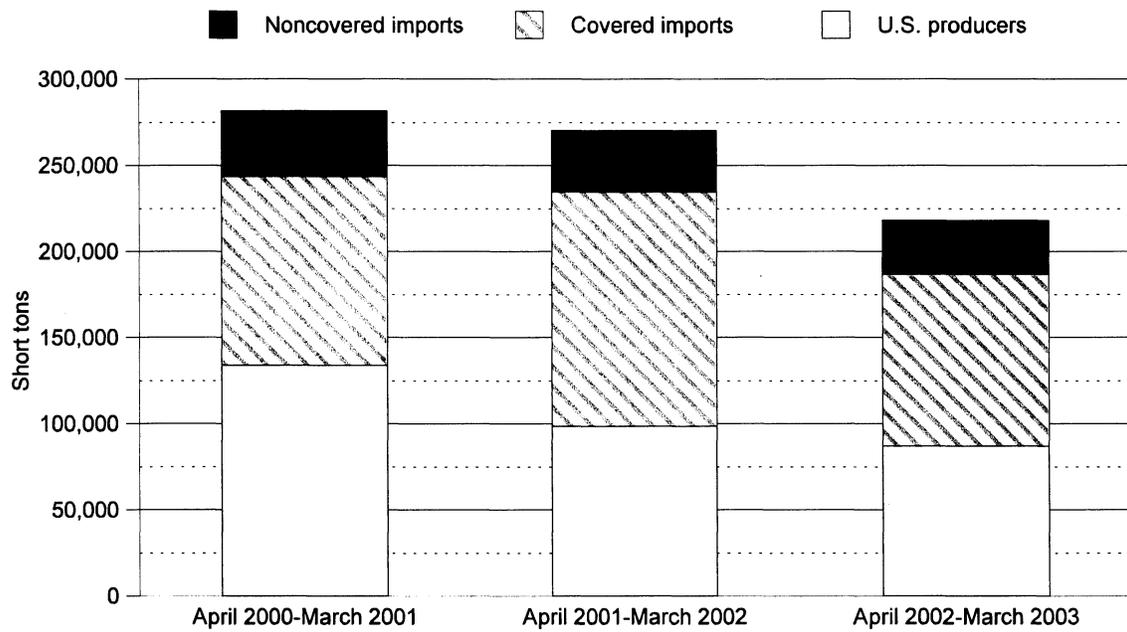
In the first relief year, the domestic industry increased its share of the U.S. market from 36.4 percent to 39.9 percent. Imports from covered countries saw their market share decrease from 50.4 percent to 45.6 percent, while imports from noncovered countries saw their market share increase from 13.2 percent to 14.5 percent.

**Table TUBULAR III-10**

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

<b>Item</b>	<b>April 2000- March 2001</b>	<b>April 2001- March 2002</b>	<b>April 2002- March 2003</b>
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	133,915	98,431	87,085
U.S. imports from:			
Covered sources <sup>1</sup>	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	281,584	270,354	218,206
	<b>Value (\$1,000)</b>		
U.S. producers' U.S. shipments	186,603	171,781	160,289
U.S. imports from:			
Covered sources <sup>1</sup>	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	514,315	522,959	445,364
	<b>U.S. market share based on quantity (percent)</b>		
U.S. producers' U.S. shipments	47.6	36.4	39.9
U.S. imports from:			
Covered sources <sup>1</sup>	38.9	50.4	45.6
Noncovered sources	13.5	13.2	14.5
Total U.S. imports	52.4	63.6	60.1
	<b>U.S. market share based on value (percent)</b>		
U.S. producers' U.S. shipments	36.3	32.8	36.0
U.S. imports from:			
Covered sources <sup>1</sup>	41.1	45.8	43.6
Noncovered sources	22.6	21.3	20.4
Total U.S. imports	63.7	67.2	64.0
<sup>1</sup> Although India, Romania, and Turkey are generally exempt from the section 203 relief, they are covered sources with respect to imports of fittings.			
Note—Because of rounding, figures may not add to totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

**Figure TUBULAR III-2**  
**Fittings: Apparent U.S. consumption, by sources, April 2000-March 2003**



Source: Table TUBULAR III-10.

## PRICING AND RELATED INFORMATION

### Factors Affecting Prices

#### Producer, Importer, and Purchaser Responses

U.S. fittings producers and importers were asked to report the importance of certain factors that have influenced the price of steel in the U.S. market, and to indicate whether these factors have tended to increase, decrease, or have no effect on the price of steel since March 20, 2002 (table TUBULAR III-11 and TUBULAR III-12). U.S. fittings purchasers were also asked to report the importance of these factors, and to indicate whether they have tended to increase, decrease, or have no effect on the price of steel since March 20, 2002 (table TUBULAR III-13).

The three factors rated most important by U.S. fittings producers were: changes in the level of competition from imports from non-excluded countries; changes in the level of competition from imports from excluded countries; and changes in demand for steel within the United States. The three factors rated most important by fittings importers were: changes in the level of competition by imports; changes in transportation/delivery cost changes; and changes in energy costs. The three factors rated most important by fittings purchasers were: changes in U.S. production capacity; changes in the cost of raw materials; and changes in competition between U.S. producers.<sup>9</sup>

#### Pricing Practices

Nearly all responding U.S. fittings producers and importers reported making no changes in the way they determine the price they charge or discounts allowed for sales of steel since March 20, 2002. All seven responding U.S. fittings producers and all nine responding fittings importers reported that there has not been a change in the share of their sales that is on a contract versus a spot basis. Three of four U.S. fittings producers and four of five fittings importers reported that contract prices tend to follow a different trend than spot prices.

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<sup>9</sup> Available information indicates that U.S. demand for fittings has declined since March 20, 2002. Most U.S. producers and importers reported that U.S. demand for fittings has decreased since March 20, 2002. Apparent U.S. consumption of fittings decreased by 19.3 percent between April 2001-March 2002 and April 2002-March 2003 (table TUBULAR III-10). The value of non-residential construction put in place decreased by 4.8 percent since April 2002 (table OVERVIEW II-1). The value of utilities, pipelines, and railroads construction put in place decreased by 5.1 percent.

Unit raw materials costs for fittings increased by \*\*\* percent between April 2001-March 2002 and April 2002-March 2003. Prices for steel scrap increased by 30.8 percent since April 2002 (figure OVERVIEW II-12). Imports of fittings from covered sources fell by 26.9 percent between April 2001-March 2002 and April 2002-March 2003, and fittings imports from noncovered sources fell by 11.8 percent during the same time frame (table TUBULAR III-7). U.S. fittings producers' capacity fell by 11.1 percent, and capacity utilization increased by 1.8 percentage points between April 2001-March 2002 and April 2002-March 2003 (table TUBULAR III-5). Since April 2002, prices for natural gas have increased sharply by 80.5 percent, and prices for electricity sold to industrial users have increased slightly by 2.3 percent (figures OVERVIEW II-10 and OVERVIEW II-11).

**Table TUBULAR III-11**

**Fittings: As reported by *producers*, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in the level of competition from imports from non-excluded countries	1.3	3	2	2
Changes in the level of competition from imports from excluded countries	1.4	1	4	2
Changes in demand for steel within the United States	1.5	0	4	2
Changes in the cost of raw materials	1.6	4	2	0
Changes in energy costs	1.7	5	2	0
Changes in labor agreements, contracts, etc.	1.8	1	5	1
Changing market patterns	1.8	1	4	2
Changes in demand for steel outside the United States	2.0	1	4	1
Changes in competition between U.S. producers	2.2	1	4	2
Changes in transportation/delivery cost changes	2.2	4	3	0
Changes in the productivity of domestic producers	2.2	1	5	1
Changes in U.S. production capacity	2.3	0	6	1
Changes in the level of competition from substitute products	2.5	1	6	0
Changes in the allocation of production capacity to alternate products	3.0	1	6	0

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding producers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding producers 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.

Note—Not all producers answered for all of the factors.

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

**Table TUBULAR III-12**

**Fittings: As reported by *importers*, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in the level of competition by imports	1.8	2	6	5
Changes in transportation/delivery cost changes	2.1	7	5	1
Changes in energy costs	2.2	7	4	1
Changes in demand for steel	2.3	2	5	5
Changes in competition between U.S. producers	2.4	2	10	1
Changes in the cost of raw materials	2.4	8	5	0
Changes in the level of competition from substitute products	2.5	3	10	0
Changes in labor agreements, contracts, etc.	2.6	2	11	0
Changes in U.S. production capacity	2.6	1	8	4
Changes in the productivity of domestic producers	2.7	1	10	2
Changing market patterns	2.8	2	8	2
Changes in the allocation of production capacity to alternate products	3.2	2	11	0

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding importers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding 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.

Note—Not all importers answered for all of the factors.

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

**Table TUBULAR III-13**

**Fittings: As reported by purchasers, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in U.S. production capacity	1.7	16	19	20
Changes in the cost of raw materials	1.7	31	19	4
Changes in competition between U.S. producers	1.7	21	26	6
Changes in energy costs	1.8	40	15	0
Changes in demand for steel within the United States	1.8	8	22	22
Changes in demand for steel outside the United States	2.0	24	16	8
Changes in transportation/delivery cost changes	2.0	32	22	1
Changes in the productivity of domestic producers	2.2	11	3	9
Changing market patterns	2.3	13	31	8
Changes in the level of competition from imports from non-excluded countries	2.3	14	24	12
Changes in labor agreements, contracts, etc.	2.5	6	41	5
Changes in the level of competition from imports from excluded countries	2.7	12	37	5
Changes in the allocation of production capacity to alternate products	2.9	7	42	3
Changes in the level of competition from substitute products	3.1	2	46	4
<p><sup>1</sup> The numbers in this column represent the average ranking of each factor by responding purchasers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.</p> <p><sup>2</sup> The numbers in these columns represent the number of responding purchasers 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.</p> <p>Note—Not all purchasers answered for all of the factors.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>				

## Price Data

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

***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 specification. This commodity product is typically used in pressure piping and in pressure vessel fabrication for service at moderate and elevated temperatures such as in natural gas and petrochemical facilities.

Reported pricing data accounted for 20.4 percent of the quantity of U.S. producers' U.S. commercial shipments of fittings, 3.6 percent of the quantity of total imports, and 2.0 percent and 8.6 percent, respectively, of the quantity of U.S. imports of covered and noncovered fittings during April 2000-March 2003.

Weighted-average prices, margins of underselling/overselling, and quantities sold of U.S.-produced, covered imported, and noncovered imported fittings are shown in table TUBULAR III-14. Weighted average prices of U.S.-produced, covered imported, and noncovered imported fittings are also shown in figure TUBULAR III-3. A summary of the price data is shown in table TUBULAR III-15 and summaries of the margins of underselling/overselling of imports from covered and noncovered sources are shown in tables TUBULAR III-16 and TUBULAR III-17, respectively.

Quarterly prices for the domestically produced fittings product for which the Commission collected pricing data increased in 2002, reaching a high for the three-year period for which data were collected, but declined between the fourth quarter of 2002 and the first quarter of 2003. The first quarter 2003 price was 0.1 percent below the first quarter 2002 price, but 6.9 percent above the second quarter 2000 price. Prices increased from the first quarter of 2002 to the first quarter of 2003 for imports of this product from sources covered by the safeguard measure, rising by 1.5 percent. Prices increased from the first quarter of 2002 to the first quarter of 2003 for imports of this product from sources not covered by the safeguard measure, rising by 22.3 percent. In the period April 2002 to March 2003, imports from sources covered by the safeguard measure undersold the domestically produced product in all 4 quarterly price comparisons, and imports from sources not covered by the measure undersold the domestically produced product in 2 of 4 quarterly comparisons.

**Table TUBULAR III-14**

**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, by quarters, April 2000-March 2003**

\* \* \* \* \*

**Figure TUBULAR III-3**

**Fittings: Weighted-average f.o.b. prices of domestic, covered imported, and noncovered imported product 11, April 2000-March 2003**

\* \* \* \* \*

**Table TUBULAR III-15**

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

Product	United States		Imports from covered sources		Imports from noncovered sources	
	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003
<i>Percent</i>						
11	6.9	-0.1	4.7	1.5	12.9	22.3

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

**Table TUBULAR III-16**

**Fittings: 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**

Product	Underselling			Overselling		
	Number of margins of underselling	High margin of underselling	Low margin of underselling	Number of margins of overselling	High margin of overselling	Low margin of overselling
		<i>Percent</i>	<i>Percent</i>			<i>Percent</i>
11	12	30.9	19.4	0	( <sup>1</sup> )	( <sup>1</sup> )

<sup>1</sup> Not applicable.

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

**Table TUBULAR III-17**

**Fittings: 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**

Product	Underselling			Overselling		
	Number of margins of underselling	High margin of underselling	Low margin of underselling	Number of margins of overselling	High margin of overselling	Low margin of overselling
		<i>Percent</i>	<i>Percent</i>			<i>Percent</i>
11	5	15.9	1.4	7	11.8	1.4

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



## **PART IV: ADJUSTMENT EFFORTS**

Section 204 requires the Commission to monitor and report on the progress and specific efforts made by workers and firms to adjust to import competition. In doing so the Commission examines whether the industry has satisfied its previous commitments, comparing the actions taken by workers and firms to the actions that were anticipated if relief were granted. The report considers these efforts in the context of the prevailing economic circumstances during the period of relief.

### **PROPOSED ADJUSTMENT PLANS**

In the section 201 investigation, the individual adjustment plans put forth by 16 producers of welded pipe, and reviewed by the Commission, stated that they intended to invest about \$159 million over a four-year period. The companies said that the investments would be spent on modernization of equipment and application of technological innovations to increase efficiency and productivity. Some companies proposed upgrading and expanding their facilities and installing new equipment, while others planned to relocate or close some of their facilities. Companies also planned to invest in employee training and new information systems. Four fittings producers' adjustment plans proposed combined investments of \$12.8 million to \$14.8 million to increase competitiveness over a four-year period. Certain companies planned to upgrade their facilities by purchasing new production equipment and developing new manufacturing technologies. Others planned to invest in additional worker training and retirement plans. A summary of the types of actions contained in U.S. producers' proposed adjustment plans in the section 201 investigation is presented in table TUBULAR IV-1.<sup>1</sup>

In the current monitoring proceeding, the Commission asked U.S. producers whether they indicated to the Commission or USTR since the initiation of the original section 201 investigation that, if relief were granted as a result of that investigation, 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.<sup>2</sup> The firms' responses are presented at the end of this chapter in table TUBULAR IV-3.

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<sup>1</sup> Also included in the table is the number of firms that stated they had reported they had no planned adjustments.

<sup>2</sup> Firms were also asked to attach copies of their specific adjustment plans as reported to the Commission during inv. No. TA-201-73 or to USTR since the initiation of the original section 201 investigation.

**Table TUBULAR IV-1**

**Tubular steel: Number of U.S. producers affirmatively reporting proposed adjustments in the section 201 investigation, by product group**

<b>Certain tubular products</b>	
<b>Welded</b>	<b>Fittings</b>
<b>Number of reporting U.S. producers</b>	
32	19
<b>No planned adjustments</b>	
7	4
<b>Additional capital investment</b>	
20	14
<b>Further cost reductions</b>	
4	3
<b>Research &amp; Development</b>	
2	2
<b>Improved customer service</b>	
1	1
<b>Utilization of e-commerce to reduce transaction costs or increase sales</b>	
1	0
<b>Develop new or innovative product lines</b>	
1	0
<b>Increase employee training</b>	
4	2
<b>Increase productivity/speed in manufacturing process</b>	
1	2
<b>Increase employment</b>	
3	0
<b>Relocation or closing of facility</b>	
1	2
<b>Expand geographic reach of current customer base</b>	
1	1
<b>Production shift from commodity to niche products</b>	
1	0

Source: *Steel: Investigation No. TA-201-73*, USITC Pub. 3479, December 2001, table TUBULAR-70 at TUBULAR-66, compiled from data submitted in response to Commission questionnaires in that investigation.

## SIGNIFICANCE OF RELIEF AND ECONOMIC CONDITIONS DURING ADJUSTMENT EFFORTS

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 the domestic firms' operations in the following categories:

- (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 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 section 203 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 summarized in table TUBULAR IV-2 and are presented individually at the end of this chapter in table TUBULAR IV-3 (Part B).

Firms responding affirmatively were specifically asked whether there were any reported planned adjustment actions that they had not implemented, and if so, the reason(s) why specific adjustment actions have not been implemented. The firms' responses are presented at the end of this chapter in table TUBULAR IV-3 (Part A).

Domestic producers described several factors that hindered their adjustment efforts: a surge of imports from Korea;<sup>3</sup> low demand;<sup>4</sup> a surge of imports from noncovered countries (India and Turkey);<sup>5</sup> adverse supply side effects from the differential tariff relief granted to upstream flat-rolled producers relative to downstream welded pipe producers (e.g., 30 percent versus 15 percent *ad valorem* tariff in the first year) as well as some temporary closures of certain flat-rolled producers in 2002;<sup>6</sup> and stagnation in key consuming industries such as chemicals, construction, oil and gas.<sup>7</sup>

Respondents questioned the impact of the relief on the operations of the domestic industry producing welded pipe. In particular, they contend that the low number of producers that affirmatively indicated that their investments were made primarily to compete with subject imports supports the view that the section 203 measure has had very little effect on the domestic welded pipe industry's condition

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<sup>3</sup> Testimony of Robert Bussiere, General Manager of Fire Protection Products, Allied Tube & Conduit, transcript of Commission hearing (July 17, 2003) at 33.

<sup>4</sup> Testimony of Scott Barnes, Vice President, Commercial, IPSCO Tubulars, Inc., transcript of Commission hearing (July 17, 2003) at 50.

<sup>5</sup> Testimony of Robert Bussiere, General Manager of Fire Protection Products, Allied Tube & Conduit, transcript of Commission hearing (July 17, 2003) at 32.

<sup>6</sup> Robert Blecker, professor of economics at American University, transcript of Commission hearing (July 17, 2003) at 60.

<sup>7</sup> Testimony of Don A. Graham President, Trinity, transcript of Commission hearing (July 17, 2003) at 67.

**Table Tubular IV-2**  
**Tubular steel: U.S. producers affirmatively reporting actual adjustments in the section 204 investigation, by product group**

<b>Certain tubular products</b>	
<b>Welded</b>	<b>Fittings</b>
<b>Number of U.S. producers reporting adjustments</b>	
19	6
<b>Investments made</b>	
13	5
<b>Capacity reductions</b>	
2	1
<b>Cost reductions with existing equipment</b>	
8	1
<b>Diversifications/expansions</b>	
3	0
<b>Mergers and consolidations</b>	
3	1
<b>New products developed or new applications for existing equipment</b>	
7	3
<b>Organizational changes</b>	
6	3
<b>Changes in production practices</b>	
7	3
<b>Marketing changes (U.S. and foreign markets)</b>	
5	2
<b>Employee reductions</b>	
11	5
<b>Changes in pension liabilities, healthcare, and union contracts</b>	
7	1
<b>All other efforts made by firm or workers</b>	
5	0

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

or its investment decisions.<sup>8</sup> Respondents contend that the domestic industry's condition is directly influenced by factors other than the section 203 measures, most notably the overall economy, overcapacity, and raw material prices.<sup>9</sup>

## POST-RELIEF EFFORTS

The Commission asked U.S. producers to indicate whether they had undertaken any efforts since the implementation of relief to compete more effectively in the U.S. market for the subject steel products. Firms responding affirmatively were asked to identify:<sup>10</sup>

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 efforts, including any competitive advantage acquired (i.e., increased production, cost reduction, quality improvement, increased market share or sales, etc.).

In addition, if firms felt that any of these efforts were 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 at the end of the chapter in table TUBULAR IV-3 (Part C), and a summary of the types of U.S. producers' reported actual adjustments are presented in table TUBULAR IV-2.

Since March 2002, several trends have emerged from in the domestic tubular steel industry. First, the domestic industry has rationalized and consolidated in recent years. Second, several companies have invested in new technologies and made capital improvements.

Several tubular firms have exited or reduced their presence in the industry. Excaliber and Olympic are no longer in business.<sup>11</sup> The LTV tubular division assets were sold to Maverick which has since shut down the tubular mill in Youngstown, OH.<sup>12</sup> Copperweld's Portland, OR mill was closed in February 2003.<sup>13</sup> In May 2003, Wheatland closed the cold-drawn division of the Sawhill plant acquired

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<sup>8</sup> Posthearing brief of Korean respondents at 4.

<sup>9</sup> Posthearing brief of Korean respondents at 5 and A-20-21.

<sup>10</sup> Categories on which producers were asked to comment were: Investments made; Capacity reductions; 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; and, All other efforts made by firm or workers to compete.

<sup>11</sup> Testimony of Parry Katsafanas, President of Leavitt Tube Co., transcript of Commission hearing (July 17, 2003) at 47-48.

<sup>12</sup> Ibid. at 48.

<sup>13</sup> Posthearing brief of domestic producers and the CPTI 201 Coalition at 4.

from AK Steel.<sup>14</sup> Laclede shut down in September 2001. Domestic producers indicated that the Commission's data understate capacity reductions because the data do not include companies such as Laclede that shut down during the period examined by the Commission.<sup>15</sup> More generally, the acquisition of AK/Sawhill by Wheatland and LTV Tubular by Maverick, and the spinning off of Bethnova and Steelton by ISG, represent both industry consolidation and de-linking of integrated steel operations from welded pipe production.

The domestic industry's capital investments include the following. Leavitt doubled its capital expenditures in 2002 versus 2001 and has committed to additional capital expenditures for later in 2003.<sup>16</sup> Wheatland spent over \$100 million adjusting to import competition, including the purchase of the Sawhill plant and installing a state-of-the-art five-inch OD mill at its Chicago plant that expanded Wheatland's product range.<sup>17</sup> Stupp has continued to invest in improved quality, including heavier walls and edge and welding capability to meet market demand.<sup>18</sup> With respect to fittings, beginning in 2002, Trinity incurred over \$\*\*\* in adjustment actions, primarily related to its consolidation of its production assets from four facilities into two and the consolidation of its two distribution centers into a single distribution center.<sup>19</sup> In addition, Anvil bought Beck in October 2001, and subsequently reduced the combined capacity of two operations.<sup>20</sup>

According to a representative of the USWA, the steelworkers have "not only participated in but have led a massive restructuring of the steel industry that is not yet completed."<sup>21</sup> Maverick's purchase of the LTV tubular assets was in part contingent on Maverick's ability to complete a collective bargaining agreement with the USWA, which represents about 300 employees at four of the five LTV tubular assets acquired by Maverick. According to the union, the \*\*\* reflected in the contract are examples of the adjustment efforts of the USWA's continuing commitment to improve productivity and

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<sup>14</sup> Testimony of Mark Magno, VP of Sales and Marketing, Wheatland Tube Co., transcript of Commission hearing (July 17, 2003) at 56-57.

<sup>15</sup> Prehearing brief of CPTI Coalition at 20-21.

<sup>16</sup> Testimony of Parry Kapsafanas, President, Leavitt Tube, transcript of Commission hearing (July 17, 2003) at 46. According to Mr. Kapsafanas, these investments led to savings and a significant increase in productivity. Thus the firm was able to reduce its workforce (by half in the past 10 years) while maintaining the same capacity and production capabilities; additionally, on July 1, 2003, Leavitt announced the layoff of 25 percent of its salaried workers, a reduction of 15 people. Ibid.

<sup>17</sup> Testimony of Mark Magno, VP of Sales and Marketing, Wheatland Tube Co., transcript of Commission hearing (July 17, 2003) at 56-57.

<sup>18</sup> Testimony of Don Bohach, VP of Marketing and Sales, Stupp Corp., transcript of Commission hearing (July 17, 2003) at 54, 112, and 16. In addition to quality improvements, Stupp has strived to reduce its costs; major cost savings were reportedly gained by not replacing management personnel who left the firm. Ibid. at 54-55.

<sup>19</sup> Prehearing brief of Trinity at 2-3. See also testimony of Don Graham, President, Trinity, transcript of Commission hearing (July 17, 2003) at 66-67. These consolidations resulted in the net elimination of 61 jobs. Prehearing brief of Trinity at 3.

<sup>20</sup> Testimony of Roger Schagrin, counsel to CPTI, transcript of Commission hearing (July 17, 2003) at 115 and 157-158. See also questionnaire response of Anvil (\*\*\*).

<sup>21</sup> Testimony of Leo Gerard, President, United Steelworkers of America, AFL-CIO-CLC, transcript of Commission hearing (July 17, 2003) at 74. Specifically, the union has established strategic principles for future bargaining agreements, including the goals of company reinvestment, streamlined and simplified operating procedures, and an increased role of the union in such areas as training, with the goal of greater productivity and efficiency. Posthearing brief of the United Steelworkers of America at 18.

competitiveness.<sup>22</sup> The workforce at Novamerican's mechanical tubing facilities are covered by similar collective bargaining agreements.<sup>23 24</sup>

Respondents question the adjustment efforts of U.S. producers on several grounds. First, they note that a number of producers could not remember even submitting adjustment plans, or affirmatively stated that they made no adjustments at all.<sup>25</sup> Second, they dispute the notion that investments made during the first year of relief were in response to import relief; to the contrary, they contend that imports have traditionally been a significant condition of competition in the market to which domestic producers adjusted long ago, as demonstrated by the domestic industry's level of profitability.<sup>26</sup> Finally, they contend that relief is no longer effective, arguing that the domestic industry's performance during the first year of relief demonstrates that it no longer needs protection.<sup>27</sup>

With respect to fittings, Respondents contend that the domestic industry's efforts to make a positive adjustment to import competition have been inadequate. Respondents compare and contrast the adjustment efforts made to those that have not been made, in the context of overall industry performance.<sup>28</sup> They further contend that the domestic industry's financial performance is not dependent upon adjustment efforts, nor in fact is its overall condition correlated to imports of fittings.<sup>29</sup>

As noted above, U.S. producers were asked to comment in their questionnaire responses on (1) any adjustment plans their firms submitted during the section 201 investigation, (2) the significance of the section 203 relief on their firm's operations, and (3) the efforts they have undertaken to compete more effectively in the U.S. market. The responses of firms are presented in the following table TUBULAR IV-3.

At its public hearing, the Commission encouraged public commentary regarding adjustment efforts, to the extent possible.<sup>30</sup> In light of the extensive testimony on this issue, summarized above, the Commission did not request a separate, public summary of efforts.

**Table TUBULAR IV-3**  
**Tubular steel: Comments of U.S. producers**

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<sup>22</sup> Posthearing brief of the United Steelworkers of America at 20-21.

<sup>23</sup> Testimony of Leo Gerard, President, United Steelworkers of America, AFL-CIO-CLC, transcript of Commission hearing (July 17, 2003) at 151.

<sup>24</sup> See also Chapter 2 part IV for additional details regarding the USWA's new set of bargaining principles and its pattern bargaining approach.

<sup>25</sup> Posthearing brief of Korean respondents at 10 and confidential exh. 1.

<sup>26</sup> Ibid. at 10.

<sup>27</sup> Ibid. at 11.

<sup>28</sup> Posthearing brief of Awaji Sangyo at 2-3.

<sup>29</sup> Ibid. at 3-6.

<sup>30</sup> See request of Chairman Okun, transcript of Commission hearing (July 17, 2003) at 152.



## **CHAPTER 5**

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### **STAINLESS STEEL**



## PART I: OVERVIEW (STAINLESS STEEL)

### ORGANIZATION OF THIS SECTION

Information in this stainless steel<sup>1</sup> section is organized into five parts: (1) overview of issues concerning the industries producing stainless steel; (2) industry and market data for stainless bar; (3) industry and market data for stainless rod; (4) industry and market data for stainless wire; and (5) adjustment efforts of U.S. stainless steel producers. Information collected on foreign industries producing the subject products is presented in appendix G.

### U.S. PRODUCERS

Information on the number of reporting U.S. producers of stainless steel and a summary of U.S. producers' positions with respect to the section 203 relief is presented in table STAINLESS I-1.<sup>2</sup> A list of U.S. producers of stainless steel providing a response to the Commission's producers' questionnaire in this investigation is presented in table STAINLESS I-2.

**Table STAINLESS I-1**

**Stainless steel: Summary of U.S. producers' positions with respect to the section 203 relief, by products and forms**

Item	Support relief	Oppose relief	Take no position	No response	Total
Stainless bar	7	0	2	0	9
Stainless rod	4	0	0	0	4
Stainless wire	11	2	1	0	14

<sup>1</sup> Responses are shown only for products a firm produces and for which it provided data. A firm may produce more than one of the products or forms.

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

**Table STAINLESS I-2**

**Stainless products: U.S. producers' production, by products, April 2002-March 2003**

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<sup>1</sup> For purposes of this report, the term "stainless steel" consists of subject stainless bar, stainless rod, and stainless wire.

<sup>2</sup> As previously mentioned, information on U.S. producers' positions with respect to the section 203 import relief, by firms and by products, is presented in app. E. In some instances, firms have expressed positions for products they do not produce.

## STRUCTURAL DEVELOPMENTS

Information on developments in the domestic industries producing stainless bar, stainless rod, and stainless wire, including bankruptcy protection filings, mergers and acquisitions, and significant capital investments is presented below. A list of U.S. producers that have recently filed for bankruptcy protection is presented in table STAINLESS I-3. Table STAINLESS I-4 presents industry mergers and acquisitions. Table STAINLESS I-5 presents major publicly announced capital investments of U.S. producers.

**Table STAINLESS I-3**

**Stainless steel: U.S. producers<sup>1</sup> of subject products that have filed for bankruptcy protection, 1997-2003**

Month and year of bankruptcy filing	Company and location(s)	Products	Status	Raw steel capability (million short tons)	Employees affected	Comments
December 1997	AL Tech Specialty Steel <i>Dunkirk, NY</i>	Stainless steel bar, rod, wire, and seamless tube	Operating as Universal Stainless & Alloy	None	280 <sup>2</sup>	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 March 2002.
June 2003	Slater Steels <i>Fort Wayne, IN</i> <i>Lemont, IL</i> <i>Canada</i>	Stainless steel bar and light structural sections and carbon and alloy hot-rolled and cold-finished bars	Operating	None <sup>3</sup>		Filing of Canadian parent company under Canadian law concurrent with filing in United States.

<sup>1</sup> Republic Technologies International, primarily a producer of carbon and alloy long products, filed for bankruptcy in April 2001 and many of its facilities were sold off to other firms that continue to operate them. Although Republic Technologies had some sales of stainless bar—\*\*\*, such sales were incidental to its primary business (\*\*\*) and Republic Technologies International is not considered to be a producer of subject stainless products for the purposes of this investigation.

<sup>2</sup> Number of employees affected by AL Tech's 1997 bankruptcy.

<sup>3</sup> Slater Steels' Fort Wayne melt shop closed in April 2001 so now the firm purchases all of its steel requirements as semifinished products.

Source: Compiled from various public sources.

### Timeline

There were no bankruptcies during the period examined;<sup>3</sup> figure STAINLESS I-1 illustrates the timeline for mergers and acquisitions of companies in the stainless sector. There were few events during the period and raw steel capability data shown may be misleading.<sup>4</sup>

<sup>3</sup> Although there were no bankruptcies during the April 2000-March 2003 period depicted, Slater Steels filed for bankruptcy protection in June 2003.

<sup>4</sup> There was no real measurable change in the raw steel capability of the purchasing firms as a result of the acquisitions. There was no raw steel capability at Empire Specialty's Dunkirk, NY facility purchased by Universal Stainless and Alloy. Although Slater Steels has announced that it intends to produce carbon and stainless long products at the Lemont, IL facility it purchased from Auburn Steel (0.5 million short ton raw steel capability), the facility produced only carbon and alloy long products prior to being shuttered by Auburn Steel.

**Table STAINLESS I-4**

**Stainless steel: Significant steel company mergers and acquisitions, 1998-2003**

<b>Month and year</b>	<b>Company</b>	<b>Description and capabilities</b>
		<b>Million short tons of raw steel</b>
February 1998	Carpenter Technology	Carpenter, (0.2 capability) a major producer of stainless steel long products, acquired Talley Metals, a diversified company that included a stainless long products mill with no raw steel capability. Operations other than the stainless steel mill were disposed of.
February 2002	Universal Stainless & Alloy <sup>1</sup>	Acquired and restarted the Dunkirk, NY assets (no raw steel capability) of Empire Specialty Steel, Inc., a producer of stainless steel bar, rod, and wire products that had been shut down since June 29, 2001.
September 2002	Slater Steels, 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 (0.5 capability <sup>2</sup> that has been shuttered since February 2001) from Auburn Steel. In December 2002, Slater re-commissioned the mill with plans to ramp up production of carbon and stainless steel merchant and special quality bars and rebar.
<p><sup>1</sup> Universal's raw steel capability is unknown. However, Universal is believed to have only one 50-ton EAF, so capability is likely to be no more than 100,000 short tons per year and would include both stainless and alloy products. Additionally, Universal produces both flat and long steel in the same establishment.</p> <p><sup>2</sup> Although some of the Lemont plant raw steel capability may be used to produce stainless in the future inasmuch as the announced plans are for the plant to produce carbon and stainless long products; however, prior to being shuttered by Auburn Steel, the facility is believed to have produced carbon and alloy steel, but not stainless steel.</p>		
Source: Compiled by Commission staff from various public sources.		

**Table STAINLESS I-5**

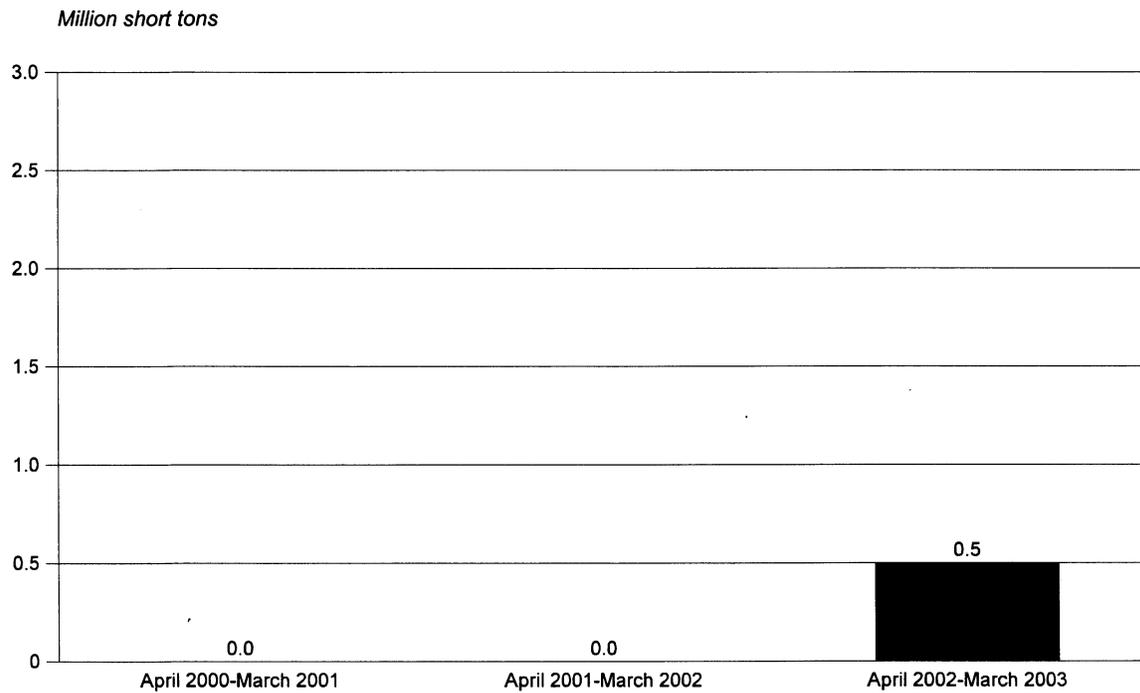
**Stainless steel: Major capital investments of U.S. steel companies, as reported in public sources, 1998-2003**

<b>Year</b>	<b>Company and location</b>	<b>Facility</b>	<b>Reported investment</b>
			<b>Million dollars<sup>1</sup></b>
1998	Carpenter Technology <i>Hartsville, SC</i>	Investment in Talley rolling mill to increase induction heating capability, which will speed up the hot-rolling process and effectively nearly double its hot-rolling capacity from approximately 40,000 hot-rolled short tons per year to 78,500 short tons.	6.8
1999	Carpenter Technology <i>Reading, PA</i>	New 4,500-ton forging press for stainless steel and specialty alloys.	42
1999	Universal Stainless and Alloy <i>Bridgeville, PA</i>	New stainless steel round bar finishing facility.	10
2002	Universal Stainless and Alloy <i>Dunkirk, NY</i>	Startup of purchased rolling mill.	0.4
2002	North American Stainless <i>Ghent, KY</i>	Investment to build a new state-of-the-art bar and rod facility.	

<sup>1</sup> Where no value is given, data were not reported in source.

Source: Selected entries from *Developments in the North American Iron and Steel Industry*, Annual Reports 1996 through 1999; *Iron and Steel Engineer*; 2000, AISE Steel technology; *Carpenter Expands Talley, Reading Plants*, Business Wire, April 22, 1998; transcript of Commission hearing (July 10, 2003) at 146.

**Figure STAINLESS I-1**  
**Stainless steel: Mergers and acquisitions and related raw steel capability, April 2000-March 2003**



Safeguard begins ↘

Universal acquires Empire Specialty Steel<sup>1</sup>

Slater Steels acquires Auburn-Lemont<sup>2</sup>

Apr	Jun	Aug	Oct	Dec	Feb	Apr	Jun	Aug	Oct	Dec	Feb	Apr	Jun	Aug	Oct	Dec	Feb	
	May	Jul	Sep	Nov	Jan	Mar	May	Jul	Sep	Nov	Jan	Mar	May	Jul	Sep	Nov	Jan	Mar
2000					2001					2002					2003			

<sup>1</sup> Universal's raw steel capability data are not available; Empire had no raw steel capability.

<sup>2</sup> Slater Steels had no raw steel capability; Auburn Steel's Lemont plant's capacity were for carbon and alloy steel prior to shuttering.

Source: Table STAINLESS I-4 and other publicly available information.

## PART II: INDUSTRY AND MARKET DATA (STAINLESS BAR)

### DESCRIPTION AND USES

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 pumps and connectors for fluid handling systems. HTS statistical reporting numbers for subject stainless bar are presented in table STAINLESS II-1.

**Table STAINLESS II-1**

**Stainless bar: Subject HTS statistical reporting numbers**

Item	Statistical reporting numbers				
Stainless bar <sup>1</sup>	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	

<sup>1</sup> The temporary HTS subheadings for stainless bar established by proclamation or delegated authority pursuant to trade legislation are:

- (1) 9903.73.97 for products outside the scope of the section 201 investigation and therefore excluded from the section 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 section 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 (ranging from 5 tons to 5,000 tons) 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 *ad valorem* additional tariffs through March 19, 2003, 12 percent additional tariffs through March 19, 2004, and 9 percent additional tariffs through March 20, 2005.

As indicated in (2), certain temporary subheadings specify particular types of stainless bar which are excluded from the additional tariffs when entered up to certain quantitative limits, i.e., a particular number of tons; the individual quantity limit of each exemption and the time period(s) to which the exemption applies are stated or referenced in the article description of the temporary HTS subheading. Whenever imports of a particular type of stainless bar exceed the specified quantitative limit, then the quantity in excess of such limit would not be covered by the temporary HTS subheading identified in (2) and would instead be covered by the temporary HTS items identified in (3) and subject to the additional section 203 tariffs.

Source: Harmonized Tariff Schedule of the United States (2003).

## MARKET ENVIRONMENT

### Changes in U.S. Demand

Stainless bar is used in a wide variety of applications where its corrosion resistance, head resistance, and/or appearance are desired. Stainless bar end users include the aerospace, automotive, chemical processing, dairy, and food processing industries. Stainless bar is also used for pharmaceutical equipment, marine applications, and pumps and connectors for fluid handling systems.

The data collected by the Commission (which do not include 100 percent of U.S. production) indicate that apparent U.S. consumption of stainless bar decreased by 22.4 percent from April 2000-March 2001 to April 2002-March 2003.

Demand for stainless bar has been weak; the value of U.S. manufacturers' shipments of transportation equipment increased only slightly, by 0.7 percent, between the first quarter of 2002 and the first quarter of 2003 (table OVERVIEW II-1). The value of U.S. manufacturers' shipments of stainless steel forgings fared worse, decreasing by 6.1 percent between the first quarter of 2002 and the first quarter of 2003.

Most responding U.S. stainless bar producers and importers reported that U.S. demand for steel has decreased since March 20, 2002.<sup>1</sup> U.S. producers generally cited the slowing U.S. economy, particularly downturns in the aerospace, power generation, petrochemical, capital goods, and automotive markets. Stainless steel importers agreed, also citing the slowing U.S. economy and greater competition for end products using stainless bar, such as in the aerospace, power generation, capital goods, and oil and gas industries.<sup>2</sup>

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<sup>1</sup> One producer reported that demand has stayed the same. Ten importers reported that demand has stayed the same, and two reported that demand has increased.

<sup>2</sup> One domestic producer testified that the economic slowdown that has only worsened, and demand for stainless bar and angle has fallen to the lowest levels in recent history. Depressed demand for stainless bar and angle has been a reflection of the weakness in various industries that use these products as production inputs, including aerospace, power generation, petrochemical and capital goods. As a result of the dismal conditions in the U.S. market for stainless bar and angle, Slater was forced to file for credit protection under chapter 11 of the U.S. Bankruptcy Code in June of this year. Testimony of Daniel Anderson, Vice-President, Sales and Marketing, Slater Steels Corp., transcript of Commission hearing (July 10, 2003) at 34-35, 37. A second domestic producer observed that, since the safeguard was initiated in 2001, the stainless bar industry has experienced the "perfect storm." Economic conditions have further deteriorated due largely to the events of September 11, and market demand for stainless bar remains depressed. Testimony of Jack Simmons, Manager, Marketing and Product Development, Electralloy, transcript of Commission hearing (July 10, 2003) at 41-42. A third domestic producer characterized stainless steel demand as relatively low. He did not anticipate demand increasing during the next three to six months. Testimony of Michael Shor, Senior Vice-President, Carpenter Technology Corp., transcript of Commission hearing (July 10, 2003) at 99 and 123. One respondent cited a downturn in the U.S. economy and in the steel consuming industries. He stated that U.S. stainless steel demand has not increased, and at least in the near term is not projected to increase sufficiently to offset the impact of North American Stainless (NAS)'s additional capacity. Arcelor does not think that U.S. demand is going to increase sufficiently over the next two years to warrant substantial imports into the United States. Testimony of Christopher Ryan, counsel to Arcelor, transcript of Commission hearing (July 10, 2003) at 153, 156 and 171. A second respondent maintained that the United States is in the down part of a business cycle, whereas the rest of the world is not. He cited in particular very strong demand in Asia. Testimony of Charles Blum, representative of the European Confederation of Iron and Steel Industries, transcript of Commission hearing (July 10, 2003) at 165.

All responding U.S. stainless bar producers and most importers reported that there have been no changes in the types or prices of substitute products since March 20, 2002.

### **Changes in U.S. Supply**

AL Tech Specialty Steel, a producer of stainless bar, rod, wire, and seamless tube, filed for bankruptcy in December 1997. AL Tech Specialty Steel emerged from bankruptcy in November 1999 as Empire Specialty Steel. Empire Specialty Steel shut down its operations in June 2001. Empire Specialty Steel's operating assets were acquired by Universal Stainless and Alloy Products in February 2002 and restarted in March 2002. In September 2002, Slater acquired the Lemont, IL minimill (shuttered since February 2001) from Auburn Steel. Although the Lemont mill previously had not produced stainless bar, it was re-commissioned in December 2002 with plans to ramp up production of carbon and stainless steel merchant and special quality bars and rebar.<sup>3 4</sup>

Stainless bar producers reporting changes in their marketing practices since March 20, 2002 are shown in table STAINLESS II-2.

Thirty of 80 responding stainless bar purchasers reported experiencing difficulties procuring steel in the quantities necessary to meet their needs since March 20, 2002. Thirty-five of 77 responding stainless bar purchasers reported increased average lead times for their purchases of domestic steel, 39 reported no change in domestic lead times, and three reported decreased domestic lead times. Stainless bar purchasers were asked to identify actions taken by domestic producers since March 20, 2002 to make a positive adjustment to import competition.<sup>5</sup> Of 81 responding purchasers, 55 purchasers did not indicate that producers had taken any such actions. Only a few purchasers reported that domestic producers had introduced new or innovative products, improved product quality, expanded marketing efforts, improved customer service, or made other positive adjustment efforts.

Based on data compiled in this investigation, U.S. stainless bar producers' capacity utilization was 60.6 percent and their inventories as a percentage of total shipments were 11.9 percent during April 2002-March 2003. Exports accounted for 4.2 percent of total shipments.

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<sup>3</sup> See table STAINLESS I-3.

<sup>4</sup> At the hearing domestic producers and respondent importers commented on changes in domestic producers capacity. Counsel to domestic producers testified Avesta Polarit will be adding some rolling capacity next year when the existing Allvac mill is revamped. The mill upgrades will enable Avesta Polarit to supply over 10,000 tons of domestic bar and rod. He also noted that NAS is installing a rolling mill to eventually utilize their flat-rolled melt capacity. Testimony of Edward Blot, President, Ed Blot & Associates, transcript of Commission hearing (July 10, 2003) at 51. Another counsel to domestic producers maintained that the very moderate net stainless bar capacity increases are due to one U.S. firm consolidating its facilities in the United States. Patrick McGrath, consultant, Georgetown Economic Services, transcript of Commission hearing (July 10, 2003) at 57. A domestic producer testified that Slater closed its melt shop in Fort Wayne, IN in April 2001 and consolidated the melting at Slater's facility in Wellan, Ontario. Testimony of Daniel Anderson, Vice-President, Sales and Marketing, Slater Steels Corp., transcript of Commission hearing (July 10, 2003) at 71. Counsel to respondent importers maintained that domestic stainless steel capacity is about to increase substantially more when NAS brings its Ghent, KY long product facility on line. He stated that it is projected that this facility will bring an additional 100,000 tons of stainless bar and rod capacity on line. Testimony of Christopher Ryan, counsel to Arcelor, transcript of Commission hearing (July 10, 2003) at 155.

<sup>5</sup> Purchasers were asked to indicate whether domestic producers had taken any of the following actions: introduction of new or innovative product, improved product quality, expansion of marketing efforts including e-commerce, improvements in customer service, and other efforts to make a positive adjustment to import competition.

**Table STAINLESS II-2****Stainless bar: U.S. producer responses to questions regarding firms' activities since March 20, 2002**

Marketing practice	Number of producers reporting		
	No	Yes	
Efforts to increase product availability	2	6	
Change in geographic market	8	0	
Change in channels of distribution	7	1	
Change in share of sales from inventory	3	5	
Change in average lead times from inventory	7	0	
Change in average lead times from production	2	5	
Change in product range	5	3	
Change in demand for or production of alternate products	8	0	
	Increased	Decreased	Stayed same
Change in order backlogs	0	6	2
Change in on-time shipping percentage	1	1	6

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

### Changes in Import Supply

Total imports of stainless bar fell by 8.2 percent between the periods April 2001-March 2002 and April 2002-March 2003; imports of stainless bar from covered countries fell by 23.0 percent and imports of stainless bar from noncovered countries increased by 39.3 percent. The U.S. market share accounted for by imports of stainless bar from covered countries fell from 32.6 percent in April 2001-March 2002 to 26.8 percent in April 2002-March 2003. The U.S. market share accounted for by imports of stainless bar from noncovered countries increased from 10.2 percent in April 2001-March 2002 to 15.1 percent in April 2002-March 2003.<sup>6</sup>

As shown in table STAINLESS II-3, with the exception of decreasing order backlogs, the majority of stainless bar importers reported no changes in their marketing practices since March 20, 2002.

Covered and noncovered country producers' capacity, capacity utilization, U.S. export shipments as a percentage of total shipments, and inventories as a percentage of total shipments during April 2002-March 2003 are shown in table STAINLESS II-4.

### Timeline

Figure STAINLESS-II-1 shows monthly shipments of stainless bar products by U.S. producers, and total imports as well as imports separately from countries subject to the safeguard measures and countries exempt from the safeguard measures, along with a timeline of significant events that may have influenced the market environment. Shipment data for the domestic producers depicted in the graph are

<sup>6</sup> See tables STAINLESS II-7 and STAINLESS II-10.

**Table STAINLESS II-3**

**Stainless bar: U.S. importer responses to questions regarding firms' activities since March 20, 2002**

Marketing practice	Number of importers reporting		
	No	Yes	
Efforts to increase product availability	30	13	
Change in geographic market	42	2	
Change in channels of distribution	34	5	
Change in share of sales from inventory	33	5	
Change in average lead times from inventory	27	1	
Change in average lead times from production	27	5	
Change in product range	36	7	
Change in demand for or production of alternate products	34	5	
Importing of steel from foreign producers from which previously have not imported	29	12	
	Increased	Decreased	Stayed same
Change in order backlogs	1	20	20
Change in on-time shipping percentage	4	6	34

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

**Table STAINLESS II-4**

**Stainless bar: Covered and noncovered country producers' capacity, capacity utilization, export shipments to the United States as a percentage of total shipments, and inventories as a percentage of total shipments during April 2002-March 2003**

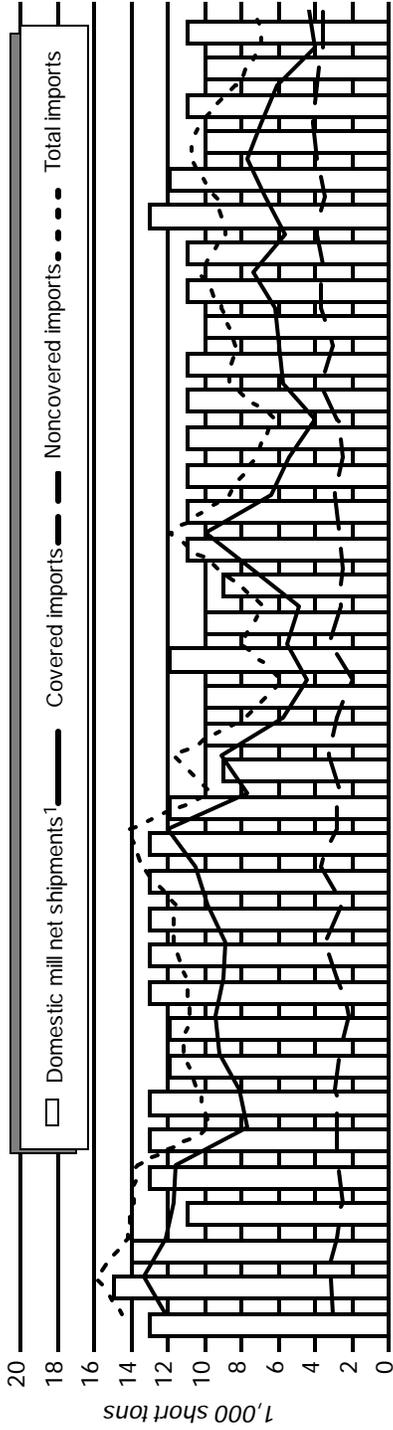
Source	Capacity	Capacity utilization	Exports to United States/ total shipments	Inventories/ total shipments
	Short tons	Percent		
Covered	438,614	88.5	6.6	15.6
Noncovered	***	***	***	***

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

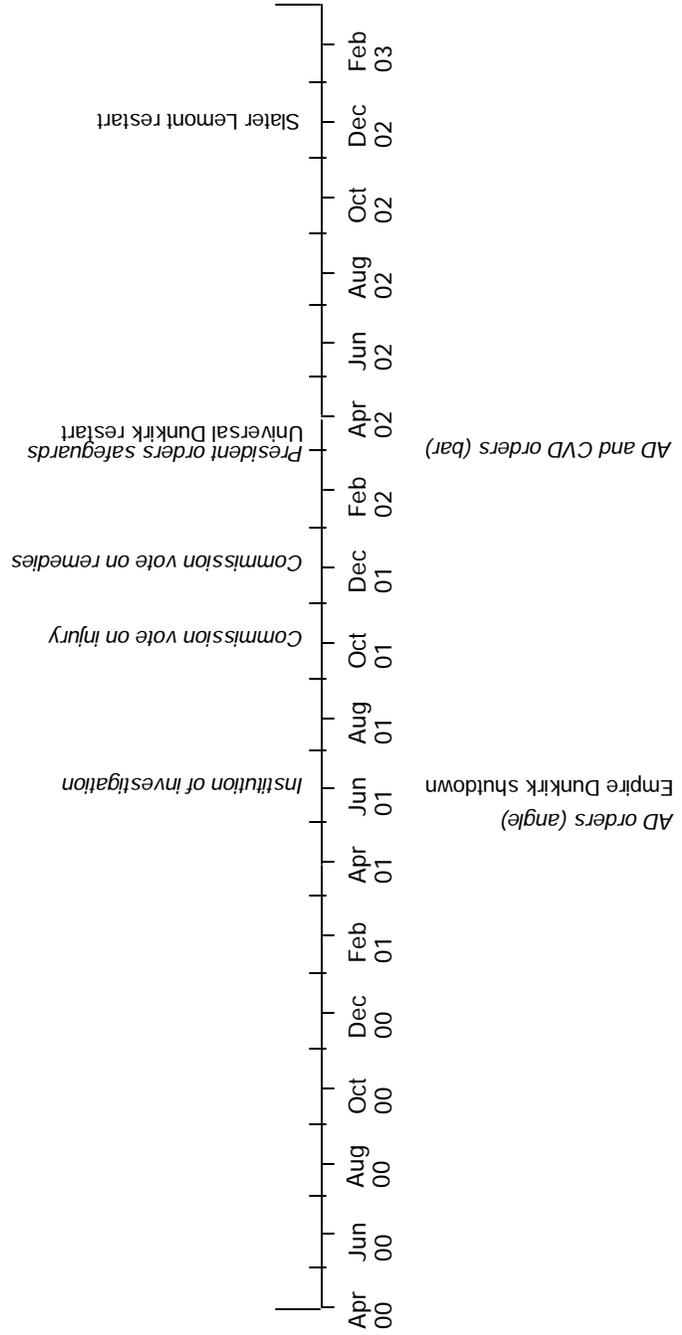
from the American Iron and Steel Institute, and differ somewhat from shipment data presented elsewhere in this report, which are based on questionnaire data (and do not include monthly data). Import data are consistent with those in other tables presented in this report. The timeline showing significant events includes significant supply changes due to shut downs (shown below the line) and restarts of U.S. producing plants (shown above the line). Also shown above the line are significant safeguard dates, while antidumping and countervailing duty orders are shown below the line.<sup>7</sup>

<sup>7</sup> On May 18, 2001, Commerce imposed antidumping duty orders on stainless steel angle from Japan, Korea, and Spain (66 FR 27628). On March 7, 2002, Commerce imposed antidumping duty orders on stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom (67 FR 10385, 10382, 10384, 10381, and 10381, respectively) and on March 8, 2002, Commerce imposed a countervailing duty order on stainless steel bar from Italy (67 FR 10670).

**Figure STAINLESS II-1**  
**Stainless steel bar: Monthly imports and monthly domestic mill net shipments, antidumping (AD) and counter-**  
**vailing duty (CVD) orders, facility shutdowns and restarts, and investigation milestones, April 2000-March 2003**



STAINLESS II-6



<sup>1</sup> Domestic mill shipments, excluding shipments to reporting companies.

Source: Official statistics of the U.S. Department of Commerce; statistics of the American Iron and Steel Institute, AIS 10 (various months); and publicly available information.

## U.S. INDUSTRY DATA

Table STAINLESS II-5 presents information on U.S. stainless bar producers' capacity, production, shipments, inventories, and employment. The Commission received usable questionnaire responses from nine stainless bar producers that are believed to account for a substantial share of U.S. production capacity during the period April 2002-March 2003. The following tabulation presents firms that reported calendar-year 2000 production capacity in the section 201 investigation but did not provide data in this investigation:

\* \* \* \* \*

As presented in table STAINLESS II-5, reporting U.S. producers' aggregate output-related indicators were mixed in the period April 2002 to March 2003. In the first relief year, the domestic industry's capacity increased by 1.1 percent, production decreased by 2.6 percent, and U.S. shipments decreased by 4.9 percent.<sup>8</sup> While reported capacity was 2.3 percent higher than in the period from April 2000 to March 2001, reported production and U.S. shipments were lower by 14.7 percent and 15.2 percent, respectively.<sup>9</sup> Capacity utilization decreased from 62.9 percent to 60.6 percent in the period April 2002 to March 2003, and was below the 72.7 percent level of the period from April 2000 to March 2001. The number of production and related workers employed declined by 18.6 percent in the period April 2002 to March 2003, and was 31.7 percent lower than in the period from April 2000 to March 2001. Productivity, however, increased by 23.0 percent; productivity gains, combined with a relatively stable hourly wage rate, resulted in declining unit labor costs in the period April 2002 to March 2003.

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<sup>8</sup> The value of the domestic industry's U.S. shipments decreased by 14.3 percent, reflecting a decrease in the average unit value of such shipments. Both the value and the average unit value of such shipments were markedly lower than in the period April 2000 to March 2001.

<sup>9</sup> As noted above, Universal Stainless and Alloy's predecessor Empire Specialty Steel closed in June 2001 and did not re-open in its current corporate status until February 2002. The closure of a mill such as Empire Specialty Steel and its corresponding absence from the data collected would tend to overstate a trend of increasing shipments (or other volume-related measures), or understate a trend of declining shipments (or other volume-related measures), over the period examined.

**Table STAINLESS II-5**

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

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Capacity	230,052	232,799	235,445
Production	167,316	146,532	142,686
Internal consumption/transfers	664	474	230
U.S. commercial shipments	162,485	145,006	138,159
U.S. shipments	163,149	145,480	138,389
Export shipments	6,545	5,300	6,070
Total shipments	169,694	150,780	144,459
Ending inventories	23,237	18,989	17,215
	<b>Value (\$1,000)</b>		
Internal consumption/transfers	2,686	2,200	949
U.S. commercial shipments	555,846	476,173	409,216
U.S. shipments	558,532	478,373	410,165
Export shipments	27,376	23,048	24,487
Total shipments	585,908	501,421	434,652
	<b>Unit value (per short ton)</b>		
Internal consumption/transfers	4,045	4,641	4,126
U.S. commercial shipments	3,421	3,284	2,962
U.S. shipments	3,423	3,288	2,964
Export shipments	4,183	4,349	4,034
Total shipments	3,453	3,326	3,009
	<b>Ratios and shares (percent)</b>		
Capacity utilization	72.7	62.9	60.6
U.S. shipments to distributors	59.1	66.8	70.6
U.S. shipments to end users	40.9	33.2	29.4
Inventories/total shipments	13.7	12.6	11.9
	<b>Employment data<sup>1</sup></b>		
PRWs <sup>2</sup> (number)	1,833	1,538	1,252
Hours worked (1,000)	3,871	3,007	2,370
Wages paid (\$1,000)	91,729	67,319	53,406
Hourly wages	\$***	\$***	\$***
Productivity (short tons/1,000 hours)	***	***	***
Unit labor costs (per short ton)	\$***	\$***	\$***
<sup>1</sup> ***. Hourly wages, productivity, and unit labor costs are calculated using data of firms providing both numerator and denominator information. <sup>2</sup> Production and related workers.			
Note—Because of rounding, figures may not add to totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

## FINANCIAL DATA

Financial data provided by U.S. producers, concerning stainless bar, are presented in table STAINLESS II-6.<sup>10</sup>

The Commission asked U.S. producers to provide data for CDSOA (Byrd Amendment) funds received, pension expense or credit, and other post employment benefits, and to state in which line of the results of operations data they were included. Six out of eight firms reported receiving CDSOA (Byrd Amendment) funds for stainless bar operations. Commission staff reclassified all reported CDSOA funds received to "other income." Four firms reported pension expenses for stainless bar operations; these expenses were classified by one firm in SG&A expenses, by two firms split between COGS and SG&A expenses, and by one firm in COGS.

Three firms reported other post employment benefits for stainless bar operations; these were classified by one firm in SG&A expenses, by one firm split between COGS and SG&A expenses, and by one firm in COGS.

As presented in table STAINLESS II-6, reporting U.S. producers' net commercial sales decreased on both a quantity and a value basis in the period April 2002 to March 2003, following steep declines in the previous 12-month period, and were markedly below the levels reported in the period April 2000 to March 2001. In the first relief year, the domestic industry's average unit values for commercial sales decreased from \$3,328 to \$3,008, and was below the \$3,458 average unit value for the period from April 2000 to March 2001.

Unit COGS also declined, despite an increase in unit raw materials costs.<sup>11</sup> The unit decline in COGS, however, was not as great as the decline in average unit values. As a result of these trends and declining sales volume, the industry's financial performance deteriorated in the period April 2002 to March 2003. Its operating margin declined from negative 3.4 percent to negative 7.9 percent. By contrast, the industry had a positive 3.6 percent operating margin in the period from April 2000 to March 2001. The number of U.S. producers reporting operating losses also increased in the period April 2002 to March 2003.

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<sup>10</sup> One firm, \*\*\*, did not provide usable financial data.

<sup>11</sup> Per short ton, raw material costs decreased from \$1,344 in April 2000-March 2001 to \$1,199 in April 2001-March 2002, and then increased to \$1,293 in April 2002-March 2003.

**Table STAINLESS II-6**

**Stainless bar: Results of operations of U.S. producers, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
<b>Quantity (short tons)</b>			
Net commercial sales	166,891	148,406	142,580
<b>Value (\$1,000)</b>			
Net commercial sales	577,077	493,821	428,903
COGS	520,011	472,280	427,267
Gross profit or (loss)	57,066	21,541	1,636
SG&A expenses	36,195	38,242	35,332
Operating income or (loss)	20,871	(16,701)	(33,696)
Interest expense	14,967	13,084	11,200
Other (income)/expenses, net	1,919	(957)	(762)
Net income or (loss)	3,985	(28,828)	(44,134)
Depreciation/amortization	24,707	23,476	21,912
Cash flow	28,692	(5,352)	(22,222)
CDSOA funds received	0	957	902
Pension (credit)/expense	2,190	3,310	3,515
Other post-employment benefits	3,517	3,758	4,717
Capital expenditures	34,007	16,381	9,042
R&D expenses	5,370	4,353	3,781
<b>Ratio to net commercial sales (percent)</b>			
COGS	90.1	95.6	99.6
Gross profit or (loss)	9.9	4.4	0.4
SG&A expenses	6.3	7.7	8.2
Operating income or (loss)	3.6	(3.4)	(7.9)
Net income or (loss)	0.7	(5.8)	(10.3)
<b>Unit value (per short ton)</b>			
Net commercial sales	\$3,458	\$3,328	\$3,008
COGS total	3,116	3,182	2,997
Raw materials	1,344	1,199	1,293
Direct labor	353	320	250
Other factory costs	1,419	1,663	1,454
Gross profit or (loss)	342	145	11
SG&A expenses	217	258	248
Operating income or (loss)	125	(113)	(236)
<b>Number of firms reporting</b>			
Operating losses	2	3	4
Data	8	8	8
Source: Compiled from data submitted in response to Commission questionnaires.			

Mr. Dan Anderson of Slater stated at the hearing on stainless products that “major increases in input costs have taken place recently, most notably those for natural gas, nickel, scrap and electricity.”<sup>12</sup> He further stated that:

“on the input side, it is not related to 201. The largest component ...in the stainless industry is obviously the nickel, ...a globally traded commodity...{F}oreign producers don’t seem to have nickel in the price of their product. They roll it in, and they undercut our prices. Relative to natural gas, ..., we tried a natural gas surcharge when we had a spike. We were unable to keep that surcharge in the marketplace ...due to the fact that foreign producers did not charge it on their offering. Electricity is obviously an ongoing concern for us all, and the summer months are the worst times for us where we face not only the highest costs of the year, but also potential curtailment where we are asked to shut down our operations due to the grid just being overtaxed.”<sup>13</sup>

Mr. Edward Blot of Ed Blot & Associates stated that “nickel is a major raw material input for making stainless steel and is priced globally for all manufacturers.”<sup>14</sup> The LME (London Metal Exchange) cash average (price) for nickel was \$2.97 in March of 2002, rising to \$3.80 in March of this year (2003), and continues to climb to \$4.03 last month (June 2003).<sup>15</sup> “Prices for stainless steel products have decreased even in light of increasing raw material cost.”<sup>16</sup>

Mr. Jack Simmons of Electralloy stated that “domestic prices have continued to spiral downward while raw material and energy costs have escalated. Consequently, my company’s profitability, as well as that of other domestic producers, had eroded, and we have been unable to make an adequate return on our investments.”<sup>17</sup>

According to the U.S. stainless steel long products industry, “weak demand, depressed prices, and escalating raw material costs have undermined the section 201 relief.”<sup>18</sup>

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<sup>12</sup> Testimony of Daniel Anderson, Vice President, Sales & Marketing, Slater Steels Corp., Specialty Alloys Division, transcript of Commission hearing (July 10, 2003) at 37.

<sup>13</sup> Ibid at 94-95.

<sup>14</sup> Testimony of Ed Blot, President, Ed Blot & Associates, transcript of Commission hearing (July 10, 2003) at 49-50.

<sup>15</sup> Ed Blot & Associates, Chart B-4 (Stainless cold finished bar, T-304 rounds 20-30mm) presented at stainless hearing and recreated at back of stainless hearing transcript; *see also* testimony of Ed Blot, President, Ed Blot & Associates, transcript of Commission hearing (July 10, 2003) at 50.

<sup>16</sup> Testimony of Ed Blot, President, Ed Blot & Associates, transcript of Commission hearing (July 10, 2003) at 54.

<sup>17</sup> Testimony of Jack Simmons, Manager, Marketing and Product Development, Electralloy, transcript of Commission hearing (July 10, 2003) at 42.

<sup>18</sup> Posthearing brief of domestic stainless steel industry at 16.

## U.S. IMPORTS

Table STAINLESS II-7 presents data on U.S. imports of stainless bar by sources for the period April 2000-March 2003. Table STAINLESS II-8 presents data on U.S. imports from covered sources, by tariff categories, during April 2002-March 2003. Table STAINLESS II-9 presents U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003.

In the period April 2002 to March 2003, total imports, as well as imports from covered sources, declined, while imports from sources not covered by the safeguard measure increased. The quantity of total imports declined from 108,627 short tons to 99,714 short tons. Imports from countries covered by the safeguard measure declined from 82,798 short tons to 63,739 short tons. The quantity of U.S. imports from countries not covered by the safeguard measure increased from 25,829 short tons to 35,975 short tons.<sup>19</sup> Imports from India represented the largest portion of this increase.

## APPARENT U.S. CONSUMPTION AND MARKET SHARES

Data on apparent U.S. consumption and market shares of stainless bar are presented in table STAINLESS II-10 and figure STAINLESS II-2.

As discussed in the section of this chapter entitled *Market Environment*, in the period April 2002 to March 2003, demand in the primary market sectors for stainless bar either rose very modestly or declined, and most of the responding U.S. stainless bar producers and importers agreed that demand for steel has decreased since March 2002. As presented in table STAINLESS II-10, the data gathered by the Commission in this investigation indicate that the quantity of apparent U.S. consumption of stainless bar decreased by 6.3 percent in the period April 2002 to March 2003, and at the conclusion of this period was 22.4 percent below the level of the period from April 2000 to March 2001.<sup>20</sup>

In the period April 2002 to March 2003, the domestic industry increased its share of the U.S. market from 57.3 percent to 58.1 percent. Imports from covered countries saw their market share decrease from 32.6 percent to 26.8 percent, while imports from noncovered countries saw their market share increase from 10.2 percent to 15.1 percent.

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<sup>19</sup> The value of U.S. imports from covered sources declined more steeply than the quantity, as the average unit value of such imports decreased by 4.0 percent in the first 12 months of the section 203 safeguard measure. Similarly, the value of U.S. imports from noncovered sources increased less steeply than the quantity, as the average unit value of such imports decreased by 6.1 percent. The average unit value of all imports decreased by 6.0 percent in the first relief year, and was 4.1 percent lower than in the period April 2000 to March 2001.

<sup>20</sup> As noted above, Universal Stainless and Alloy's predecessor Empire Specialty Steel closed in June 2001 and did not re-open in its current corporate status until February 2002. The closure of a mill such as Empire Specialty Steel and its corresponding absence from the data collected would tend to overstate a trend of increasing shipments (or other volume-related measures), or understate a trend of declining shipments (or other volume-related measures), over the period examined.

**Table STAINLESS II-7**  
**Stainless bar: U.S. imports, by sources, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	Period change from period 2 to period 3
	<b>Quantity (short tons)</b>			<b>Percent</b>
Covered sources	117,977	82,798	63,739	-23.0
Noncovered sources: <sup>1</sup>				
Canada	20,540	15,925	10,668	-33.0
India	3,908	8,491	21,480	153.0
Subtotal	24,448	24,416	32,148	31.7
All others	1,348	1,413	3,827	170.9
Subtotal (noncovered)	25,796	25,829	35,975	39.3
Total (all imports)	143,772	108,627	99,714	-8.2
	<b>Landed, duty paid value (\$1,000)</b>			
Covered sources	283,441	203,861	150,682	-26.1
Noncovered sources: <sup>1</sup>				
Canada	44,916	38,379	27,460	-28.5
India	6,981	15,497	40,705	162.7
Subtotal	51,897	53,876	68,165	26.5
All others	2,819	2,960	6,166	108.3
Subtotal (noncovered)	54,716	56,836	74,331	30.8
Total (all imports)	338,157	260,697	225,013	-13.7
	<b>Unit value (per short ton)</b>			
Covered sources	\$2,403	\$2,462	\$2,364	-4.0
Noncovered sources: <sup>1</sup>				
Canada	2,187	2,410	2,574	6.8
India	1,786	1,825	1,895	3.8
Average	2,123	2,207	2,120	-3.9
All others	2,092	2,095	1,611	-23.1
Average (noncovered)	2,121	2,201	2,066	-6.1
Average (all imports)	2,352	2,400	2,257	-6.0
	<b>Share of total imports based on quantity (percent)</b>			<b>Percentage point</b>
Covered sources	82.1	76.2	63.9	-12.3
Noncovered sources: <sup>1</sup>				
Canada	14.3	14.7	10.7	-4.0
India	2.7	7.8	21.5	13.7
Subtotal	17.0	22.5	32.2	9.8
All others	0.9	1.3	3.8	2.5
Subtotal (noncovered)	17.9	23.8	36.1	12.3
Total (all imports)	100.0	100.0	100.0	0.0
	<b>Ratio of imports to production (percent)</b>			
Covered sources	70.5	56.5	44.7	-11.8
Noncovered sources <sup>1</sup>	15.4	17.6	25.2	7.6
Total	85.9	74.1	69.9	-4.2
<sup>1</sup> Noncovered sources accounting for 3 percent or more of total U.S. imports (based on quantity) in April 2002-March 2003 are presented separately.				
Note—Because of rounding, figures may not add to totals shown.				
Source: Compiled from official statistics of Commerce.				

**Table STAINLESS II-8**

**Stainless bar: U.S. imports from covered sources, by tariff categories, April 2002-March 2003**

\* \* \* \* \*

**Table STAINLESS II-9**

**Stainless bar: U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003**

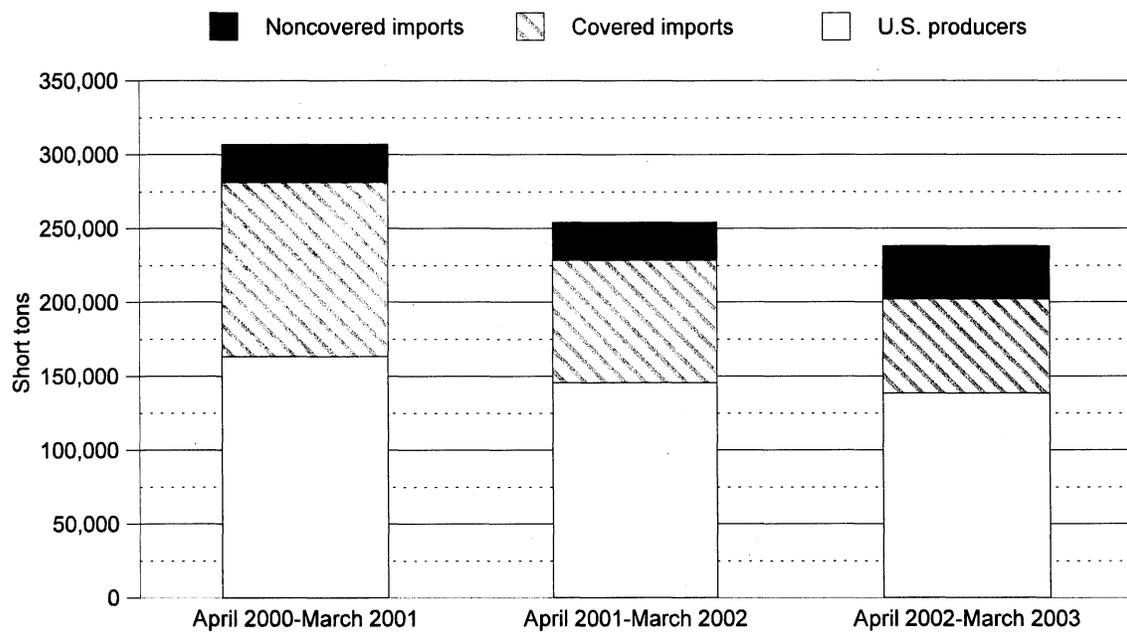
Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (<i>short tons</i>)</b>		
Covered sources:			
U.S. shipments of imports	40,191	27,369	16,982
End-of-period inventories	10,438	9,487	9,410
Noncovered sources:			
U.S. shipments of imports	17,305	14,594	12,028
End-of-period inventories	2,041	2,216	2,048
Total:			
U.S. shipments of imports	57,497	41,963	29,010
End-of-period inventories	12,479	11,703	11,458
	<b>Ratio of inventories to U.S. shipments of imports (<i>percent</i>)</b>		
Covered sources	26.0	34.7	55.4
Noncovered sources	11.8	15.2	17.0
Average	21.7	27.9	39.5
Note—Because of rounding, figures may not add to totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table STAINLESS II-10**

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

<b>Item</b>	<b>April 2000- March 2001</b>	<b>April 2001- March 2002</b>	<b>April 2002- March 2003</b>
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	163,149	145,480	138,389
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	306,921	254,107	238,103
	<b>Value (\$1,000)</b>		
U.S. producers' U.S. shipments	558,532	478,373	410,165
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	896,689	739,070	635,178
	<b>U.S. market share based on quantity (percent)</b>		
U.S. producers' U.S. shipments	53.2	57.3	58.1
U.S. imports from:			
Covered sources	38.4	32.6	26.8
Noncovered sources	8.4	10.2	15.1
Total U.S. imports	46.8	42.7	41.9
	<b>U.S. market share based on value (percent)</b>		
U.S. producers' U.S. shipments	62.3	64.7	64.6
U.S. imports from:			
Covered sources	31.6	27.6	23.7
Noncovered sources	6.1	7.7	11.7
Total U.S. imports	37.7	35.3	35.4
Note—Because of rounding, figures may not add to totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

**Figure STAINLESS II-2**  
**Stainless bar: Apparent U.S. consumption, by sources, April 2000-March 2003**



Source: Table STAINLESS II-10.

## PRICING AND RELATED INFORMATION

### Factors Affecting Prices

#### Producer, Importer, and Purchaser Responses

U.S. stainless bar producers and importers were asked to report the importance of certain factors that have influenced the price of steel in the U.S. market, and to indicate whether these factors have tended to increase, decrease, or have no effect on the price of steel since March 20, 2002 (table STAINLESS II-11 and STAINLESS II-12). U.S. stainless bar purchasers were also asked to report the importance of these factors, and to indicate whether they have tended to increase, decrease, or have no effect on the price of steel since March 20, 2002 (table STAINLESS II-13).

The three factors rated most important by U.S. stainless bar producers were: changes in the level of competition from imports from excluded countries; changes in the level of competition from imports from non-excluded countries; and changes in demand for steel within the United States. The three factors rated most important by stainless bar importers were: changes in demand for steel; changes in the level of competition by imports; and changes in the cost of raw materials. The three factors rated most important by stainless bar purchasers were: changes in the cost of raw materials; changes in demand for steel within the United States; and changes in U.S. production capacity.<sup>21</sup>

#### Pricing Practices

Nearly all responding U.S. stainless bar producers and importers reported making no changes in the way they determine the price they charge or discounts allowed for sales of steel since March 20, 2002. Six of eight responding U.S. stainless bar producers and 34 of 38 responding stainless bar importers reported that there has not been a change in the share of their sales that is on a contract vis-a-vis a spot basis. Most U.S. stainless bar producers and 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.

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<sup>21</sup> Most available information indicates that U.S. demand for stainless bar has declined since March 20, 2002. Most U.S. producers and importers reported that U.S. demand for stainless bar has decreased since March 20, 2002. Apparent U.S. consumption of stainless bar decreased by 6.3 percent between April 2001-March 2002 and April 2002-March 2003 (table STAINLESS II-10). Although manufacturers' shipments of transportation equipment increased by 0.7 percent between the first quarter of 2002 and the first quarter of 2003, manufacturers' shipments of stainless steel forgings fell by 6.1 percent (table OVERVIEW II-1).

Unit raw materials costs for stainless bar increased by 7.8 percent between April 2001-March 2002 and April 2002-March 2003. Nickel prices increased by 26.4 percent since April 2002 (figure OVERVIEW II-13). Imports of stainless bar from covered sources fell by 23.0 percent between April 2001-March 2002 and April 2002-March 2003, whereas stainless bar imports from noncovered sources increased by 39.3 percent during the same time frame (table STAINLESS II-7). U.S. stainless bar producers' capacity increased by 1.1 percent, while capacity utilization fell by 2.3 percentage points between April 2001-March 2002 and April 2002-March 2003 (table STAINLESS II-5).

**Table STAINLESS II-11**

**Stainless bar: As reported by *producers*, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in the level of competition from imports from excluded countries	1.0	3	0	5
Changes in the level of competition from imports from non-excluded countries	1.0	3	1	4
Changes in demand for steel within the United States	1.2	0	2	6
Changes in the cost of raw materials	1.4	4	3	1
Changes in competition between U.S. producers	1.8	2	0	6
Changes in U.S. production capacity	1.8	0	3	5
Changes in energy costs	2.1	5	3	0
Changing market patterns	2.6	1	5	2
Changes in transportation/delivery cost changes	2.9	4	4	0
Changes in the productivity of domestic producers	3.0	1	3	4
Changes in demand for steel outside the United States	3.0	0	7	1
Changes in labor agreements, contracts, etc.	3.6	0	8	0
Changes in the level of competition from substitute products	3.8	1	7	0
Changes in the allocation of production capacity to alternate products	3.8	0	8	0

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding producers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding producers 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.

**Table STAINLESS II-12**

**Stainless bar: As reported by *importers*, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in demand for steel	1.8	3	14	20
Changes in the level of competition by imports	1.9	14	18	10
Changes in the cost of raw materials	2.0	28	15	0
Changes in U.S. production capacity	2.1	10	19	11
Changes in competition between U.S. producers	2.2	9	26	6
Changes in transportation/delivery cost changes	2.5	21	17	0
Changing market patterns	2.5	4	30	6
Changes in the productivity of domestic producers	2.5	4	30	7
Changes in energy costs	2.6	24	18	0
Changes in labor agreements, contracts, etc.	2.9	2	38	0
Changes in the allocation of production capacity to alternate products	3.2	4	35	0
Changes in the level of competition from substitute products	3.2	4	36	2

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding importers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding 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.

Note—Not all importers answered for all of the factors.

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

**Table STAINLESS II-13**

**Stainless bar: As reported by purchasers, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in the cost of raw materials	1.7	38	30	3
Changes in demand for steel within the United States	1.7	14	26	31
Changes in U.S. production capacity	1.8	17	34	19
Changes in competition between U.S. producers	1.9	24	36	11
Changes in energy costs	2.1	52	21	0
Changes in demand for steel outside the United States	2.1	29	29	6
Changing market patterns	2.2	18	39	10
Changes in transportation/delivery cost changes	2.2	48	24	1
Changes in the level of competition from imports from non-excluded countries	2.2	20	31	14
Changes in the productivity of domestic producers	2.4	14	44	22
Changes in labor agreements, contracts, etc.	2.6	13	47	7
Changes in the level of competition from imports from excluded countries	2.7	18	42	8
Changes in the level of competition from substitute products	3.1	6	60	3
Changes in the allocation of production capacity to alternate products	3.1	5	58	4
<p><sup>1</sup> The numbers in this column represent the average ranking of each factor by responding purchasers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.</p> <p><sup>2</sup> The numbers in these columns represent the number of responding purchasers 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.</p> <p>Note—Not all purchasers answered for all of the factors.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>				

## Price Data

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

***Product 12A***—Stainless bar, grade 304/304L, 1 inch in diameter, annealed, cold-finished, of round shape. Uses for this commodity product, in the size specified, include the manufacture of medical instruments, and parts for chemical and food processing equipment. Type 304L, for low-carbon, is formulated specifically for welding.

***Product 12B***—Grade 304, hot-rolled, annealed and descaled stainless steel, 90-degree angle, 2" x 2" x 1/4". This commodity product is used to construct braces, brackets, frames, and structures for process equipment operating in moist or acidic environments.

Reported pricing data accounted for 1.1 percent of the quantity of U.S. producers' U.S. commercial shipments of stainless bar, 3.3 percent of total imports, and 4.0 percent and 1.4 percent, respectively of imports of covered and noncovered stainless bar during April 2000-March 2003.

Weighted-average prices, margins of underselling/overselling, and quantities sold of U.S.-produced, covered imported, and noncovered imported stainless bar are shown in tables STAINLESS II-14 and STAINLESS II-15. Weighted-average prices of U.S.-produced, covered imported, and noncovered imported stainless bar are also shown in figures STAINLESS II-3 and STAINLESS II-4.<sup>22</sup> A summary of the price data is shown in table STAINLESS II-16 and summaries of the margins of underselling/overselling of imports from covered and noncovered sources are shown in tables STAINLESS II-17 and STAINLESS II-18, respectively.

The Commission collected quarterly pricing data for two stainless bar products. Domestic producers' prices for the first product increased by \*\*\* percent from the first quarter of 2002 to the first quarter of 2003, and their prices for the second product declined by 4.4 percent in this period. Prices for the first product were \*\*\* percent lower in the first quarter of 2003 than in the second quarter of 2000 and prices for the second product were 1.5 percent higher. For the first product, prices of imports from sources covered by the safeguard measure declined by 14.2 percent from the first quarter of 2002 to the first quarter of 2003, while there was only one pricing observation of imports from sources not covered by the safeguard measure in this period. For the second product, prices of imports from sources covered by the safeguard measure increased by 17.4 percent from the first quarter of 2002 to the first quarter of 2003, and prices of imports from sources not covered by the safeguard measure declined by 7.4 percent. In the period April 2002 to March 2003, imports from sources covered by the measure undersold the domestically produced product in 6 of 7 quarterly comparisons and imports from sources not covered by the measure undersold the domestically produced product in all 3 quarterly comparisons.

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<sup>22</sup> Public price data for stainless bar products are shown in figure H-10 of app. H.

**Table STAINLESS II-14**

**Stainless bar: Weighted-average price and quantity data for U.S.-produced and imported product 12A<sup>1</sup> from covered sources and noncovered sources, and margins of underselling/(overselling), by quarters, April 2000-March 2003**

Period	United States		Imports from covered sources			Imports from noncovered sources		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin
	<i>Per ton</i>	<i>Short tons</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Percent</i>
<b>2000:</b>								
April-June	\$2,665.24	171	\$2,326.49	320	12.7	\$***	***	***
July-September	2,494.04	154	2,158.03	468	13.5	***	***	***
October-December	2,447.89	142	***	***	***	***	***	***
<b>2001:</b>								
January-March	2,274.80	207	***	***	***	***	***	***
April-June	2,232.54	181	2,000.72	659	10.4	***	***	***
July-September	2,209.45	134	***	***	***	***	***	***
October-December	2,114.63	192	***	***	***	***	***	***
<b>2002:</b>								
January-March	2,061.01	223	***	***	***	***	***	***
April-June	2,117.97	180	***	***	***	***	***	***
July-September	2,108.96	157	***	***	***	***	***	***
October-December	2,232.86	196	***	***	***	***	***	***
<b>2003:</b>								
January-March	***	***	***	***	***	***	***	***

<sup>1</sup> Stainless bar, grade 304/304L, 1 inch in diameter, annealed, cold-finished, of round shape.

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

**Table STAINLESS II-15**

**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**

\* \* \* \* \*

**Figure STAINLESS II-3**

**Stainless bar: Weighted-average f.o.b. prices of domestic, covered imported, and noncovered imported product 12A, April 2000-March 2003**

\* \* \* \* \*

**Figure STAINLESS II-4**

**Stainless bar: Weighted-average f.o.b. prices of domestic, covered imported, and noncovered imported product 12B, April 2000-March 2003**

\* \* \* \* \*

**Table STAINLESS II-16**

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

Product	United States		Imports from covered sources		Imports from noncovered sources	
	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003
	<i>Percent</i>					
12A	***	***	***	-14.2	(1)	(1)
12B	1.5	-4.4	-11.7	17.4	(1)	-7.4
<sup>1</sup> Not applicable. Source: Compiled from data submitted in response to Commission questionnaires.						

**Table STAINLESS II-17**

**Stainless bar: 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**

Product	Underselling			Overselling		
	Number of margins of underselling	High margin of underselling	Low margin of underselling	Number of margins of overselling	High margin of overselling	Low margin of overselling
		<i>Percent</i>	<i>Percent</i>		<i>Percent</i>	<i>Percent</i>
12A	8	23.0	0.7	4	47.6	7.2
12B	11	37.8	12.2	0	(1)	(1)
<sup>1</sup> Not applicable. Source: Compiled from data submitted in response to Commission questionnaires.						

**Table STAINLESS II-18**

**Stainless bar: 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**

Product	Underselling			Overselling		
	Number of margins of underselling	High margin of underselling	Low margin of underselling	Number of margins of overselling	High margin of overselling	Low margin of overselling
		<i>Percent</i>	<i>Percent</i>		<i>Percent</i>	<i>Percent</i>
12A	7	61.5	8.7	0	(1)	(1)
12B	3	26.4	14.7	0	(1)	(1)
<sup>1</sup> Not applicable. Source: Compiled from data submitted in response to Commission questionnaires.						



## PART III: INDUSTRY AND MARKET DATA (STAINLESS ROD)

### DESCRIPTION AND USES

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. HTS statistical reporting numbers for subject stainless rod are presented in table STAINLESS III-1.

**Table STAINLESS III-1**  
**Stainless rod: Subject HTS statistical reporting numbers**

Item	Statistical reporting numbers				
Stainless rod <sup>1</sup>	7221.00.0045	7222.19.0050	7222.30.0000	7222.40.3045	7222.40.3085
<p><sup>1</sup> The temporary HTS subheadings for stainless rod established by proclamation or delegated authority pursuant to trade legislation are:</p> <p>(1) 9903.74.08 for products outside the scope of the section 201 investigation and therefore excluded from the section 203 remedy, and 9903.74.09 and 9903.77.85 for other products excluded from the section 203 remedy,</p> <p>(2) 9903.77.86 through 9903.77.89 for products entered in quantities up to stated limits (ranging from 180 tons to 1,500 tons) without additional tariffs, and</p> <p>(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 <i>ad valorem</i> additional tariffs through March 19, 2003, 12 percent additional tariffs through March 19, 2004, and 9 percent additional tariffs through March 20, 2005.</p> <p>As indicated in (2), certain temporary subheadings specify particular types of stainless rod which are excluded from the additional tariffs when entered up to certain quantitative limits, i.e., a particular number of tons; the individual quantity limit of each exemption and the time period(s) to which the exemption applies are stated or referenced in the article description of the temporary HTS subheading. Whenever imports of a particular type of stainless rod exceed the specified quantitative limit, then the quantity in excess of such limit would not be covered by the temporary HTS subheading identified in (2) and would instead be covered by the temporary HTS items identified in (3) and subject to the additional section 203 tariffs.</p> <p>Source: Harmonized Tariff Schedule of the United States (2003).</p>					

### MARKET ENVIRONMENT

#### Changes in U.S. Demand

As an intermediate product, most stainless rod is further drawn into stainless steel wire. Other fabricators machine stainless rod into various downstream products, including industrial fasteners, springs, medical and dental instruments, automotive parts, and welding electrodes. As shown in section OVERVIEW II, the value of U.S. manufacturers' shipments of metalworking machinery decreased by 9.5 percent between the first quarter of 2002 and the first quarter of 2003 (table OVERVIEW II-1).

The data collected by the Commission (which do not include 100 percent of U.S. production indicates that apparent U.S. consumption of stainless rod decreased by \*\*\* percent from April 2000-March 2001 to April 2002-March 2003.

All four responding U.S. stainless rod producers and 14 of 18 responding stainless rod importers reported that U.S. demand for steel has decreased since March 20, 2002.<sup>1</sup> U.S. stainless rod producers generally cited the slowing U.S. economy, particularly downturns in the aerospace, automotive, industrial, and consumer markets. Stainless rod importers that reported decreased demand generally cited the slowing U.S. economy and greater competition for end products using stainless rod.<sup>2</sup>

All four responding U.S. stainless rod producers and 15 of 16 responding stainless rod importers reported that there have been no changes in the types or prices of substitute products since March 20, 2002.

### **Changes in U.S. Supply**

AL Tech Specialty Steel, a producer of stainless steel bar, rod, wire, and seamless tube, filed for bankruptcy in December 1997. AL Tech Specialty Steel emerged from bankruptcy in November 1999 as Empire Specialty Steel. Empire Specialty Steel shut down its operations in June 2001. Empire Specialty Steel's operating assets were acquired by Universal Stainless and Alloy Products in February 2002 and restarted in March 2002.<sup>3 4</sup>

Stainless rod producers reporting changes in their marketing practices since March 20, 2002 are shown in table STAINLESS III-2.

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<sup>1</sup> Three importers reported that demand stayed the same, and one reported that demand has increased.

<sup>2</sup> One domestic producer characterized stainless steel demand as relatively low, and did not anticipate demand increasing during the next three to six months. Testimony of Michael Shor, Senior Vice-President, Carpenter Technology Corp., transcript of Commission hearing (July 10, 2003) at 99 and 123. One respondent cited a downturn in the U.S. economy and in the steel consuming industries. U.S. stainless steel demand has not increased, and at least in the near term is not projected to increase sufficiently to offset the impact of North American Stainless (NAS)'s additional capacity. Arcelor does not think that U.S. demand is going to increase sufficiently over the next two years to warrant substantial imports into the United States. Testimony of Christopher Ryan, counsel to Arcelor, transcript of Commission hearing (July 10, 2003) at 153, 156 and 171. A second respondent maintained that the United States is in the down part of a business cycle, whereas the rest of the world is not. He cited very strong demand in Asia. Testimony of Charles Blum, representative of the European Confederation of Iron and Steel Industries, transcript of Commission hearing (July 10, 2003) at 165.

<sup>3</sup> See STAINLESS I-3.

<sup>4</sup> Counsel to the domestic producers testified AvestaPolarit will be adding some rolling capacity next year when the existing Allvac mill is revamped. The mill upgrades will enable AvestaPolarit to supply over 10,000 tons of domestic bar and rod. He also noted that NAS is installing a rolling mill to eventually utilize their flat-rolled melt capacity. Testimony of Edward Blot, President, Ed Blot & Associates, transcript of Commission hearing (July 10, 2003) at 51. Counsel to respondent importers maintained that domestic stainless steel capacity is about to increase substantially more when NAS brings its Ghent, KY long product facility on line. He states that it is projected that this facility will bring an additional 100,000 tons of stainless steel bar and rod capacity on line. Testimony of Christopher Ryan, counsel to Arcelor, transcript of Commission hearing (July 10, 2003) at 155.

**Table STAINLESS III-2**

**Stainless rod: U.S. producer responses to questions regarding firms' activities since March 20, 2002**

Marketing practice	Number of producers reporting		
	No	Yes	
Efforts to increase product availability	2	2	
Change in geographic market	3	1	
Change in channels of distribution	2	2	
Change in share of sales from inventory	2	2	
Change in average lead times from inventory	3	0	
Change in average lead times from production	0	3	
Change in product range	2	2	
Change in demand for or production of alternate products	4	0	
	Increased	Decreased	Stayed same
Change in order backlogs	0	3	1
Change in on-time shipping percentage	0	0	4

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

Twenty of the 59 responding stainless rod purchasers reported experiencing difficulties procuring steel in the quantities necessary to meet their needs since March 20, 2002. Twenty-four of 56 responding stainless rod purchasers reported increased average lead times for their purchases of domestic steel, 28 reported no change in domestic lead times, and four reported decreased domestic lead times. Stainless rod purchasers were asked to identify actions taken by domestic producers since March 20, 2002 to make a positive adjustment to import competition.<sup>5</sup> Of 60 responding purchasers, 34 purchasers did not indicate that producers had taken any such actions. However, 6 of 60 responding purchasers reported that domestic producers had introduced new or innovative products, 7 reported that domestic producers had improved product quality, 8 reported that domestic producers had expanded marketing efforts, 10 reported that domestic producers had improved customer service, and 10 reported that domestic producers had made other positive adjustment efforts.

Based on data compiled in this investigation, U.S. stainless rod producers' capacity utilization was \*\*\* percent and their inventories as a percentage of total shipments were \*\*\* percent during April 2002-March 2003. Exports accounted for \*\*\* percent of total shipments.

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<sup>5</sup> Purchasers were asked to indicate whether domestic producers had taken any of the following actions: introduction of new or innovative product, improved product quality, expansion of marketing efforts including e-commerce, improvements in customer service, and other efforts to make a positive adjustment to import competition.

## Changes in Import Supply

Total imports of stainless rod declined by 31.6 percent between the periods April 2001-March 2002 and April 2002-March 2003; imports of stainless rod from covered countries fell by 36.9 percent and imports of stainless rod from noncovered countries increased by 109.8 percent. The U.S. market share accounted for by imports of stainless rod from covered countries fell from \*\*\* percent in April 2001-March 2002 to \*\*\* percent in April 2002-March 2003. The U.S. market share accounted for by imports of stainless rod from noncovered countries increased from \*\*\* percent in April 2001-March 2002 to \*\*\* percent in April 2002-March 2003.<sup>6</sup>

As shown in table STAINLESS III-3, with the exceptions of efforts to increase product availability and new foreign suppliers, the majority of stainless rod importers reported no changes in their marketing practices since March 20, 2002.

Covered country producers' capacity, capacity utilization, U.S. export shipments as a percentage of total shipments, and inventories as a percentage of total shipments during April 2002-March 2003 are shown in table STAINLESS III-4.<sup>7</sup>

## Timeline

Figure STAINLESS-III-1 shows monthly shipments of stainless rod products by U.S. producers, and total imports as well as imports separately from countries subject to the safeguard measures and countries exempt from the safeguard measures, along with a timeline of significant events that may have influenced the market environment. Shipment data for domestic producers depicted in the graph are from the American Iron and Steel Institute, and differ somewhat from shipment data presented elsewhere in this report, which are based on questionnaire data (which do not include monthly data). Import data are consistent with those in other tables presented in this report. The timeline showing significant events includes significant supply changes due to shut downs (shown below the line) and start ups or restarts (shown above the line). Also shown above the line are significant safeguard dates.

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<sup>6</sup> See tables STAINLESS III-7 and STAINLESS III-10.

<sup>7</sup> No foreign producers from noncovered sources provided the Commission with information on its stainless rod operations.

**Table STAINLESS III-3**

**Stainless rod: U.S. importer responses to questions regarding firms' activities since March 20, 2002**

Marketing practice	Number of importers reporting		
	No	Yes	
Efforts to increase product availability	5	15	
Change in geographic market	21	0	
Change in channels of distribution	15	2	
Change in share of sales from inventory	17	2	
Change in average lead times from inventory	14	1	
Change in average lead times from production	16	3	
Change in product range	19	2	
Change in demand for or production of alternate products	18	1	
Importing of steel from foreign producers from which previously have not imported	4	15	
	Increased	Decreased	Stayed same
Change in order backlogs	1	9	10
Change in on-time shipping percentage	1	3	17

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

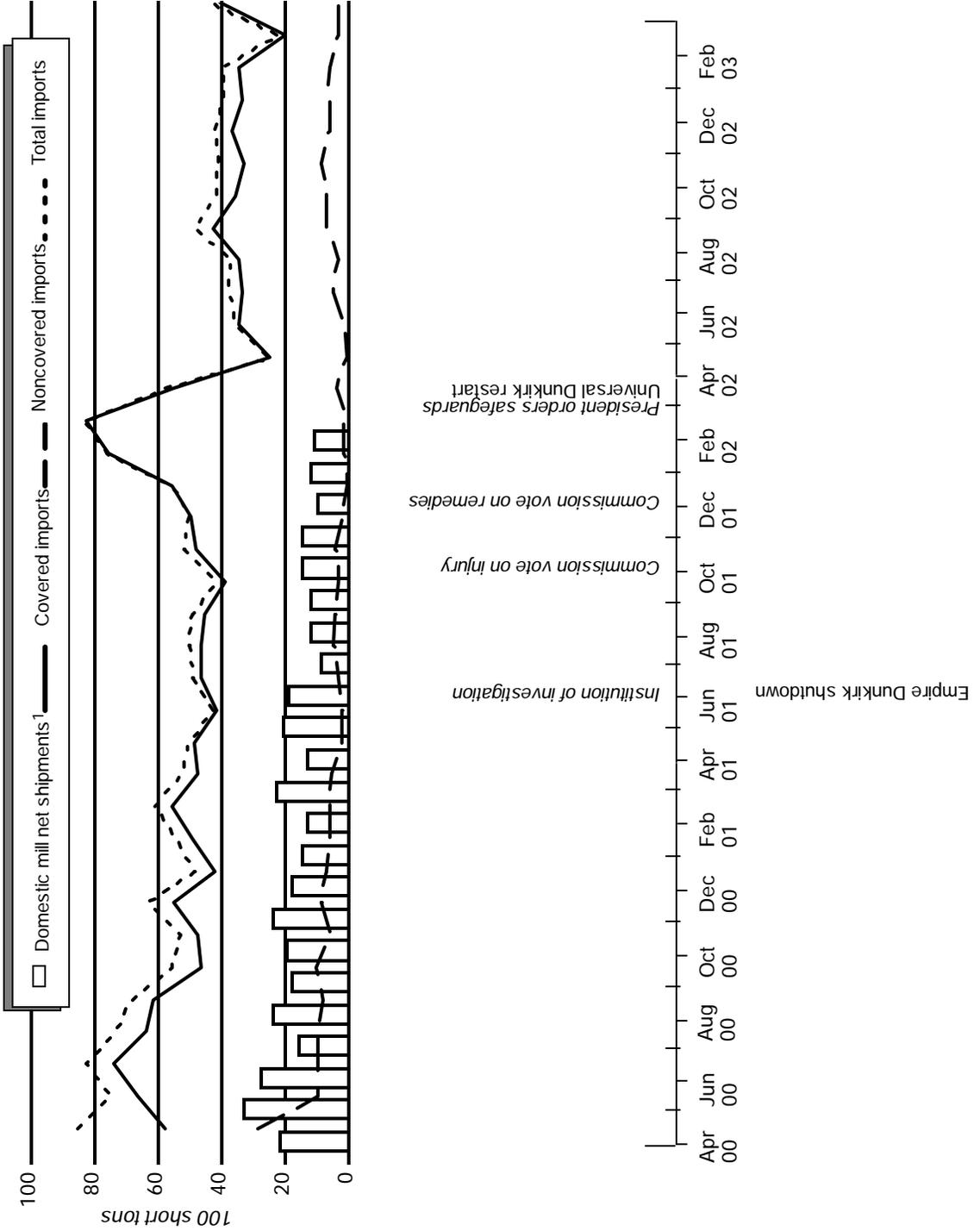
**Table STAINLESS III-4**

**Stainless rod: Covered country producers' capacity, capacity utilization, export shipments to the United States as a percentage of total shipments, and inventories as a percentage of total shipments during April 2002-March 2003**

Source	Capacity	Capacity utilization	Exports to United States/ total shipments	Inventories/ total shipments
	Short tons	Percent		
Covered	609,988	87.2	4.0	4.6

Source: Compiled from data submitted in response to Commission questionnaires

**Figure STAINLESS III-1**  
**Stainless steel rod: Monthly imports and monthly domestic mill net shipments, facility shutdowns and restarts, and investigation milestones, April 2000-March 2003**



<sup>1</sup> Domestic mill shipments, excluding shipments to reporting companies. Shipment data for March 2002-March 2003 are not available. Source: Official statistics of the U.S. Department of Commerce; statistics of the American Iron and Steel Institute, AIS 10 (various months); and publicly available information.

## U.S. INDUSTRY DATA

Table STAINLESS III-5 presents information on U.S. stainless rod producers' capacity, production, shipments, inventories, and employment.<sup>8</sup> The Commission received usable questionnaire responses from four stainless rod producers that are believed to account for a substantial share of U.S. production capacity during the period April 2002-March 2003.<sup>9</sup> One firm, \*\*\*, reported calendar-year 2000 production capacity in the section 201 investigation but did not provide data in this investigation.<sup>10</sup>

As presented in table STAINLESS III-5, reporting U.S. producers' aggregate output-related indicators rose in the period April 2002 to March 2003. In the first relief year, the domestic industry's capacity increased by \*\*\* percent, production increased by \*\*\* percent, and U.S. shipments increased by \*\*\* percent.<sup>11</sup> While reported capacity was \*\*\* percent higher than in the period from April 2000 to March 2001, reported production and U.S. shipments were lower by \*\*\* percent and \*\*\* percent, respectively.<sup>12</sup> Capacity utilization increased from \*\*\* percent to \*\*\* percent in the period April 2002 to March 2003, but was below the \*\*\* percent level of the period from April 2000 to March 2001. The number of production and related workers employed increased by \*\*\* percent in the period April 2002 to March 2003, but was \*\*\* percent lower than in the period from April 2000 to March 2001. Productivity increased by \*\*\* percent in the period April 2002 to March 2003; productivity gains, combined with a relatively stable hourly wage rate resulted in declining unit labor costs in that period.

### Table STAINLESS III-5

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

\* \* \* \* \*

## FINANCIAL DATA

Financial data provided by U.S. producers, concerning stainless rod, are presented in table STAINLESS III-6.

The Commission asked U.S. producers to provide data for CDSOA (Byrd Amendment) funds received, pension expense or credit, and other post employment benefits, and to state in which line of the results of operations data they were included. Three out of four firms reported receiving CDSOA (Byrd Amendment) funds for stainless rod operations. Commission staff reclassified all reported CDSOA funds received to "other income." None of the firms reported pension expenses or other post employment benefits for stainless rod operations.

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<sup>8</sup> \*\*\*.

<sup>9</sup> \*\*\*. As a result, all stainless rod data are confidential.

<sup>10</sup> \*\*\*.

<sup>11</sup> The value of the domestic industry's U.S. shipments increased by \*\*\* percent, reflecting a decrease in the average unit value of such shipments. Both the value and the average unit value of such shipments were markedly lower than in the period April 2000 to March 2001.

<sup>12</sup> As noted above, Universal Stainless and Alloy's predecessor Empire Specialty Steel closed in June 2001 and did not re-open in its current corporate status until February 2002. The closure of a mill such Empire Specialty Steel and its corresponding absence from the data collected would tend to overstate a trend of increasing shipments (or other volume-related measures), or understate a trend of declining shipments (or other volume-related measures), over the period examined.

As presented in table STAINLESS III-6, reporting U.S. producers' net commercial sales increased on both a quantity and a value basis in the period April 2002 to March 2003, following declines in the previous 12-month period, and were higher than the levels reported in the period April 2000 to March 2001. In the first relief year, the domestic industry's average unit values for commercial sales decreased from \$\*\*\* to \$\*\*\*, and were below the \$\*\*\* average unit value for the period from April 2000 to March 2001.

#### **Table STAINLESS III-6**

#### **Stainless rod: Results of operations of U.S. producers, April 2000-March 2003**

\* \* \* \* \*

COGS decreased more on a unit basis than did average unit values. In the period April 2002 to March 2003, unit raw materials costs increased sharply, but unit labor and other factory costs declined.<sup>13</sup> Because unit revenues fell less than unit costs, and sales volume increased, the industry's financial performance improved in the period April 2002 to March 2003, although it continued to operate \*\*\*. Its operating margin improved from \*\*\* percent to \*\*\* percent. The latter margin, however, remained below the industry's \*\*\* percent operating margin in the period from April 2000 to March 2001.

### **U.S. IMPORTS**

Table STAINLESS III-7 presents data on U.S. imports of stainless rod by sources for the period April 2000-March 2003. Table STAINLESS III-8 presents data on U.S. imports from covered sources, by tariff categories, during April 2002-March 2003. Table STAINLESS III-9 presents U.S. importers' U.S. shipments and end-of-period inventories for the April 2000-March 2003 period.

In the period April 2002 to March 2003, total imports, as well as imports from covered sources, declined, while imports from sources not covered by the safeguard measure increased. The quantity of total imports declined from 66,691 short tons to 45,610 short tons. Imports from countries covered by the safeguard measure declined from 64,283 short tons to 40,558 short tons. The quantity of U.S. imports from countries not covered by the safeguard measure increased from 2,408 short tons to 5,052 short tons.<sup>14</sup> India was the only source not covered by the measure from which imports increased.

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

Data on apparent U.S. consumption and market shares of stainless rod are presented in table STAINLESS III-10 and figure STAINLESS III-2.

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<sup>13</sup> Per short ton, raw material costs decreased from \$\*\*\* in April 2000-March 2001 to \$\*\*\* in April 2001-March 2002, and then increased to \$\*\*\* in April 2002-March 2003. See section entitled *Financial Data* in Part II of this chapter for a discussion of increases in input costs reported by stainless bar producers (and equally applicable to the production of stainless rod).

<sup>14</sup> The value of U.S. imports from covered sources declined less steeply than the quantity, as the average unit value of such imports increased by 9.5 percent in the first relief year. The value of U.S. imports from noncovered sources increased less steeply than the quantity, as the average unit value of such imports decreased by 13.3 percent. The average unit values of all imports increased by 7.1 percent in the first 12 months of the section 203 safeguard measure, but was 4.8 percent lower than in the period April 2000 to March 2001.

**Table STAINLESS III-7**  
**Stainless rod: U.S. imports, by sources, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	Period change from period 2 to period 3
	<b>Quantity (short tons)</b>			<b>Percent</b>
Covered sources	67,642	64,283	40,558	-36.9
Noncovered sources: <sup>1</sup>				
India	7,696	2,044	5,052	147.1
All others	3,157	364	( <sup>2</sup> )	-100.0
Subtotal (noncovered)	10,852	2,408	5,052	109.8
Total (all imports)	78,495	66,691	45,610	-31.6
	<b>Landed, duty paid value (\$1,000)</b>			
Covered sources	133,622	108,548	74,975	-30.9
Noncovered sources: <sup>1</sup>				
India	13,157	3,074	7,542	145.3
All others	2,451	1,075	2	-99.8
Subtotal (noncovered)	15,608	4,149	7,545	81.8
Total (all imports)	149,230	112,697	82,520	-26.8
	<b>Unit value (per short ton)</b>			
Covered sources	\$1,975	\$1,689	\$1,849	9.5
Noncovered sources: <sup>1</sup>				
India	1,710	1,504	1,493	-0.7
All others	776	2,954	30,970	948.5
Average (noncovered)	1,438	1,723	1,493	-13.3
Average (all imports)	1,901	1,690	1,809	7.1
	<b>Share of total imports based on quantity (percent)</b>			<b>Percentage point</b>
Covered sources	86.2	96.4	88.9	-7.5
Noncovered sources: <sup>1</sup>				
India	9.8	3.1	11.1	8.0
All others	4.0	0.5	( <sup>3</sup> )	-0.5
Subtotal (noncovered)	13.8	3.6	11.1	7.5
Total (all imports)	100.0	100.0	100.0	0.0
	<b>Ratio of imports to production (percent)</b>			
Covered sources	***	***	***	***
Noncovered sources <sup>1</sup>	***	***	***	***
Total	***	***	***	***
<sup>1</sup> Noncovered sources accounting for 3 percent or more of total U.S. imports (based on quantity) in April 2002-March 2003 are presented separately. <sup>2</sup> Less than 0.5 short tons. <sup>3</sup> Less than 0.05 percent.				
Note—Because of rounding, figures may not add to totals shown.				
Source: Compiled from official statistics of Commerce.				

**Table STAINLESS III-8**

**Stainless rod: U.S. imports from covered sources, by tariff categories, April 2002-March 2003**

\* \* \* \* \*

**Table STAINLESS III-9**

**Stainless rod: U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Covered sources:			
U.S. shipments of imports	37,950	35,924	24,367
End-of-period inventories	5,661	7,133	4,691
Noncovered sources:			
U.S. shipments of imports	4,556	1,557	4,736
End-of-period inventories	775	360	357
Total:			
U.S. shipments of imports	42,506	37,481	29,103
End-of-period inventories	6,436	7,493	5,048
	<b>Ratio of inventories to U.S. shipments of imports (percent)</b>		
Covered sources	14.9	19.9	19.2
Noncovered sources	17.0	23.1	7.5
Average	15.1	20.0	17.3
Note—Because of rounding, figures may not add to totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table STAINLESS III-10**

**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
<b>Quantity (short tons)</b>			
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	***	***	***
<b>Value (\$1,000)</b>			
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	***	***	***
<b>U.S. market share based on quantity (percent)</b>			
U.S. producers' U.S. shipments	***	***	***
U.S. imports from:			
Covered sources	***	***	***
Noncovered sources	***	***	***
Total U.S. imports	***	***	***
<b>U.S. market share based on value (percent)</b>			
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 totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

**Figure STAINLESS III-2**

**Stainless rod: Apparent U.S. consumption, by sources, April 2000-March 2003**

\* \* \* \* \*

As discussed in the section of this chapter entitled *Market Environment*, in the period April 2002 to March 2003, demand in the primary market sectors for stainless rod generally declined, and most of the responding U.S. stainless rod producers and importers agreed that demand for steel has decreased since March 2002. As presented in table STAINLESS II-10, the data gathered by the Commission in this investigation indicate that the quantity of apparent U.S. consumption of stainless rod decreased by \*\*\* percent in the period April 2002 to March 2003, and at the conclusion of this period was \*\*\* percent below the level of the period from April 2000 to March 2001.<sup>15</sup>

In the period April 2002 to March 2003, the domestic industry increased its share of the U.S. market from \*\*\* percent to \*\*\* percent. Imports from covered countries saw their market share decrease from \*\*\* percent to \*\*\* percent, while imports from noncovered countries saw their market share increase from \*\*\* percent to \*\*\* percent.

## **PRICING AND RELATED INFORMATION**

### **Factors Affecting Prices**

#### **Producer, Importer, and Purchaser Responses**

U.S. stainless rod producers and importers were asked to report the importance of certain factors that have influenced the price of steel in the U.S. market, and to indicate whether these factors have tended to increase, decrease, or have no effect on the price of steel since March 20, 2002 (table STAINLESS III-11 and STAINLESS III-12). U.S. stainless rod purchasers were also asked to report the importance of these factors, and to indicate whether they have tended to increase, decrease, or have no effect on the price of steel since March 20, 2002 (table STAINLESS III-13).

The four factors rated most important by U.S. stainless rod producers were: changes in demand for steel within the United States; changes in the level of competition from imports from excluded countries; changes in the level of competition from imports from non-excluded countries; and changes in the cost of raw materials. The three factors rated most important by stainless rod importers were: changes in demand for steel; changes in the level of competition by imports; and changes in competition between U.S. producers. The three factors rated most important by stainless rod purchasers were: changes in demand for steel within the United States; changes in U.S. production capacity; and changes in the cost of raw materials.<sup>16</sup>

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<sup>15</sup> As noted above, Universal Stainless and Alloy's predecessor Empire Specialty Steel closed in June 2001 and did not re-open in its current corporate status until February 2002. The closure of a mill such as Empire Specialty Steel and its corresponding absence from the data collected would tend to overstate a trend of increasing shipments (or other volume-related measures), or understate a trend of declining shipments (or other volume-related measures), over the period examined.

<sup>16</sup> Available information indicates that U.S. demand for stainless rod has declined since March 20, 2002. Most U.S. producers and importers reported that U.S. demand for stainless rod has decreased since March 20, 2002. Apparent U.S. consumption of stainless rod decreased by \*\*\* percent between April 2001-March 2002 and April 2002-March 2003 (table STAINLESS III-10). However, apparent U.S. consumption of stainless steel wire, a downstream product of stainless rod, increased by 7.8 percent between April 2001-March 2002 and April 2002-March 2003 (table STAINLESS IV-10). Manufacturers' shipments of metalworking machinery, a proxy variable for downstream stainless rod demand, fell by 9.5 percent (table OVERVIEW II-1).

Unit raw materials costs for stainless rod increased by \*\*\* percent between April 2001-March 2002 and April 2002-March 2003. Nickel prices increased by 26.4 percent since April 2002 (figure OVERVIEW II-13). Imports of stainless rod from covered sources fell by 36.9 percent between April 2001-March 2002 and April 2002-March 2003, whereas stainless rod imports from noncovered sources increased sharply by 109.8 percent during the

(continued...)

**Table STAINLESS III-11**

**Stainless rod: As reported by *producers*, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in demand for steel within the United States	1.0	0	0	4
Changes in the level of competition from imports from excluded countries	1.0	2	0	2
Changes in the level of competition from imports from non-excluded countries	1.0	2	1	1
Changes in the cost of raw materials	1.0	2	2	0
Changes in U.S. production capacity	1.5	0	2	2
Changes in competition between U.S. producers	1.8	0	1	3
Changing market patterns	1.8	1	1	2
Changes in energy costs	2.0	2	2	0
Changes in the productivity of domestic producers	3.3	0	3	1
Changes in transportation/delivery cost changes	3.3	1	3	0
Changes in demand for steel outside the United States	3.5	1	3	0
Changes in the level of competition from substitute products	3.8	0	4	0
Changes in the allocation of production capacity to alternate products	3.8	0	4	0
Changes in labor agreements, contracts, etc.	4.0	0	4	0

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding producers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding producers 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.

<sup>16</sup> (...continued)

same time frame, but still remained only about one half of its April 2000-March 2001 level. Total imports declined by 31.6 percent in the first year of relief (table STAINLESS III-7). U.S. stainless rod producers' capacity increased \*\*\* percent, while capacity utilization increased \*\*\* between April 2001-March 2002 and April 2002-March 2003 (table STAINLESS III-5).

**Table STAINLESS III-12**

**Stainless rod: As reported by *importers*, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in demand for steel	1.5	0	3	14
Changes in the level of competition by imports	1.8	8	9	4
Changes in competition between U.S. producers	1.9	5	8	8
Changes in the cost of raw materials	2.1	12	8	1
Changes in U.S. production capacity	2.2	7	9	5
Changes in the productivity of domestic producers	2.7	1	15	3
Changing market patterns	2.8	3	14	2
Changes in transportation/delivery cost changes	2.8	9	9	0
Changes in energy costs	2.9	11	10	0
Changes in labor agreements, contracts, etc.	3.1	0	19	0
Changes in the level of competition from substitute products	3.4	3	18	0
Changes in the allocation of production capacity to alternate products	3.6	2	19	0

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding importers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding 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.

Note—Not all importers answered for all of the factors.

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

**Table STAINLESS III-13**

**Stainless rod: As reported by purchasers, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in demand for steel within the United States	1.7	7	19	27
Changes in U.S. production capacity	1.7	18	24	9
Changes in the cost of raw materials	1.7	32	17	1
Changes in competition between U.S. producers	1.8	21	23	10
Changes in energy costs	2.0	36	17	0
Changes in the level of competition from imports from non-excluded countries	2.0	15	21	13
Changes in transportation/delivery cost changes	2.1	39	15	0
Changes in demand for steel outside the United States	2.1	21	21	6
Changing market patterns	2.2	12	25	10
Changes in the productivity of domestic producers	2.5	8	35	8
Changes in labor agreements, contracts, etc.	2.6	10	33	5
Changes in the level of competition from imports from excluded countries	2.7	14	30	8
Changes in the level of competition from substitute products	3.0	7	43	1
Changes in the allocation of production capacity to alternate products	3.1	3	42	2

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding purchasers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding purchasers 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.

Note—Not all purchasers answered for all of the factors.

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

## Pricing Practices

Nearly all responding U.S. stainless rod producers and importers reported making no changes in the way they determine the price they charge or discounts allowed for sales of steel since March 20, 2002. Two of three responding U.S. stainless rod producers and 15 of 17 responding stainless rod importers reported that there has not been a change in the share of their sales that is on a contract vis-a-vis a spot basis. Three of four U.S. stainless rod producers and 5 of 12 stainless rod 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 stainless rod product during April 2000-March 2003:

***Product 13***—Grade AISI 304 wire rod, 5.5 mm (0.217") diameter, hot-rolled, annealed, and pickled. This commodity product is used by wire drawers to produce stainless steel wire and wire products such as mesh screens.

Reported pricing data accounted for 5.7 percent of the quantity of U.S. producers' U.S. commercial shipments of stainless rod, 11.9 percent of total imports, and 10.1 percent and 28.6 percent, respectively of U.S. imports of covered and noncovered stainless rod during April 2000-March 2003.

Weighted-average prices, margins of underselling/overselling, and quantities sold of U.S.-produced, covered imported, and noncovered imported stainless rod are shown in table STAINLESS III-14. Weighted-average prices of U.S.-produced, covered imported, and noncovered imported stainless rod are also shown in figure STAINLESS III-3. A summary of the price data is shown in table STAINLESS III-15 and summaries of the margins of underselling/overselling of imports from covered and noncovered sources are shown in tables STAINLESS III-16 and STAINLESS III-17, respectively.

Quarterly prices for the domestically produced stainless rod product for which the Commission collected pricing data declined by 9.4 percent from the first quarter of 2002 to the first quarter of 2003, and the first quarter 2003 price was 20.8 percent below that of the second quarter of 2000. Prices increased by 13.6 percent from the first quarter of 2002 to the first quarter of 2003 for imports of this product from sources covered by the safeguard measure, but decreased by 11.4 percent for imports of this product from sources not covered. In the period April 2002 to March 2003, imports from sources covered by the safeguard measure oversold the domestically produced product in 3 of 4 comparisons, while imports from sources not covered undersold the domestically produced product in every quarterly comparison.

**Table STAINLESS III-14**  
**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**

\* \* \* \* \*

Figure STAINLESS III-3

Stainless rod: Weighted-average f.o.b. prices of domestic, covered imported, and noncovered imported product 13, April 2000-March 2003

\* \* \* \* \*

Table STAINLESS III-15

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

Product	United States		Imports from covered sources		Imports from noncovered sources	
	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003
	<i>Percent</i>					
13	-20.8	-9.4	-8.9	13.6	-1.1	-11.4

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

Table STAINLESS III-16

Stainless rod: 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

Product	Underselling			Overselling		
	Number of margins of underselling	High margin of underselling	Low margin of underselling	Number of margins of overselling	High margin of overselling	Low margin of overselling
		<i>Percent</i>	<i>Percent</i>		<i>Percent</i>	<i>Percent</i>
13	9	21.4	0.7	3	6.1	2.3

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

Table STAINLESS III-17

Stainless rod: 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

Product	Underselling			Overselling		
	Number of margins of underselling	High margin of underselling	Low margin of underselling	Number of margins of overselling	High margin of overselling	Low margin of overselling
		<i>Percent</i>	<i>Percent</i>		<i>Percent</i>	<i>Percent</i>
13	11	40.7	2.4	1	4.9	4.9

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



## PART IV: INDUSTRY AND MARKET DATA (STAINLESS WIRE)

### DESCRIPTION AND USES

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. HTS statistical reporting numbers for subject stainless wire are presented in table STAINLESS IV-1.

**Table STAINLESS IV-1**  
**Stainless wire: Subject HTS statistical reporting numbers**

Item	Statistical reporting numbers			
Stainless wire <sup>1</sup>	7223.00.1015	7223.00.1045	7223.00.1075	7223.00.9000
	7223.00.1030	7223.00.1060	7223.00.5000	

<sup>1</sup> The temporary HTS subheadings for stainless wire established by proclamation or delegated authority pursuant to trade legislation are:  
(1) 9903.78.10 through 9903.78.16 for products excluded from the section 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 *ad valorem* additional tariffs through March 19, 2003, 7 percent additional tariffs through March 19, 2004, and 6 percent additional tariffs through March 20, 2005.

Source: Harmonized Tariff Schedule of the United States (2003).

### MARKET ENVIRONMENT

#### Changes in U.S. Demand

Stainless wire products are 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. As shown in section OVERVIEW II, the value of U.S. manufacturers' shipments of metalworking machinery decreased by 9.5 percent between the first quarter of 2002 and the first quarter of 2003 (table OVERVIEW II-1).

The data collected by the Commission (which do not include 100 percent of U.S. production) indicate that apparent U.S. consumption of stainless wire products decreased by 12.4 percent from April 2000-March 2001 to April 2001-March 2002, then increased by 7.8 percent in April 2002-March 2003, but still remained 5.5 percent below the April 2000-March 2001 period.

Nine of 12 responding U.S. stainless wire producers and 18 of 23 responding stainless wire importers reported that U.S. demand for stainless wire products has decreased since March 20, 2002.<sup>1</sup> U.S. stainless wire producers that reported decreased demand generally cited the slowing U.S. economy, particularly weakness in the manufacturing sector. Stainless wire importers that reported decreased

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<sup>1</sup> Three producers reported that demand has remained the same. Four importers reported that demand has remained the same, and one reported that demand has increased.

demand generally cited the slowing U.S. economy and greater competition for end products using stainless wire products.<sup>2</sup>

Thirteen of 14 responding U.S. stainless wire producers and 20 of 23 responding stainless wire importers reported that there have been no changes in the types of substitute products since March 20, 2002.

### Changes in U.S. Supply

AL Tech Specialty Steel, a producer of stainless steel bar, rod, wire, and seamless tube, filed for bankruptcy in December 1997. AL Tech Specialty Steel emerged from bankruptcy in November 1999 as Empire Specialty Steel. Empire Specialty Steel shut down its operations in June 2001. Empire Specialty Steel's operating assets were acquired by Universal Stainless and Alloy Products in February 2002 and restarted in March 2002.<sup>3</sup>

As shown in table STAINLESS IV-2, with the exceptions of efforts to increase product availability and decreasing order backlogs, the majority of stainless wire producers reported no changes in their marketing practices since March 20, 2002.

**Table STAINLESS IV-2**  
**Stainless wire: U.S. producer responses to questions regarding firms' activities since March 20, 2002**

Marketing practice	Number of producers reporting		
	No	Yes	
Efforts to increase product availability	7	8	
Change in geographic market	14	1	
Change in channels of distribution	13	1	
Change in share of sales from inventory	12	3	
Change in average lead times from inventory	9	2	
Change in average lead times from production	7	5	
Change in product range	9	6	
Change in demand for or production of alternate products	13	2	
	Increased	Decreased	Stayed same
Change in order backlogs	7	10	2
Change in on-time shipping percentage	4	2	9

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

<sup>2</sup> A domestic producer characterized stainless steel demand as relatively low. He did not anticipate demand increasing during the next three to six months. Testimony of Michael Shor, Senior Vice-President, Carpenter Technology Corp., transcript of Commission hearing (July 10, 2003) at 99 and 123. One respondent cited a downturn in the U.S. economy and in the steel consuming industries. Testimony of Christopher Ryan, counsel to Arcelor, transcript of Commission hearing (July 10, 2003) at 153. Another respondent maintained that the United States is in the down part of a business cycle, whereas the rest of the world is not. In particular, he cited very strong demand in Asia. Testimony of Charles Blum, representative of the European Confederation of Iron and Steel Industries, transcript of Commission hearing (July 10, 2003) at 165.

<sup>3</sup> See table STAINLESS I-3.

Nineteen of the 50 responding stainless wire purchasers reported experiencing difficulties procuring steel in the quantities necessary to meet their needs since March 20, 2002. Twenty-five of 46 responding stainless wire purchasers reported no change in lead times for their purchases of domestic steel, 19 reported increased domestic lead times, and two reported decreased domestic lead times. Stainless wire purchasers were asked to identify actions taken by domestic producers since March 20, 2002 to make a positive adjustment to import competition.<sup>4</sup> Of 51 responding purchasers, 27 purchasers did not indicate that producers had taken any such actions. However, a few responding purchasers reported that domestic producers had; introduced new or innovative products; improved product quality; expanded marketing efforts; improved customer service; and made other positive adjustment efforts.<sup>5</sup>

Based on data collected in this investigation, U.S. stainless wire producers' capacity utilization was 51.5 percent and their inventories as a percentage of total shipments were 16.9 percent during April 2002-March 2003. Exports accounted for 1.7 percent of total shipments.

### **Changes in Import Supply**

Total imports of stainless wire increased by 6.3 percent between the periods April 2001-March 2002 and April 2002-March 2003; imports of stainless wire from covered countries fell by 6.5 percent and imports of stainless wire from noncovered countries increased by 81.6. The U.S. market share accounted for by imports of stainless wire from covered countries fell from 40.1 percent in April 2001-March 2002 to 34.8 percent in April 2002-March 2003. The U.S. market share accounted for by imports of stainless wire from noncovered countries increased from 6.8 percent in April 2001-March 2002 to 11.4 percent in April 2002-March 2003.<sup>6</sup>

As shown in table STAINLESS IV-3, the majority of stainless wire importers reported no changes in their marketing practices since March 20, 2002.

Covered country producers' capacity, capacity utilization, U.S. export shipments as a percentage of total shipments, and inventories as a percentage of total shipments during April 2002-March 2003 are shown in table STAINLESS IV-4.<sup>7</sup>

### **Timeline**

Figure STAINLESS-IV-1 shows monthly shipments of stainless wire products by U.S. producers, and total imports as well as imports separately from countries subject to the safeguard measures and countries exempt from the safeguard measures, along with a timeline of significant events that may have influenced the market environment. Shipment data depicted in the graph are from the American Iron and Steel Institute, and differ somewhat from shipment data presented elsewhere in this report, which are based on questionnaire data (which do not include monthly data). Import data are consistent with those

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<sup>4</sup> Purchasers were asked to indicate whether domestic producers had taken any of the following actions: introduction of new or innovative product, improved product quality, expansion of marketing efforts including e-commerce, improvements in customer service, and other efforts to make a positive adjustment to import competition.

<sup>5</sup> Some purchasers reported more than one of these actions.

<sup>6</sup> See tables STAINLESS IV-7 and STAINLESS IV-10.

<sup>7</sup> No foreign producers from noncovered sources provided the Commission with information on its stainless wire operations.

in other tables presented in this report. The timeline showing significant events includes significant supply changes due to shut downs (shown below the line) and start ups or restarts (shown above the line). Also shown above the line are significant safeguard dates.

**Table STAINLESS IV-3**

**Stainless wire: U.S. importer responses to questions regarding firms' activities since March 20, 2002**

Marketing practice	Number of importers reporting		
	No	Yes	
Efforts to increase product availability	23	7	
Change in geographic market	31	0	
Change in channels of distribution	19	4	
Change in share of sales from inventory	22	3	
Change in average lead times from inventory	20	1	
Change in average lead times from production	19	5	
Change in product range	25	6	
Change in demand for or production of alternate products	25	3	
Importing of steel from foreign producers from which previously have not imported	21	7	
	Increased	Decreased	Stayed same
Change in order backlogs	1	14	15
Change in on-time shipping percentage	2	5	24

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

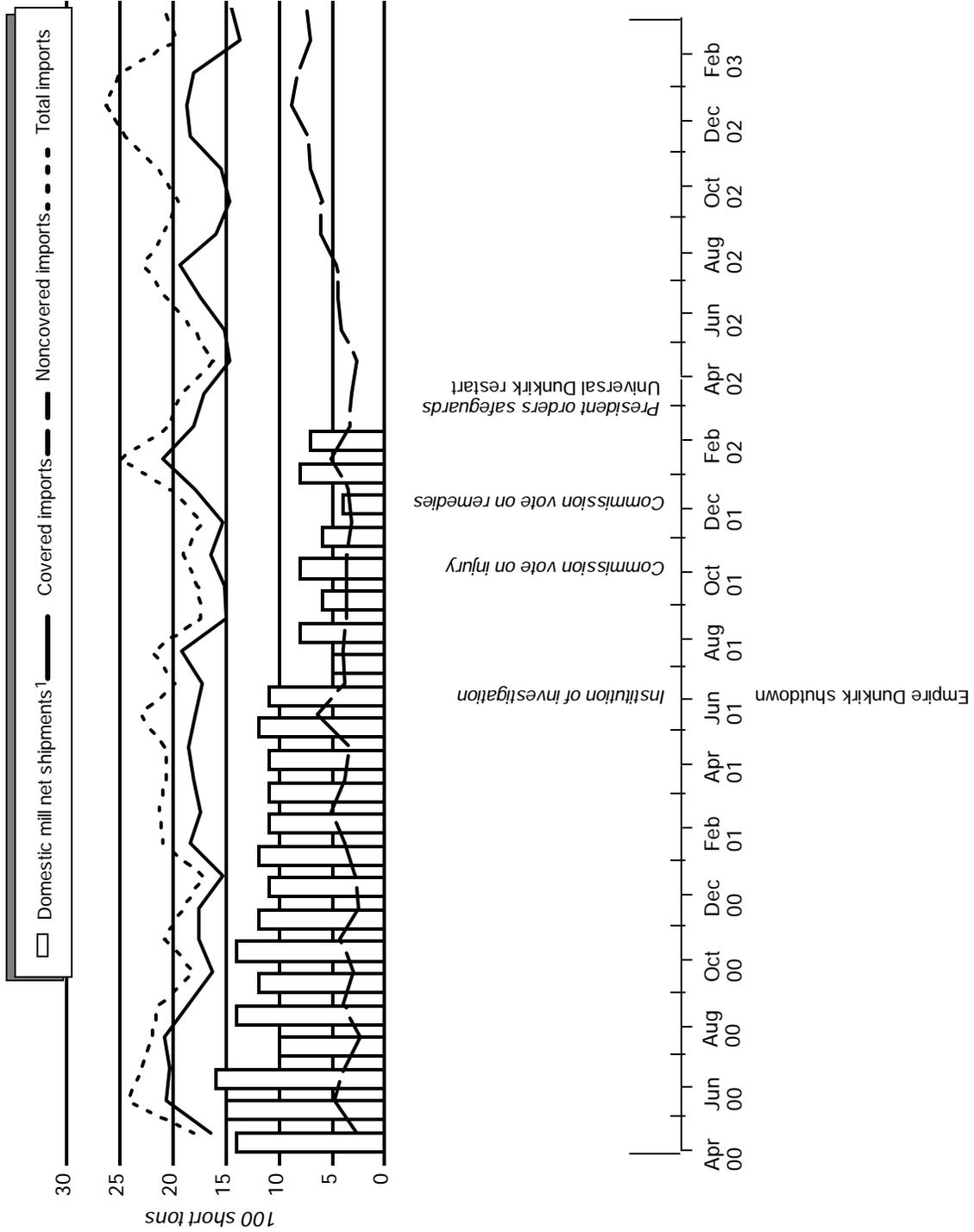
**Table STAINLESS IV-4**

**Stainless wire: Covered country producers' capacity, capacity utilization, export shipments to the United States as a percentage of total shipments, and inventories as a percentage of total shipments during April 2002-March 2003**

Source	Capacity	Capacity utilization	Exports to United States/ total shipments	Inventories/ total shipments
	<i>Short tons</i>	<i>Percent</i>		
Covered	52,270	86.9	5.6	6.9

Source: Compiled from data submitted in response to Commission questionnaires

**Figure STAINLESS IV-1**  
**Monthly imports and monthly domestic mill net shipments, facility shutdowns and restarts, and**  
**Stainless steel wire: investigation milestones, April 2000-March 2003**



<sup>1</sup> Domestic mill shipments, excluding shipments to reporting companies. Shipment data for March 2002-March 2003 are not available.  
 Source: Official statistics of the U.S. Department of Commerce; statistics of the American Iron and Steel Institute, AIS 10 (various months); and publicly available information.

## U.S. INDUSTRY DATA

Table STAINLESS IV-5 presents information on U.S. stainless wire producers' capacity, production, shipments, inventories, and employment. The Commission received usable questionnaire responses from 14 stainless wire producers that are believed to account for a substantial share of U.S. production capacity during the period April 2002-March 2003.<sup>8 9</sup> The following firms reported calendar-year 2000 production capacity in the section 201 investigation but did not provide data in this investigation:<sup>10</sup>

\* \* \* \* \*

As presented in table STAINLESS IV-5, reporting U.S. producers' aggregate output-related indicators increased in the period April 2002 to March 2003. In the first relief year, the domestic industry's capacity increased by 3.1 percent, production increased by 15.0 percent, and U.S. shipments increased by 9.2 percent.<sup>11</sup> While reported capacity was 4.5 percent higher than in the period from April 2000 to March 2001, reported production and U.S. shipments were lower by 13.8 percent and 12.4 percent, respectively.<sup>12</sup> Capacity utilization increased from 46.2 percent to 51.5 percent in the period April 2002 to March 2003, but was below the 62.5 percent level of the period from April 2000 to March 2001. The number of production and related workers employed declined by 8.3 percent in the period April 2002 to March 2003, and was 24.8 percent lower than in the period from April 2000 to March 2001. Productivity, however, increased by 25.6 percent; productivity gains, combined with a more modest increase in the hourly wage rate, resulted in declining unit labor costs in the period April 2002 to March 2003.

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<sup>8</sup> \*\*\*. As a result, all stainless wire data are confidential.

<sup>9</sup> \*\*\*.

<sup>10</sup> One firm, \*\*\*; however, it did not report capacity or production data for stainless wire in its questionnaire responses in this investigation.

<sup>11</sup> The value of the domestic industry's U.S. shipments increased by 4.2 percent, reflecting a decrease in the average unit value of such shipments. Both the value and the average unit value of such shipments were lower than in the period April 2000 to March 2001.

<sup>12</sup> As noted above, Universal Stainless and Alloy's predecessor Empire Specialty Steel closed in June 2001 and did not re-open in its current corporate status until February 2002. The closure of a mill such as Empire Specialty Steel and its corresponding absence from the data collected would tend to overstate a trend of increasing shipments (or other volume-related measures), or understate a trend of declining shipments (or other volume-related measures), over the period examined.

**Table STAINLESS IV-5**

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

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Capacity	72,749	73,686	75,996
Production	45,446	34,079	39,175
Internal consumption/transfers	642	696	859
U.S. commercial shipments	43,573	34,760	37,859
U.S. shipments	44,215	35,456	38,718
Export shipments	892	626	685
Total shipments	45,107	36,082	39,403
Ending inventories	8,751	6,480	6,641
	<b>Value (\$1,000)</b>		
Internal consumption/transfers	3,472	3,421	4,232
U.S. commercial shipments	187,241	144,690	150,133
U.S. shipments	190,713	148,111	154,365
Export shipments	4,537	3,388	3,518
Total shipments	195,250	151,499	157,883
	<b>Unit value (per short ton)</b>		
Internal consumption/transfers	5,408	4,915	4,927
U.S. commercial shipments	4,297	4,163	3,966
U.S. shipments	4,313	4,177	3,987
Export shipments	5,086	5,412	5,136
Total shipments	4,329	4,199	4,007
	<b>Ratios and shares (percent)</b>		
Capacity utilization	62.5	46.2	51.5
U.S. shipments to distributors	18.1	21.9	26.0
U.S. shipments to end users	81.9	78.1	74.0
Inventories/total shipments	19.4	18.0	16.9
	<b>Employment data<sup>1</sup></b>		
PRWs <sup>2</sup> (number)	769	630	578
Hours worked (1,000)	1,552	1,261	1,134
Wages paid (\$1,000)	25,004	19,572	18,608
Hourly wages	\$16.11	\$15.53	\$16.41
Productivity (short tons/1,000 hours)	***	***	***
Unit labor costs (per short ton)	\$***	\$***	\$***
<p><sup>1</sup> ***. Productivity and unit labor costs are calculated using data of firms providing both numerator and denominator information.</p> <p><sup>2</sup> Production and related workers.</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.</p>			

## FINANCIAL DATA

Financial data provided by U.S. producers, concerning stainless wire, are presented in table STAINLESS IV-6.<sup>13</sup>

The Commission asked U.S. producers to provide data for CDSOA (Byrd Amendment) funds received, pension expense or credit, and other post employment benefits, and to state in which line of the results of operations data they were included. None of the 13 firms reported receiving CDSOA (Byrd Amendment) funds for stainless wire operations. Four firms reported pension expenses for stainless wire operations, all classified in categories of COGS. None of the firms reported other post employment benefits for stainless wire operations.

As presented in table STAINLESS IV-6, reporting U.S. producers' net commercial sales increased on both a quantity and a value basis in the period April 2002 to March 2003, following declines in the previous 12-month period, but were lower than the levels reported in the period April 2000 to March 2001. In the first relief year, the domestic industry's average unit values for commercial sales decreased from \$4,157 to \$3,962, and were below the \$4,286 average unit value for the period from April 2000 to March 2001.

COGS decreased more on a unit basis than did average unit values. In the period April 2002 to March 2003, per-unit raw materials costs, direct labor, and other factory costs all declined.<sup>14</sup> Indeed, according to the U.S. stainless steel long products industry, "also indicative that feedstock prices did not increase over the POI is the fact that U.S. prices for stainless steel rod, the major input for stainless wire, declined significantly over the period of review."<sup>15</sup> <sup>16</sup> Because unit revenues fell less than unit costs, and sales volume increased, the industry's financial performance improved in the period April 2002 to March 2003, although it continued to operate unprofitably. Its operating margin improved from negative 5.5 percent to negative 4.3 percent. The latter margin, however, remained below the industry's 3.6 percent operating margin in the period from April 2000 to March 2001.

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<sup>13</sup> One firm, \*\*\*, did not provide usable financial data.

<sup>14</sup> Per short ton, raw material costs increased from \$1,922 in April 2000-March 2001 to \$1,937 in April 2001-March 2002, and then decreased to \$1,843 in April 2002-March 2003.

<sup>15</sup> Posthearing brief of the domestic stainless steel industry at 27.

<sup>16</sup> Producers making stainless steel rod and then consuming it to produce stainless wire would have the same raw material considerations that were presented in the stainless bar section.

**Table STAINLESS IV-6**

**Stainless wire: Results of operations of U.S. producers, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
<b>Quantity (short tons)</b>			
Net commercial sales	44,283	35,221	38,375
<b>Value (\$1,000)</b>			
Net commercial sales	189,810	146,419	152,025
COGS	161,846	136,154	140,786
Gross profit or (loss)	27,964	10,265	11,239
SG&A expenses	21,138	18,306	17,780
Operating income or (loss)	6,826	(8,041)	(6,541)
Interest expense	5,478	4,374	3,565
Other (income)/expenses, net	(994)	(523)	2,650
Net income or (loss)	2,342	(11,892)	(12,756)
Depreciation/amortization	8,842	8,275	8,841
Cash flow	11,184	(3,617)	(3,915)
CDSOA funds received	0	0	0
Pension (credit)/expense	245	202	241
Other post-employment benefits	0	0	0
Capital expenditures	8,823	7,154	2,646
R&D expenses	950	706	723
<b>Ratio to net commercial sales (percent)</b>			
COGS	85.3	93.0	92.6
Gross profit or (loss)	14.7	7.0	7.4
SG&A expenses	11.1	12.5	11.7
Operating income or (loss)	3.6	(5.5)	(4.3)
Net income or (loss)	1.2	(8.1)	(8.4)
<b>Unit value (per short ton)</b>			
Net commercial sales	\$4,286	\$4,157	\$3,962
COGS total	3,655	3,866	3,669
Raw materials	1,922	1,937	1,843
Direct labor	383	370	322
Other factory costs	1,350	1,558	1,504
Gross profit or (loss)	631	291	293
SG&A expenses	477	520	463
Operating income or (loss)	154	(228)	(170)
<b>Number of firms reporting</b>			
Operating losses	3	9	10
Data	12	12	13
Note—Because of rounding, figures may not add to totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

## U.S. IMPORTS

Table STAINLESS IV-7 presents data on U.S. imports of stainless wire by sources for the period April 2000-March 2003. Table STAINLESS IV-8 presents data on U.S. imports from covered sources, by tariff categories, during April 2002-March 2003. Table STAINLESS IV-9 presents U.S. importers' U.S. shipments and end-of-period inventories during April 2000-March 2003.

In the period April 2002 to March 2003, the quantity of total imports increased from 31,295 short tons to 33,251 short tons. Imports from countries covered by the safeguard measure declined from 26,759 short tons to 25,014 short tons. The quantity of U.S. imports from countries not covered by the safeguard measure increased from 4,535 short tons to 8,236 short tons. Imports from India accounted for 3,259 short tons of the 3,701 short ton increase in imports from noncovered sources in the first relief year.

## APPARENT U.S. CONSUMPTION AND MARKET SHARES

Data on U.S. apparent U.S. consumption and market shares of stainless wire are presented in table STAINLESS IV-10 and figure STAINLESS IV-2.

As discussed in the section of this chapter entitled *Market Environment*, in the period April 2002 to March 2003, demand in the primary market sectors for stainless wire generally declined, and most of the responding U.S. stainless wire producers and importers agreed that demand for steel has decreased since March 2002. As presented in table STAINLESS IV-10, the data gathered by the Commission in this investigation indicate that the quantity of apparent U.S. consumption of stainless wire, in contrast to industry views, increased by 7.8 percent in the period April 2002 to March 2003, but at the conclusion of this period was 5.5 percent below the level of the period from April 2000 to March 2001.<sup>17</sup>

In the first relief year, the domestic industry increased its share of the U.S. market from 53.1 percent to 53.8 percent. Imports from covered countries saw their market share decrease from 40.1 percent to 34.8 percent, while imports from noncovered countries saw their market share increase from 6.8 percent to 11.4 percent.

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<sup>17</sup> As noted above, Universal Stainless and Alloy's predecessor Empire Specialty Steel closed in June 2001 and did not re-open in its current corporate status until February 2002. The closure of a mill such as Empire Specialty Steel and its corresponding absence from the data collected would tend to overstate a trend of increasing shipments (or other volume-related measures), or understate a trend of declining shipments (or other volume-related measures), over the period examined.

**Table STAINLESS IV-7**  
**Stainless wire: U.S. imports, by sources, April 2000-March 2003**

<b>Item</b>	<b>April 2000- March 2001</b>	<b>April 2001- March 2002</b>	<b>April 2002- March 2003</b>	<b>Period change from period 2 to period 3</b>
	<b>Quantity (short tons)</b>			<b>Percent</b>
Covered sources	27,935	26,759	25,014	-6.5
Noncovered sources: <sup>1</sup>				
India	2,842	3,776	7,035	86.3
All others	1,170	759	1,201	58.3
Subtotal (noncovered)	4,012	4,535	8,236	81.6
Total (all imports)	31,947	31,295	33,251	6.3
	<b>Landed, duty paid value (\$1,000)</b>			
Covered sources	109,328	91,702	85,986	-6.2
Noncovered sources: <sup>1</sup>				
India	5,953	6,663	12,206	83.2
All others	3,345	2,058	2,899	40.9
Subtotal (noncovered)	9,298	8,721	15,105	73.2
Total (all imports)	118,626	100,423	101,091	0.7
	<b>Unit value (per short ton)</b>			
Covered sources	\$3,914	\$3,427	\$3,437	0.3
Noncovered sources: <sup>1</sup>				
India	2,095	1,765	1,735	-1.7
All others	2,860	2,710	2,413	-11.0
Average (noncovered)	2,318	1,923	1,834	-4.6
Average (all imports)	3,713	3,209	3,040	-5.3
	<b>Share of total imports based on quantity (percent)</b>			<b>Percentage point</b>
Covered sources	87.4	85.5	75.2	-10.3
Noncovered sources: <sup>1</sup>				
India	8.9	12.1	21.2	9.1
All others	3.7	2.4	3.6	1.2
Subtotal (noncovered)	12.6	14.5	24.8	10.3
Total (all imports)	100.0	100.0	100.0	0.0
	<b>Ratio of imports to production (percent)</b>			
Covered sources	61.5	78.5	63.9	-14.7
Noncovered sources <sup>1</sup>	8.8	13.3	21.0	7.7
Total	70.3	91.8	84.9	-7.0
<sup>1</sup> Noncovered sources accounting for 3 percent or more of total U.S. imports (based on quantity) in April 2002-March 2003 are presented separately.				
Note—Because of rounding, figures may not add to totals shown.				
Source: Compiled from official statistics of Commerce.				

**Table STAINLESS IV-8**

**Stainless wire: U.S. imports from covered sources, by tariff categories, April 2002-March 2003**

\* \* \* \* \*

**Table STAINLESS IV-9**

**Stainless wire: U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003**

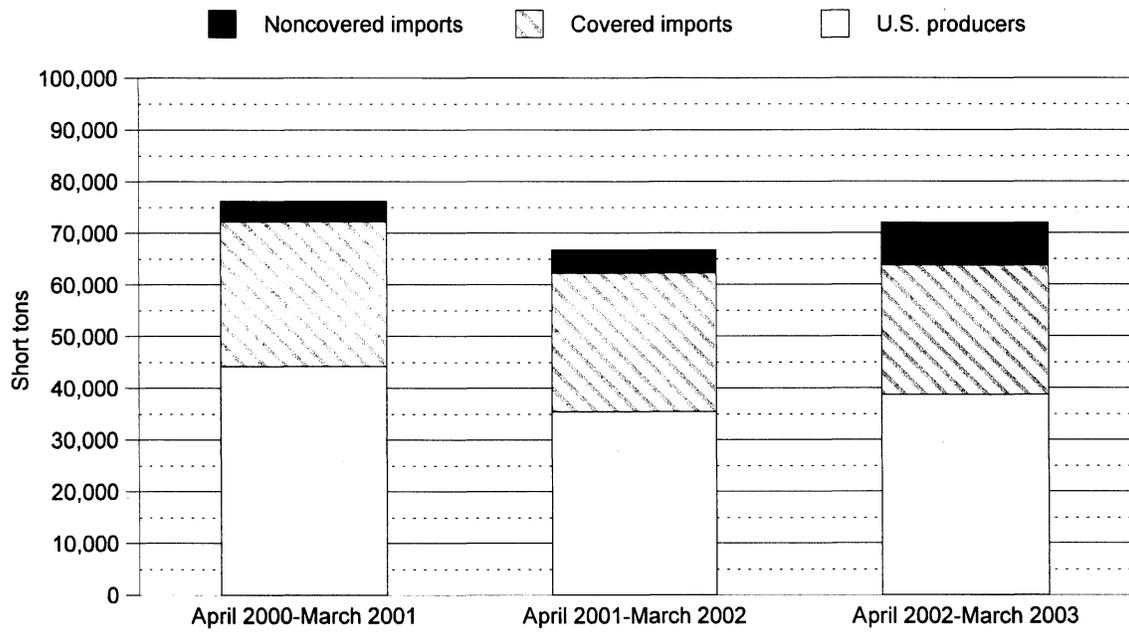
Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Covered sources:			
U.S. shipments of imports	9,892	7,288	5,196
End-of-period inventories	1,409	1,252	833
Noncovered sources:			
U.S. shipments of imports	7,314	7,745	10,935
End-of-period inventories	485	1,892	1,600
Total:			
U.S. shipments of imports	17,206	15,033	16,131
End-of-period inventories	1,894	3,144	2,433
	<b>Ratio of inventories to U.S. shipments of imports (percent)</b>		
Covered sources	14.2	17.2	16.0
Noncovered sources	6.6	24.4	14.6
Average	11.0	20.9	15.1
Note—Because of rounding, figures may not add to totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table STAINLESS IV-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**

<b>Item</b>	<b>April 2000- March 2001</b>	<b>April 2001- March 2002</b>	<b>April 2002- March 2003</b>
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	44,215	35,456	38,718
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	76,162	66,751	71,969
	<b>Value (\$1,000)</b>		
U.S. producers' U.S. shipments	190,713	148,111	154,365
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	309,339	248,534	255,456
	<b>U.S. market share based on quantity (percent)</b>		
U.S. producers' U.S. shipments	58.1	53.1	53.8
U.S. imports from:			
Covered sources	36.7	40.1	34.8
Noncovered sources	5.3	6.8	11.4
Total U.S. imports	41.9	46.9	46.2
	<b>U.S. market share based on value (percent)</b>		
U.S. producers' U.S. shipments	61.7	59.6	60.4
U.S. imports from:			
Covered sources	35.3	36.9	33.7
Noncovered sources	3.0	3.5	5.9
Total U.S. imports	38.3	40.4	39.6
Note—Because of rounding, figures may not add to totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.			

**Figure STAINLESS IV-2**  
**Stainless wire: Apparent U.S. consumption, by sources, April 2000-March 2003**



Source: Table STAINLESS IV-10.

## PRICING AND RELATED INFORMATION

### Factors Affecting Prices

#### Producer, Importer, and Purchaser Responses

U.S. stainless wire producers and importers were asked to report the importance of certain factors that have influenced the price of steel in the U.S. market, and to indicate whether these factors have tended to increase, decrease, or have no effect on the price of steel since March 20, 2002 (table STAINLESS IV-11 and STAINLESS IV-12). U.S. stainless wire purchasers were also asked to report the importance of these factors, and to indicate whether they have tended to increase, decrease, or have no effect on the price of steel since March 20, 2002 (table STAINLESS IV-13).

The three factors rated most important by U.S. stainless wire producers were: changes in the cost of raw materials; changes in the level of competition from imports from non-excluded countries; and changes in the level of competition from imports from excluded countries. The three factors rated most important by stainless wire importers were: changes in the cost of raw materials; changes in the level of competition by imports; and changes in demand for steel. The three factors rated most important by stainless wire purchasers were: changes in the cost of raw materials; changes in U.S. production capacity; and changes in demand for steel within the United States.<sup>18</sup>

#### Pricing Practices

Nearly all responding U.S. stainless wire producers and importers reported making no changes in the way they determine the price they charge or discounts allowed for sales of steel since March 20, 2002. Nine of the 15 responding U.S. stainless wire producers and 23 of 26 responding stainless wire importers reported that there has not been a change in the share of their sales that is on a contract vis-a-vis a spot basis. Six of 10 U.S. stainless wire producers and 8 of 17 stainless wire 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.

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<sup>18</sup> Available information concerning U.S. demand for stainless wire is mixed. Most U.S. producers and importers reported that U.S. demand for stainless wire rod has decreased since March 20, 2002. However, apparent consumption of stainless wire increased by 7.8 percent between April 2001-March 2002 and April 2002-March 2003, although it remained 5.5 percent below the April 2000-March 2001 level (table STAINLESS IV-10). Manufacturers' shipments of metalworking machinery, a proxy variable for downstream stainless wire demand, fell by 9.5 percent between April 2001-March 2002 and April 2002-March 2003 (table OVERVIEW II-1).

Unit raw materials costs for stainless wire fell by 4.9 percent between April 2001-March 2002 and April 2002-March 2003. Nickel prices increased by 26.4 percent since April 2002 (figure OVERVIEW II-13). Imports of stainless wire from covered sources fell by 6.5 percent between April 2001-March 2002 and April 2002-March 2003, whereas stainless wire imports from noncovered sources increased by 81.6 percent during the same time frame (table STAINLESS IV-7). U.S. stainless wire producers' capacity increased by 3.1 percent, and capacity utilization increased by 5.3 percentage points between April 2001-March 2002 and April 2002-March 2003 (table STAINLESS IV-5).

**Table STAINLESS IV-11**

**Stainless wire: As reported by *producers*, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in the cost of raw materials	1.1	12	1	0
Changes in the level of competition from imports from non-excluded countries	1.2	9	2	2
Changes in the level of competition from imports from excluded countries	1.3	8	3	2
Changes in demand for steel within the United States	1.5	0	3	10
Changes in energy costs	1.8	11	2	0
Changes in competition between U.S. producers	1.8	4	6	3
Changes in U.S. production capacity	2.4	1	7	5
Changing market patterns	2.4	2	9	2
Changes in transportation/delivery cost changes	2.6	8	5	0
Changes in demand for steel outside the United States	2.8	1	9	3
Changes in the productivity of domestic producers	2.8	1	9	3
Changes in labor agreements, contracts, etc.	3.3	0	13	0
Changes in the level of competition from substitute products	3.5	1	12	0
Changes in the allocation of production capacity to alternate products	3.6	0	13	0
<p><sup>1</sup> The numbers in this column represent the average ranking of each factor by responding producers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.</p> <p><sup>2</sup> The numbers in these columns represent the number of responding producers 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.</p>				
<p>Source: Compiled from data submitted in response to Commission questionnaires.</p>				

**Table STAINLESS IV-12**

**Stainless wire: As reported by *importers*, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in the cost of raw materials	1.7	20	9	1
Changes in the level of competition by imports	1.9	10	15	5
Changes in demand for steel	2.0	1	12	15
Changes in competition between U.S. producers	2.1	8	16	6
Changes in U.S. production capacity	2.3	5	16	9
Changes in transportation/delivery cost changes	2.5	17	12	0
Changes in the productivity of domestic producers	2.6	2	23	5
Changes in energy costs	2.7	14	16	0
Changing market patterns	2.7	3	24	3
Changes in labor agreements, contracts, etc.	3.0	2	28	0
Changes in the level of competition from substitute products	3.2	3	25	2
Changes in the allocation of production capacity to alternate products	3.3	2	27	1

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding importers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding 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.

Note—Not all importers answered for all of the factors.

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

**Table STAINLESS IV-13**

**Stainless wire: As reported by purchasers, the relative contribution of factors to the price of steel, and the influence of these factors on the price of steel since March 20, 2002**

Item	Importance <sup>1</sup>	Influence of factors <sup>2</sup>		
	Ranking	I	N	D
Changes in the cost of raw materials	1.6	27	20	0
Changes in U.S. production capacity	1.9	13	25	9
Changes in demand for steel within the United States	1.9	4	22	21
Changes in demand for steel outside the United States	1.9	20	17	7
Changes in competition between U.S. producers	2.0	18	27	4
Changes in energy costs	2.1	28	21	0
Changes in transportation/delivery cost changes	2.3	27	22	0
Changes in the level of competition from imports from non-excluded countries	2.3	13	26	6
Changing market patterns	2.4	13	28	4
Changes in the productivity of domestic producers	2.5	9	34	4
Changes in labor agreements, contracts, etc.	2.7	5	36	4
Changes in the level of competition from imports from excluded countries	2.7	9	33	4
Changes in the allocation of production capacity to alternate products	2.9	7	36	3
Changes in the level of competition from substitute products	3.0	6	41	1

<sup>1</sup> The numbers in this column represent the average ranking of each factor by responding purchasers, on a scale from 1 to 4 where 1 = very important, 2 = important, 3 = somewhat important, and 4 = not important. The factors have been sorted by importance with the most important at the top.

<sup>2</sup> The numbers in these columns represent the number of responding purchasers 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.

Note—Not all of the purchasers answered for all of the factors.

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

## Price Data

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

***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.*** This specialty product is designed to be easily headed, threaded, formed, bent or machined. It is used to produce self-tapping screws, set screws, rivets, and specialized fasteners.

Reported pricing data accounted for 14.1 percent of the quantity of U.S. producers' U.S. commercial shipments of stainless wire products, 2.6 percent of total imports, and 2.6 percent and 2.3 percent, respectively, of U.S. imports of covered and noncovered stainless wire products reported during April 2000-March 2003.

Weighted-average prices, margins of underselling/overselling, and quantities sold of U.S.-produced, covered imported, and noncovered imported stainless wire products are shown in table STAINLESS IV-14. Weighted-average prices of U.S.-produced, covered imported, and noncovered imported stainless wire products are also shown in figure STAINLESS IV-3.<sup>19</sup> A summary of the price data is shown in table STAINLESS IV-15 and summaries of the margins of underselling/overselling of imports from covered and noncovered sources are shown in tables STAINLESS IV-16 and STAINLESS IV-17, respectively.

Quarterly prices for the domestically produced stainless wire product for which the Commission collected pricing data declined by 6.4 percent from the first quarter of 2002 to the first quarter of 2003, and the first quarter 2003 price was 21.1 percent below that of the second quarter of 2000. Prices increased by 16.3 percent from the first quarter of 2002 to the first quarter of 2003 for imports of this product from sources covered by the safeguard measure, but decreased by 10.3 percent for imports of this product from sources not covered. In the period April 2002 to March 2003, imports from sources covered by the safeguard measure undersold the domestically produced product in all 4 quarterly comparisons, and imports from sources not covered undersold the domestically produced product each of 3 quarterly comparisons.

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<sup>19</sup> Public price data for stainless wire products are shown in figure H-11 of app. H.

**Table STAINLESS IV-14**

**Stainless wire: Weighted-average price and quantity data for U.S.-produced and imported product 14<sup>1</sup> from covered sources and noncovered sources, and margins of underselling, by quarters, April 2000-March 2003**

Period	United States		Imports from covered sources			Imports from noncovered sources		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin
	<i>Per ton</i>	<i>Short tons</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per ton</i>	<i>Short tons</i>	<i>Percent</i>
<b>2000:</b>								
April-June	\$***	***	\$3,322.46	164	***	\$***	***	***
July-September	***	***	3,485.52	242	***	***	***	***
October-December	***	***	3,370.79	192	***	***	***	***
<b>2001:</b>								
January-March	***	***	3,381.46	252	***	***	***	***
April-June	***	***	2,888.26	228	***	***	***	***
July-September	***	***	3,120.73	211	***	***	***	***
October-December	***	***	3,463.04	122	***	***	***	***
<b>2002:</b>								
January-March	***	***	2,535.23	107	***	***	***	***
April-June	***	***	3,054.70	141	***	***	***	***
July-September	***	***	***	***	***	***	***	***
October-December	***	***	3,228.99	92	***	***	***	***
<b>2003:</b>								
January-March	***	***	2,948.62	194	***	***	***	***

<sup>1</sup> Grade 302 HQ cold-heading stainless steel round wire, 0.099 to 0.127 inch (2.515 to 3.226 mm) in diameter annealed.

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

**Figure STAINLESS IV-3**

**Stainless wire: Weighted-average f.o.b. prices of domestic, covered imported, and noncovered imported product 14, April 2000-March 2003**

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**Table STAINLESS IV-15**

**Stainless wire: Change in quarterly prices of U.S. product, imports from covered sources, and imports from noncovered sources**

Product	United States		Imports from covered sources		Imports from noncovered sources	
	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003	Change in price from Q2 2000 to Q1 2003	Change in price from Q1 2002 to Q1 2003
	<i>Percent</i>					
Stainless wire	-21.1	-6.4	-11.3	16.3	-54.8	-10.3

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

**Table STAINLESS IV-16**

**Stainless wire: Summary of quarters of underselling and overselling, and the range of margins of underselling and overselling of imports from covered sources, April 2000-March 2003**

Product	Underselling			Overselling		
	Number of margins of underselling	High margin of underselling	Low margin of underselling	Number of margins of overselling	High margin of overselling	Low margin of overselling
		<i>Percent</i>	<i>Percent</i>		<i>Percent</i>	<i>Percent</i>
Stainless wire	12	39.7	16.1	0	( <sup>1</sup> )	( <sup>1</sup> )

<sup>1</sup> Not applicable.

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

**Table STAINLESS IV-17**

**Stainless wire: Summary of quarters of underselling and overselling, and the range of margins of underselling and overselling of imports from noncovered sources, April 2000-March 2003**

Product	Underselling			Overselling		
	Number of margins of underselling	High margin of underselling	Low margin of underselling	Number of margins of overselling	High margin of overselling	Low margin of overselling
		<i>Percent</i>	<i>Percent</i>		<i>Percent</i>	<i>Percent</i>
Stainless wire	8	48.0	7.9	0	( <sup>1</sup> )	( <sup>1</sup> )

<sup>1</sup> Not applicable.

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



## **PART V: ADJUSTMENT EFFORTS**

Section 204 requires the Commission to monitor and report on the progress and specific efforts made by workers and firms to adjust to import competition. In doing so the Commission examines whether the industry has satisfied its previous commitments, comparing the actions taken by workers and firms to the actions that were anticipated if relief were granted. The report considers these efforts in the context of the prevailing economic circumstances during the period of relief.

### **PROPOSED ADJUSTMENT PLANS**

In the section 201 investigation, the domestic stainless steel bar and wire industries' adjustment plans reviewed by the Commission focused on substantial investments in their productive facilities to improve innovation, efficiency, product quality, and overall cost competitiveness. The industries also stated that they intended to develop new products and applications to increase demand for stainless steel bar and wire in a number of end-use applications. A summary of the types of actions contained in U.S. producers' proposed adjustment plans in the section 201 investigation is presented in table STAINLESS V-1.<sup>1</sup>

In the current monitoring proceedings, the Commission asked U.S. producers whether they indicated to the Commission or USTR since the initiation of the original section 201 investigation that, if relief were granted as a result of that investigation, 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.<sup>2</sup> The firms' responses are presented at the end of this chapter in table STAINLESS V-3.

### **SIGNIFICANCE OF RELIEF AND ECONOMIC CONDITIONS DURING ADJUSTMENT EFFORTS**

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 the domestic firms' operations in the following categories:

- (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 collective bargaining agreements.

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<sup>1</sup> Also included in the table is the number of firms that stated they had no planned adjustments.

<sup>2</sup> Firms were also asked to attach copies of their specific adjustment plans as reported to the Commission during inv. No. TA-201-73 or to USTR since the initiation of the original section 201 investigation.

**Table STAINLESS V-1**  
**Stainless steel: Number of U.S. producers affirmatively reporting proposed adjustments in the section 201 investigation, by product group**

Stainless bar	Stainless rod	Stainless wire
<b>Number of reporting U.S. producers</b>		
17	5	27
<b>No reported adjustments</b>		
7	2	15
<b>Additional capital investment</b>		
7	1	8
<b>Further cost reductions</b>		
1	1	0
<b>Research &amp; Development</b>		
1	0	2
<b>Increase production</b>		
0	0	1
<b>Utilization of e-commerce to reduce transaction costs or increase sales</b>		
0	0	0
<b>Develop new or innovative product lines</b>		
2	0	0
<b>Increase employee training</b>		
2	0	0
<b>Increase employment</b>		
0	0	0
<b>Relocation or closing of facility</b>		
0	0	0

Source: *Steel: Investigation No. TA-201-73*, USITC Pub. 3479, December 2001, table STAINLESS-110 at STAINLESS-91, compiled from data submitted in response to Commission questionnaires in that investigation.

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 section 203 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 at the end of this chapter in table STAINLESS V-3 (Part B).

Firms responding affirmatively were specifically asked whether there were any reported planned adjustment actions that they had not implemented, and if so, the reason(s) why specific adjustment actions have not been implemented.<sup>3</sup> The firms' responses are presented in table STAINLESS V-3 (Part A).

Domestic stainless producers described several factors that hindered their adjustment efforts: weak demand; depressed prices; escalating raw material costs (i.e., nickel); the negative impact of low-priced imports from noncovered countries (i.e., India); product exclusions; and the severe economic downturn in traditional stainless steel consuming industries.<sup>4</sup>

### **POST-RELIEF EFFORTS**

The Commission asked U.S. producers to indicate whether they had undertaken any efforts since the implementation of relief to compete more effectively in the U.S. market for the subject steel products. Firms responding affirmatively were asked to identify:<sup>5</sup>

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 efforts, including any competitive advantage acquired (i.e., increased production, cost reduction, quality improvement, increased market share or sales, etc.).

In addition, if firms felt that any of these efforts were 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. A summary of U.S. producers' reported actual adjustments is presented in table STAINLESS V-2 and the responses of the individual firms are presented at the end of the chapter in table STAINLESS V-3 (Part C).

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<sup>3</sup> Firms were also asked to attach copies of their specific adjustment plans as reported to the Commission during Inv. No. TA-201-73 or to USTR since the initiation of the original section 201 investigation.

<sup>4</sup> Testimony of Dan Anderson, Vice President of Sales and Marketing, Slater Steels Corporation, transcript of Commission hearing (July 10, 2003) at 35-39.

<sup>5</sup> Categories on which producers were asked to comment were: Investments made; Capacity reductions; 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; and, All other efforts made by firm or workers to compete.

**Table STAINLESS V-2**

**Stainless steel: Number of U.S. producers affirmatively reporting actual adjustments in the section 204 investigation, by product group**

<b>Stainless bar</b>	<b>Stainless rod</b>	<b>Stainless wire</b>
<b>Number of U.S. producers reporting adjustments</b>		
7	2	4
<b>Investments made</b>		
5	2	3
<b>Capacity reductions</b>		
2	1	2
<b>Cost reductions with existing equipment</b>		
5	2	3
<b>Diversifications/expansions</b>		
2	0	0
<b>Mergers and consolidations</b>		
2	1	3
<b>New products developed or new applications for existing equipment</b>		
4	1	2
<b>Organizational changes</b>		
5	2	2
<b>Changes in production practices</b>		
5	1	3
<b>Marketing changes (U.S. and foreign markets)</b>		
4	2	2
<b>Employee reductions</b>		
5	2	3
<b>Changes in pension liabilities, healthcare, and union contracts</b>		
3	2	2
<b>All other efforts made by firm or workers</b>		
3	2	2
Source: Compiled from data submitted in response to Commission questionnaires.		

Since March 2002, several trends have emerged from in the domestic stainless industries. First, there has been restructuring and consolidation in the industries. Second, several companies have invested in new technologies and made capital improvements. Finally, a new competitive labor agreement was negotiated by a major producer.

In September 2002, Slater acquired the Lemont, IL production facility of Auburn Steel.<sup>6</sup> This acquisition allowed the company to lower production costs and to improve product quality. In late 2002, Slater completed the capital investment that allowed it to produce stainless steel angle up to four inches, expanded its grade offerings, and increased bar inventories to shorten customer lead times.<sup>7</sup> In October 2002, a new collective bargaining agreement covering Slater's Fort Wayne division was ratified which reportedly helped reduce costs. This agreement allows for increased flexibility to enhance productivity and improve production scheduling and allows more performance-based pay incentives.<sup>8 9</sup> Despite its and its workers efforts to increase efficiency, Slater later filed for bankruptcy in June 2003.<sup>10</sup>

Electralloy purchased and installed additional saw capacity to help implement a new 30/45 day market program adopted in July 2002. Under the new program, its lead time was reduced from six or eight weeks to just 30 to 45 days, depending on the product, and led to a reduction of its finished goods inventory.<sup>11</sup> In January 2003, Electralloy entered into an operating agreement with one of its customers to install a new vacuum arc remelt (VAR) furnace at its facility which would be dedicated exclusively to the melting of that customer's non-stainless product; reportedly this would free up the melt capacity of Electralloy's other VAR furnace and thus increase its productivity and efficiency for its own stainless products.<sup>12</sup>

Although efficiencies have resulted from some firms' efforts to compete, the only new capacity operational since the safeguard measures were imposed is reportedly a small investment by Charter Specialty Steel in stainless rod (2-ton coils) finishing.<sup>13</sup> However, reportedly there are at least two anticipated capacity expansions in the near future. AvestaPolarit intends to add rolling capacity in 2004 when the existing Allegheny Technologies Allvac mill is revamped to accommodate a larger billet from its melt shop. The mill upgrades will enable AvestaPolarit to supply over 10,000 tons of domestic bar

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<sup>6</sup> Testimony of Dan Anderson, Vice President of Sales and Marketing, Slater Steels Corp., transcript of Commission hearing (July 10, 2003) at 36.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid. at 36-37, and posthearing brief of the Domestic Stainless Steel Long Products Industry at 2-3.

<sup>9</sup> See also Chapter 2 part IV for additional details regarding the USWA's new set of bargaining principles and its pattern bargaining approach.

<sup>10</sup> Testimony of Dan Anderson, Vice President of Sales and Marketing, Slater Steels Corp., transcript of Commission hearing (July 10, 2003) at 37. Mr. Anderson cited increases in input costs, most notably natural gas, nickel, scrap and electricity and stated that weak demand and aggressive price competition from stainless bar and angle from India have placed the firm in a cost/price squeeze. Ibid.

<sup>11</sup> Testimony of John Simmons, Manager of Marketing and Product Development, Electralloy, transcript of Commission hearing (July 10, 2003) at 44.

<sup>12</sup> Ibid. at 43-44. Mr. Simmons stated that while Electralloy "had originally planned on purchasing the second VAR ourselves, the return on investment simply was not there, and we could not justify the capital investment." Mr. Simmons further stated that other capital investments outlined in Electralloy's adjustment plans have been postponed due to the weak market, declining prices, and declining profitability. Ibid.

<sup>13</sup> Testimony of Ed Blot, President, Ed Blott and Associates, economic consultant to domestic producers, transcript of Commission hearing (July 10, 2003) at 50-51.

and rod per year, replacing the material it currently imports into the United States.<sup>14</sup> Also, North American Stainless (NAS), a producer of stainless flat products is reportedly completing a state-of-the-art, 100,000 ton per year bar and rod facility in Ghent, KY where it produces 800,000 tons of raw stainless steel,<sup>15</sup> and is in the initial stages of long-products production.<sup>16</sup>

In their posthearing brief, respondents Arcelor and EUROFER indicated that they are in general and substantial agreement with the domestic producers that the U. S. industry producing stainless steel products has made a positive effort to adjust to import competition, and that they have increased market share and become more productive.<sup>17</sup> However, EUROFER specifically notes that while efforts being made or implemented by domestic firms are enhancing their competitiveness, nevertheless, in order for there to be a durable competitive position, the industry's current efforts must be complemented by timely and permanent closure of inefficient production facilities.<sup>18</sup> They further assert that failure to make such closures will result in operating rates that are too low to support prices, thereby resulting in poor profits that will be inadequate to attract new investment and lower than projected returns.<sup>19</sup>

As noted above, U.S. producers were asked to comment in their questionnaire responses on (1) any adjustment plans their firms submitted during the section 201 investigation, (2) the significance of the section 203 relief on their firm's operations, and (3) the efforts they have undertaken to compete more effectively in the U.S. market. The responses of firms are presented in the following table STAINLESS V-3.

At its public hearing, the Commission encouraged public commentary regarding adjustment efforts, to the extent possible.<sup>20</sup> In light of the extensive testimony on this issue, summarized above, the Commission did not request a separate, public summary of efforts.

**Table STAINLESS V-3**  
**Stainless steel: Comments of U.S. producers**

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<sup>14</sup> Ibid at 51.

<sup>15</sup> Testimony of Charles Blum, International Advisory Services Group, on behalf of the European Confederation of Iron and Steel Industries, transcript of Commission hearing (July 10, 2003) at 146.

<sup>16</sup> Testimony of Michael Shor, Senior VP, Carpenter Technology Corp., Specialty Alloy Operations, transcript of Commission hearing (July 10, 2003) at 127-128. However, inasmuch as the long products production will be using the excess melt capacity at what is mostly a flat products mill, how much of the 100,000 tons surplus mill capacity will end up as stainless long products is yet to be seen, according to testimony of Patrick Magrath, Consultant, Georgetown Economic Service, on behalf of domestic producers, transcript of Commission hearing (July 10, 2003) at 128-129.

<sup>17</sup> Posthearing Briefs of Arcelor at 1 & 4; and the European Confederation of Iron and Steel Industries (EUROFER) at 4.

<sup>18</sup> Posthearing Brief of EUROFER at 4.

<sup>19</sup> Ibid.

<sup>20</sup> See requests of Commissioner Miller and Commissioner Koplan, transcript of Commission hearing (July 10, 2003) at 98 and 195.

## **APPENDIX A**

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### ***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,<sup>1</sup> 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

<sup>1</sup> 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

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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**

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**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.

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**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**

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**Table A-1**  
**Federal Register notices regarding the section 203 safeguard measures**

<b>Date</b>	<b>Federal Register citation</b>	<b>Title</b>	<b>Description</b>
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 69065	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
June 9, 2003	68 FR 34462	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
Source: Various <i>Federal Register</i> notices.			



## **APPENDIX B**

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### **HEARING WITNESSES**



## CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

**Subject: Steel: Monitoring Developments in the Domestic Industry  
(Stainless Steel)**

**Inv. No.: TA-204-9**

**Date and Time: July 10, 2003 - 9:30 a.m.**

Sessions were held in connection with this investigation in the Main Hearing Room (room 101), 500 E Street, SW, Washington, D.C.

### CONGRESSIONAL APPEARANCES:

**The Honorable Ralph Regula, U.S. Congressman, 16<sup>th</sup> District, State of Ohio**

**The Honorable Peter J. Visclosky, U.S. Congressman, 1<sup>st</sup> District, State of Indiana**

### OPENING REMARKS:

Domestic Producers (**David A. Hartquist**, Collier Shannon Scott, PLLC )  
Respondents (**Charles H. Blum**, International Advisory Services Group, Ltd.)

### PANEL ONE – DOMESTIC PRODUCERS:

Collier Shannon Scott, PLLC  
Washington, D.C.  
on behalf of

Carpenter Technology Corp.  
Crucible Specialty Metals  
Dunkirk Specialty Steel, LLC  
Electralloy  
Slater Steels Corp.

**Michael L. Shor**, Senior Vice President, Carpenter Technology Corp.,  
Specialty Alloy Operations

**Daniel M. Anderson**, Vice President, Sales & Marketing, Slater Steels Corp.,  
Specialty Alloys Division

**John H. Simmons**, Manager, Marketing and Product Development, Electralloy

**William J. Pendleton**, Director of Corporate Affairs, Carpenter Technology Corp.

**William Wellock**, Manager, Consolidated Planning, Carpenter Technology Corp.

**Edward J. Blot**, President, Ed Blot & Associates

**Patrick J. Magrath**, Consultant, Georgetown Economic Services

**Brad Hudgens**, Consultant, Georgetown Economic Services

**David A. Hartquist** )  
**Laurence J. Lasoff** ) – OF COUNSEL  
**Grace W. Kim** )

**PANEL TWO – RESPONDENTS:**

Shearman & Sterling LLP  
Washington, D.C.  
on behalf of

Arcelor

**Christopher M. Ryan** ) – OF COUNSEL

International Advisory Services Group, Ltd.  
Washington, D.C.  
on behalf of

European Confederation of Iron and Steel Industries

**Charles H. Blum**, U.S. Representative, European Confederation of Iron and Steel  
Industries

**REBUTTAL/CLOSING REMARKS:**

Domestic Producers (**David A. Hartquist**, Collier Shannon Scott, PLLC)  
Respondents (**Charles H. Blum**, International Advisory Services Group, Ltd.)

## CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

**Subject:** Steel: Monitoring Developments in the Domestic Industry  
(Carbon and Alloy Tubular Steel)

**Inv. No.:** TA-204-9

**Date and Time:** July 17, 2003 - 9:30 a.m.

Sessions were held in connection with this investigation in the Main Hearing Room (Room 101), 500 E Street, SW, Washington, D.C.

### CONGRESSIONAL APPEARANCES:

**The Honorable Mark Pryor, United States Senator, State of Arkansas**

**The Honorable Peter J. Visclosky, U.S. Congressman, 1<sup>st</sup> District, State of Indiana**

**The Honorable Phil English, U.S. Congressman, 3<sup>rd</sup> District, State of Pennsylvania**

**The Honorable Melissa A. Hart, U.S. Congresswoman, 4<sup>th</sup> District, State of Pennsylvania**

**The Honorable Jo Bonner, U.S. Congressman, 1<sup>st</sup> District, State of Alabama**

### OPENING REMARKS:

Domestic Producers (**Roger B. Schagrín**, Schagrín Associates)

Respondents (**Julie C. Mendoza**, Kaye Scholer LLP )

### PANEL ONE – DOMESTIC PRODUCERS:

Schagrín Associates

Washington, D.C.

on behalf of

CPTI 201 Coalition

**Robert Bussiere**, General Manager, Fire Protection Products, Allied Tube & Conduit Corp.

**L. Scott Barnes**, Vice President, Commercial, IPSCO Tubulars, Inc.

**Parry Katsafanas**, President, Leavitt Tube Co., LLC

**Donald Bohach**, Vice President, Marketing and Sales, Stupp Corp.

**Mark Magno**, Vice President, Marketing, Wheatland Tube Company

**Robert Blecker**, Professor of Economics, American University

**Roger B. Schagrín** ) – OF COUNSEL

**PANEL ONE – DOMESTIC PRODUCERS (continued):**

Harris Ellsworth & Levin  
Washington, D.C.  
on behalf of

Trinity Fitting Group, Incorporated

**Don A. Graham**, President, Trinity Fitting Group, Incorporated

**Cheryl Ellsworth** )  
**John B. Totaro, Jr.** ) – OF COUNSEL

Stewart and Stewart  
Washington, D.C.  
on behalf of

United Steelworkers of America, AFL-CIO ·CLC

**Leo W. Gerard**, International President, United Steelworkers of America, AFL-CIO·CLC

**Terence P. Stewart** ) – OF COUNSEL

**PANEL TWO – RESPONDENTS:**

Kaye Scholer LLP  
Washington, D.C.  
on behalf of

Korea Iron & Steel Association  
Pohang Iron & Steel Co. Ltd.  
Union Steel Manufacturing Co., Ltd.  
Dongbu Steel Co., Ltd.  
Hysco Steel Co.  
Husteel Co., Ltd.  
SeAH Steel Corp.  
Pohang Coated Steel Co., Ltd.  
Dongyang Tinplate Co.

**Marcus A. Kraker**, Trade Analyst, Kaye Scholer LLP

**Donald B. Cameron** )  
**Julie C. Mendoza** ) – OF COUNSEL

**REBUTTAL/CLOSING REMARKS:**

Domestic Producers (**Roger B. Schagrin**, Schagrin Associates; and **Cheryl Ellsworth**,  
Harris Ellsworth & Levin)  
Respondents (**Donald B. Cameron**, Kaye Scholer LLP)

## CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

**Subject:** Steel: Monitoring Developments in the Domestic Industry  
(Carbon and Alloy Flat Steel)

**Inv. No.:** TA-204-9

**Date and Time:** July 22, 2003 - 9:30 a.m.

Sessions were held in connection with this investigation in the Main Hearing Room (Room 101), 500 E Street, SW, Washington, D.C.

### CONGRESSIONAL APPEARANCES:

The Honorable John D. Rockefeller IV, United States Senator, State of West Virginia  
The Honorable Evan Bayh, United States Senator, State of Indiana  
The Honorable George V. Voinovich, United States Senator, State of Ohio  
The Honorable Hillary Rodham Clinton, United States Senator, State of New York  
The Honorable Jim Oberstar, U.S. Congressman, 8<sup>th</sup> District, State of Minnesota  
The Honorable Sander Levin, U.S. Congressman, 12<sup>th</sup> District, State of Michigan  
The Honorable Alan B. Mollohan, U.S. Congressman, 1<sup>st</sup> District, State of West Virginia  
The Honorable Peter J. Visclosky, U.S. Congressman, 1<sup>st</sup> District, State of Indiana  
The Honorable Benjamin L. Cardin, U.S. Congressman, 3<sup>rd</sup> District, State of Maryland  
The Honorable Amo Houghton, Jr., U.S. Congressman, 29<sup>th</sup> District, State of New York  
The Honorable Bart Stupak, U.S. Congressman, 1<sup>st</sup> District, State of Michigan  
The Honorable Mike Doyle, U.S. Congressman, 14<sup>th</sup> District, State of Pennsylvania  
The Honorable Ted Strickland, U.S. Congressman, 6<sup>th</sup> District, State of Ohio  
The Honorable Carolyn Cheeks Kilpatrick, U.S. Congresswoman, 15<sup>th</sup> District, State of Michigan  
The Honorable Dennis J. Kucinich, U.S. Congressman, 10<sup>th</sup> District, State of Ohio  
The Honorable Stephanie Tubbs Jones, U.S. Congresswoman, 11<sup>th</sup> District, State of Ohio  
The Honorable Shelley Moore Capito, U.S. Congresswoman, 2<sup>nd</sup> District, State of West Virginia  
The Honorable Rob Bishop, U.S. Congressman, 1<sup>st</sup> District, State of Utah  
The Honorable Artur Davis, U.S. Congressman, 7<sup>th</sup> District, State of Alabama  
The Honorable Tim Murphy, U.S. Congressman, 18<sup>th</sup> District, State of Pennsylvania  
The Honorable Tim Ryan, U.S. Congressman, 17<sup>th</sup> District, State of Ohio

### STATE LEGISLATURE APPEARANCE:

The Honorable Edwin J. Bowman, State Senator, State of West Virginia

### OPENING REMARKS:

Domestic Industry (Robert Lighthizer, Skadden, Arps, Slate, Meagher & Flom LLP)  
Respondents (William H. Barringer, Willkie Farr & Gallagher)

**PANEL ONE – DOMESTIC INDUSTRY:**

Dewey Ballantine LLP  
Washington, D.C.

*and*

Skadden, Arps, Slate, Meagher & Flom LLP  
Washington, D.C.

on behalf of

United States Steel Corp.

**Roy G. Dorrance**, Vice Chairman, United States Steel Corp.

**Stephen Szymanski**, General Manager of Sales and Service to Service Center,  
United States Steel Corp.

**William Noellert**, Chief Economist, Dewey Ballantine LLP

**Susan Hester**, Economist, Dewey Ballantine LLP

**Seth Kaplan**, Vice President, Charles River Associates, Inc.

**David Riker**, Economist, Charles River Associates

**Alan Wolff** )  
**Robert Lighthizer** )  
**Kevin Dempsey** ) – OF COUNSEL  
**James Hecht** )  
**Stephen Narkin** )

Stewart and Stewart  
Washington, D.C.  
on behalf of

International Steel Group Inc.

**Wilbur L. Ross, Jr.**, Chairman of the Board of Directors  
and Director, International Steel Group Inc.

**Terence P. Stewart** ) – OF COUNSEL

Wiley, Rein & Fielding LLP  
Washington, D.C.  
on behalf of

Nucor Corp.

**Daniel DiMicco**, Vice Chairman, President, and CEO, Nucor Corp.

**Robert Johns**, Director of Marketing, Sheet Mill Group, Nucor Corp.

**Seth Kaplan**, Vice President, Charles Rivers Associates, Inc.

**Peter Morici**, Professor of Economics, University of Maryland

**Charles Owen Verrill, Jr.** )  
**Alan H. Price** ) – OF COUNSEL

**PANEL ONE – DOMESTIC INDUSTRY (continued):**

Schagrin Associates  
Washington, D.C.  
on behalf of

201 Flat-Rolled Coalition

**Edward Puisis**, Chief Financial Officer, Gallatin Steel Company  
**Michael Scott**, Vice President, Sales and Marketing, Weirton Steel Company  
**Mark Glyptis**, President, Independent Steelworkers Union

**Roger B. Schagrin** ) – OF COUNSEL

Thompson Coburn  
Washington, D.C.  
on behalf of

Ispat Inland Inc.

**Stephen Rogers**, Vice President, Sales and Marketing, Ispat Inland Inc.

**David M. Schwartz** )  
**Mark L. Parsons** ) – OF COUNSEL  
**Murray J. Belman** )

Stewart and Stewart  
Washington, D.C.  
on behalf of

United Steelworkers of America, AFL-CIO ·CLC

**Leo W. Gerard**, International President, United Steelworkers of America  
**William J. Klinefelter**, Assistant to the President and Legislative and  
Political Director, United Steelworkers of America

**Terence P. Stewart** ) – OF COUNSEL

**PANEL TWO – FOREIGN RESPONDENTS:**

Willkie Farr & Gallagher  
Washington, D.C.  
on behalf of

Nippon Steel Corp.  
JFE Steel Corp.  
Sumitomo Metal Industries, Ltd.  
Kobe Steel Limited  
Nisshin Steel Company Limited  
Japan Iron and Steel Federation

**William H. Barringer** )  
**Christopher Dunn** ) – OF COUNSEL  
**Kenneth J. Pierce** )

Kaye Scholer LLP  
Washington, D.C.  
on behalf of

Korea Iron & Steel Association  
Pohang Iron & Steel Co. Ltd.  
Union Steel Manufacturing Co., Ltd.  
Dongbu Steel Co., Ltd.  
Hysco Steel Co.  
Husteel Co., Ltd.  
SeAH Steel Corp.  
Pohang Coated Steel Co., Ltd.  
Dongyang Tinsplate Co.

**Donald B. Cameron** ) – OF COUNSEL

Willkie Farr & Gallagher  
Washington, D.C.  
on behalf of

Companhia Siderurgica Paulista  
Companhia Siderurgica Nacional  
Usinas Siderurgica de Minas Gerais, S.A.  
Companhia Siderurgica de Tubarao  
Aco Minas Gerais, S.A.  
Instituto Brasileiro de Siderurgica

**William H. Barringer** )  
**Christopher Dunn** ) – OF COUNSEL  
**Kenneth J. Pierce** )

**PANEL TWO – FOREIGN RESPONDENTS (continued):**

deKieffer & Horgan  
Washington, D.C.  
on behalf of

AG der Dillinger Huttenwerke  
GTS Industries, S.A.

**J. Kevin Horgan** ) – OF COUNSEL

Shearman & Sterling LLP  
Washington, D.C.  
on behalf of

Arcelor

**Robert Crandall**, Senior Fellow, Brookings Institution

**Christopher M. Ryan** ) – OF COUNSEL

Step toe & Johnson  
Washington, D.C.  
on behalf of

Corus Group plc

**Jeff Hoyer**, President, Corus America, Inc.

**Richard O. Cunningham** )  
**Troy Cribb** ) – OF COUNSEL

Kalik Lewin  
Washington, D.C.  
on behalf of

Azovstal Iron and Steel Works  
Leman Commodities, S.A.

**Martin J. Lewin** ) – OF COUNSEL

**PANEL TWO – FOREIGN RESPONDENTS (continued):**

International Advisory Services Group, Ltd.  
Washington, D.C.  
on behalf of

European Confederation of Iron and Steel Industries

**Charles H. Blum**, U.S. Representative, European Confederation of Iron and Steel Industries

**Christian Mari**, Director of External Relations, European Confederation of Iron and Steel Industries

Barnes, Richardson & Colburn  
Washington, D.C.  
on behalf of

Association of Specialty Cold Rolled Strip Producers of Germany

**Gunter von Conrad** )  
**Stephen W. Brophy** ) – OF COUNSEL

**PANEL THREE – CONSUMER INTEREST:**

King & Spalding LLP  
Washington, D.C.  
on behalf of

AK Steel Corp.  
California Steel Industries, Inc.  
Duferco Farrell Corp.

**Robert D. Miller**, Chief Financial Officer and Treasurer, Duferco Farrell Corp.

**Joseph W. Dorn** )  
**Duane W. Layton** ) – OF COUNSEL

Hogan & Hartson  
Washington, D.C.  
on behalf of

Consuming Industries Trade Action Coalition Steel Task Force (CITAC)

**Dale Cann**, Former President, Nesco Container Corp.

**Lewis Leibowitz** )  
**Lynn Kamarck** ) – OF COUNSEL

**PANEL THREE – CONSUMER INTEREST (continued):**

DURA Automotive Systems, Inc. (“DURA”)

**John J. Knappenberger**, Vice President, Sales, Marketing, Quality,  
and Materials, DURA

Precision Metalforming Association

**William E. Gaskin**, CAE, President, Precision Metalforming Association  
**Richard Wilkey**, President, Fisher-Barton  
**James Zawacki**, CEO, GR Spring and Stamping

**REBUTTAL/CLOSING REMARKS:**

Domestic Industry (**Terence P. Stewart**, Stewart and Stewart)  
Respondents (**Kenneth J. Pierce**, Willkie Farr & Gallagher)



## CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

**Subject:**                **Steel: Monitoring Developments in the Domestic Industry  
(Carbon and Alloy Long Steel)**

**Inv. No.:**                **TA-204-9**

**Date and Time:**        **July 24, 2003 - 9:30 a.m.**

Sessions were held in connection with this investigation in the Main Hearing Room (Room 101), 500 E Street, SW, Washington, D.C.

### CONGRESSIONAL APPEARANCES:

**The Honorable Arlen Specter, United States Senator, State of Pennsylvania**  
**The Honorable Mike DeWine, United States Senator, State of Ohio**  
**The Honorable Blanche L. Lincoln, United States Senator, State of Arkansas**  
**The Honorable Lindsey O. Graham, United States Senator, State of South Carolina**  
**The Honorable John M. Spratt, Jr., U.S. Congressman, 5<sup>th</sup> District, State of South Carolina**  
**The Honorable Peter J. Visclosky, U.S. Congressman, 1<sup>st</sup> District, State of Indiana**  
**The Honorable Danny K. Davis, U.S. Congressman, 7<sup>th</sup> District, State of Illinois**  
**The Honorable Joe Wilson, U.S. Congressman, 2<sup>nd</sup> District, State of South Carolina**

### STATE APPEARANCE:

**The Honorable Andre Bauer, Lieutenant Governor, State of South Carolina**

### OPENING REMARKS:

Domestic Industry (**Alan H. Price**, Wiley, Rein & Fielding)  
Respondents (**Richard O. Cunningham**, Steptoe & Johnson LLP)

**PANEL ONE – DOMESTIC INDUSTRY:**

Dewey Ballantine LLP  
Washington, D.C.

*and*

Skadden, Arps, Slate, Meagher & Flom LLP  
Washington, D.C.

on behalf of

United States Steel Corp.

**Thomas J. Usher**, Chairman and Chief Executive Officer, United States Steel Corp.

**Alan Wolff** )  
**Robert Lighthizer** ) – OF COUNSEL

Wiley Rein & Fielding LLP  
Washington, D.C.

on behalf of

Long Products Producers Coalition

**Daniel R. DiMicco**, Vice Chairman, President, and Chief Executive Officer, Nucor Corp.

**Bob Johns**, Director, Marketing, Nucor Corp.

**Clyde Selig**, Steel Group President and Chief Operating Officer, CMC Steel Group

**Jon Ruth**, President, North Star Steel

**James T. Thielens, Jr.**, Vice President, Republic Engineered Products

**Jim Fritsch**, Vice President, Strategic Planning, CMC Steel Group

**Robert Muhlhan**, Vice President, Material Procurement, Gerdau Ameristeel Corp.

**Michael K. Haidet**, Senior Government Affairs Specialist, Trade, The Timken Company

**Seth Kaplan**, Vice President, Charles River Associates

**Charles O. Verrill, Jr.** )  
**Alan H. Price** ) – OF COUNSEL  
**Timothy C. Brightbill** )

King & Spalding  
Washington, D.C.

on behalf of

Cold Finished Steel Bar Institute

**Paul J. Darling, II**, President and CEO, The Corey Steel Company

**Duane W. Layton** ) – OF COUNSEL

**PANEL ONE – DOMESTIC INDUSTRY (continued):**

Thompson Coburn  
Washington, D.C.  
on behalf of

Ispat Inland Inc.

**Joseph Alvarado**, Vice President, Commercial, Ispat North America  
**Nicholas Boyan**, Manager, Marketing and Customer Service, Ispat Inland Inc.

**David M. Schwartz** )  
**Mark L. Parsons** ) – OF COUNSEL  
**Murray J. Belman** )

**PANEL TWO – FOREIGN RESPONDENTS:**

Step toe & Johnson LLP  
Washington, D.C.  
on behalf of

Corus Group plc

**Jeff Hoye**, President, Corus America, Inc.

**Richard O. Cunningham** )  
**Tina Potuto Kimble** ) – OF COUNSEL

International Advisory Services Group, Ltd.  
Washington, D.C.  
on behalf of

European Confederation of Iron and Steel Industries

**Charles H. Blum**, U.S. Representative, European Confederation of Iron and Steel Industries  
**Christian Mari**, Director, External Relations, European Confederation of Iron and Steel Industries

**PANEL THREE – CONSUMER INTEREST:**

Dykema Gossett  
Washington, D.C.  
on behalf of

Metaldyne Corp.

**Douglas Grimm**, Vice President, Precision Forming Division, Metaldyne Corp.

**Bob Carr**, Director, Steel & Energy Purchasing, Metaldyne Corp.

**Kurt Ruecke**, Director, Corporate Communications, Metaldyne Corp.

**Sanford B. Ring** ) – OF COUNSEL

**REBUTTAL/CLOSING REMARKS:**

Domestic Industry (**Charles O. Verrill, Jr.**, Wiley, Rein & Fielding)

Respondents (**Richard O. Cunningham**, Steptoe & Johnson LLP)

## **APPENDIX C**

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### **SUMMARY TABLES**



## **CARBON AND ALLOY FLAT STEEL**

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Table C-1

Certain carbon and alloy flat-rolled steel: Summary data concerning the U.S. market, April 2000-March 2003<sup>1</sup>

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	200,809,747	190,403,388	202,047,809	0.6	-5.2	6.1
Producers' share <sup>2</sup>	90.6	91.6	91.5	0.9	1.0	-0.1
Importers' share: <sup>2</sup>						
Covered sources <sup>3</sup>	6.1	5.8	4.1	-2.0	-0.3	-1.7
Noncovered sources	3.3	2.6	4.4	1.1	-0.7	1.8
Total imports	9.4	8.4	8.5	-0.9	-1.0	0.1
U.S. consumption value:						
Amount	63,574,914	55,049,519	65,495,294	3.0	-13.4	19.0
Producers' share <sup>2</sup>	90.1	91.7	91.2	1.1	1.6	-0.4
Importers' share: <sup>2</sup>						
Covered sources <sup>3</sup>	6.5	5.6	4.0	-2.4	-0.9	-1.6
Noncovered sources	3.4	2.7	4.7	1.3	-0.7	2.0
Total imports	9.9	8.3	8.8	-1.1	-1.6	0.4
U.S. imports from:						
Covered sources: <sup>3</sup>						
Quantity	12,256,742	11,065,158	8,366,746	-31.7	-9.7	-24.4
Value	4,125,068	3,091,312	2,649,396	-35.8	-25.1	-14.3
Unit value	\$337	\$279	\$317	-5.9	-17.0	13.3
Ending inventory (quantity) <sup>4</sup>	1,194,852	1,393,758	1,223,357	2.4	16.6	-12.2
Noncovered sources:						
Quantity	6,581,781	4,933,519	8,800,093	33.7	-25.0	78.4
Value	2,151,945	1,489,681	3,084,046	43.3	-30.8	107.0
Unit value	\$327	\$302	\$350	7.2	-7.6	16.1
Ending inventory (quantity) <sup>4</sup>	480,134	425,938	562,748	17.2	-11.3	32.1
All sources:						
Quantity	18,838,524	15,998,677	17,166,839	-8.9	-15.1	7.3
Value	6,277,014	4,580,993	5,733,442	-8.7	-27.0	25.2
Unit value	\$333	\$286	\$334	0.2	-14.1	16.6
Ending inventory (quantity) <sup>4</sup>	1,674,986	1,819,696	1,786,105	6.6	8.6	-1.8
U.S. producers:						
Average capacity <sup>5</sup> (quantity)	223,007,417	216,634,946	226,644,611	1.6	-2.9	4.6
Production (quantity)	183,802,902	175,857,719	187,895,768	2.2	-4.3	6.8
Capacity utilization <sup>2</sup>	82.4	81.2	82.9	0.5	-1.2	1.7
U.S. shipments:						
Quantity	181,971,223	174,404,711	184,880,970	1.6	-4.2	6.0
Value	57,297,900	50,468,526	59,761,852	4.3	-11.9	18.4
Unit value	\$315	\$289	\$323	2.7	-8.1	11.7
Export shipments:						
Quantity	2,039,259	1,908,669	2,601,907	27.6	-6.4	36.3
Value	1,029,303	927,389	1,144,034	11.1	-9.9	23.4
Unit value	\$505	\$486	\$440	-12.9	-3.7	-9.5
Ending inventory (quantity)	8,950,049	8,394,052	8,006,582	-10.5	-6.2	-4.6
Inventories/total shipments <sup>2</sup>	4.9	4.8	4.3	-0.6	-0.1	-0.5

Table continued. See footnotes at end of table.

**Table C-1--Continued**

**Certain carbon and alloy flat-rolled steel: Summary data concerning the U.S. market, April 2000-March 2003<sup>1</sup>**

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 <sup>6</sup>	101,136	99,494	89,584	-11.4	-1.6	-10.0
Hours worked <sup>6</sup> (1,000s)	219,046	197,482	189,006	-13.7	-9.8	-4.3
Wages paid <sup>6</sup> (\$1,000)	5,771,065	5,344,037	5,291,435	-8.3	-7.4	-1.0
Hourly wages <sup>6</sup>	\$26.38	\$27.09	\$28.04	6.3	2.7	3.5
Productivity <sup>6</sup> (tons/1,000 hours)	771.2	830.1	934.1	21.1	7.6	12.5
Unit labor costs <sup>6</sup>	\$34.17	\$32.60	\$29.98	-12.3	-4.6	-8.1
Net commercial sales:						
Quantity	61,453,780	59,906,344	64,554,417	5.0	-2.5	7.8
Value	25,337,838	21,937,717	26,636,230	5.1	-13.4	21.4
Unit value	\$412	\$366	\$413	0.1	-11.2	12.7
Cost of goods sold (COGS)	25,257,242	23,095,171	24,532,799	-2.9	-8.6	6.2
Gross profit or (loss)	80,596	(1,157,454)	2,103,431	2,509.9	( <sup>7</sup> )	( <sup>7</sup> )
SG&A expenses	1,336,738	1,203,328	1,275,538	-4.6	-10.0	6.0
Operating income or (loss)	(1,256,142)	(2,360,782)	827,893	( <sup>7</sup> )	-87.9	( <sup>7</sup> )
Capital expenditures	1,405,380	766,287	511,097	-63.6	-45.5	-33.3
Unit COGS	\$411	\$386	\$380	-7.5	-6.2	-1.4
Unit SG&A expenses	\$22	\$20	\$20	-9.2	-7.7	-1.6
Unit operating income or (loss)	\$(20)	\$(39)	\$13	( <sup>7</sup> )	-92.8	( <sup>7</sup> )
COGS/sales <sup>1</sup>	99.7	105.3	92.1	-7.6	5.6	-13.2
Operating income or (loss)/sales <sup>1</sup>	(5.0)	(10.8)	3.1	8.1	-5.8	13.9

<sup>1</sup> Caution should be used in interpreting the data presented in this table because of the potential for multiple counting, particularly with respect to capacity and production data (e.g., slabs are typically an upstream product of hot-rolled which in turn is typically an upstream product of most cold-rolled, etc.)

<sup>2</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>3</sup> 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).

<sup>4</sup> Inventories of U.S. imports are based on responses to Commission questionnaires.

<sup>5</sup> An alternative measure of production capacity and capacity utilization would limit its focus to plate and hot-rolled steel. This supplemental calculation appears in table FLAT II-9

<sup>6</sup> The following firms did not provide employment data for the specified products: slabs (\*\*\*) ; plate (\*\*\*) ; hot-rolled (\*\*\*) , cold-rolled (\*\*\*) , and coated (\*\*\*) . Hourly wages, productivity, and unit labor costs are calculated from data of these firms providing both numerator and denominator information for the specified products.

<sup>7</sup> 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 C-2

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	3,575,339	3,455,081	3,397,672	-5.0	-3.4	-1.7
Producers' share <sup>1</sup>	85.7	83.2	90.4	4.7	-2.6	7.2
Importers' share: <sup>1</sup>						
Covered sources	10.1	12.6	4.9	-5.2	2.6	-7.8
Noncovered sources	4.2	4.2	4.7	0.6	0.0	0.6
Total imports	14.3	16.8	9.6	-4.7	2.6	-7.2
U.S. consumption value:						
Amount	2,115,092	2,040,256	2,026,917	-4.2	-3.5	-0.7
Producers' share <sup>1</sup>	85.5	83.4	90.4	4.9	-2.1	7.0
Importers' share: <sup>1</sup>						
Covered sources	10.4	12.6	5.0	-5.3	2.2	-7.6
Noncovered sources	4.2	4.0	4.6	0.4	-0.1	0.6
Total imports	14.5	16.6	9.6	-4.9	2.1	-7.0
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> ) <sup>2</sup>	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> ) <sup>2</sup>	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> ) <sup>2</sup>	83,257	100,339	74,381	-10.7	20.5	-25.9
U.S. producers:						
Average capacity ( <i>quantity</i> )	4,041,845	3,741,545	3,654,045	-9.6	-7.4	-2.3
Production ( <i>quantity</i> )	3,209,607	2,920,670	3,213,758	0.1	-9.0	10.0
Capacity utilization <sup>1</sup>	79.4	78.1	88.0	8.5	-1.3	9.9
U.S. shipments:						
Quantity	3,065,157	2,873,558	3,071,392	0.2	-6.3	6.9
Value	1,807,862	1,701,138	1,832,225	1.3	-5.9	7.7
Unit value	\$590	\$592	\$597	1.1	0.4	0.8
Export shipments:						
Quantity	158,882	98,131	114,020	-28.2	-38.2	16.2
Value	87,585	56,600	66,869	-23.7	-35.4	18.1
Unit value	\$551	\$577	\$586	6.4	4.6	1.7
Ending inventory ( <i>quantity</i> )	406,004	327,735	354,081	-12.8	-19.3	8.0
Inventories/total shipments <sup>1</sup>	12.6	11.0	11.1	-1.5	-1.6	0.1

Table continued. See footnotes at end of table.

**Table C-2--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 <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	6,268	5,572	5,055	-19.4	-11.1	-9.3
Hours worked (1,000s)	13,601	11,661	10,977	-19.3	-14.3	-5.9
Wages paid (\$1,000)	349,985	303,352	288,975	-17.4	-13.3	-4.7
Hourly wages	\$25.73	\$26.01	\$26.33	2.3	1.1	1.2
Productivity (tons/1,000 hours)	236.0	250.5	292.8	24.1	6.1	16.9
Unit labor costs	\$109.04	\$103.86	\$89.92	-17.5	-4.8	-13.4
Net commercial sales:						
Quantity	3,225,789	2,978,789	3,186,112	-1.2	-7.7	7.0
Value	1,895,193	1,754,623	1,897,573	0.1	-7.4	8.1
Unit value	\$588	\$589	\$596	1.4	0.3	1.1
Cost of goods sold (COGS)	1,977,613	1,838,505	1,895,883	-4.1	-7.0	3.1
Gross profit or (loss)	(82,420)	(83,882)	1,690	( <sup>3</sup> )	-1.8	( <sup>3</sup> )
SG&A expenses	105,834	85,536	85,187	-19.5	-19.2	-0.4
Operating income or (loss)	(188,254)	(169,418)	(83,497)	55.6	10.0	50.7
Capital expenditures	62,655	40,400	17,513	-72.0	-35.5	-56.7
Unit COGS	\$613	\$617	\$595	-2.9	0.7	-3.6
Unit SG&A expenses	\$33	\$29	\$27	-18.5	-12.5	-6.9
Unit operating income or (loss)	\$(58)	\$(57)	\$(26)	55.1	2.5	53.9
COGS/sales <sup>1</sup>	104.3	104.8	99.9	-4.4	0.4	-4.9
Operating income or (loss)/sales <sup>1</sup>	(9.9)	(9.7)	(4.4)	5.5	0.3	5.3
<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points. <sup>2</sup> Inventories of U.S. imports are based on responses to Commission questionnaires. <sup>3</sup> 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 C-3

## 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	65,432,419	63,886,948	67,952,820	3.9	-2.4	6.4
Producers' share <sup>1</sup>	90.2	89.7	89.7	-0.5	-0.5	0.0
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	6.9	7.9	6.7	-0.2	1.0	-1.3
Noncovered sources	2.9	2.4	3.7	0.8	-0.5	1.3
Total imports	9.8	10.3	10.3	0.5	0.5	0.0
U.S. consumption value:						
Amount	14,535,736	13,402,499	15,017,577	3.3	-7.8	12.1
Producers' share <sup>1</sup>	90.5	91.6	90.0	-0.4	1.2	-1.6
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	6.6	6.2	6.3	-0.4	-0.4	0.0
Noncovered sources	2.9	2.1	3.7	0.8	-0.8	1.6
Total imports	9.5	8.4	10.0	0.4	-1.2	1.6
U.S. imports from:						
Covered sources: <sup>2</sup>						
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> ) <sup>3</sup>	621,348	883,214	701,319	12.9	42.1	-20.6
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> ) <sup>3</sup>	338,592	326,524	366,701	8.3	-3.6	12.3
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> ) <sup>3</sup>	959,940	1,209,738	1,068,020	11.3	26.0	-11.7
U.S. producers:						
Average capacity ( <i>quantity</i> )	68,381,515	66,854,548	69,565,244	1.7	-2.2	4.1
Production ( <i>quantity</i> )	59,277,687	57,019,459	60,393,082	1.9	-3.8	5.9
Capacity utilization <sup>1</sup>	86.7	85.3	86.8	0.1	-1.4	1.5
U.S. shipments:						
Quantity	59,008,980	57,301,971	60,930,250	3.3	-2.9	6.3
Value	13,150,655	12,280,452	13,520,450	2.8	-6.6	10.1
Unit value	\$223	\$214	\$222	-0.4	-3.8	3.5
Export shipments:						
Quantity	12,023	37,308	57,167	375.5	210.3	53.2
Value	2,615	7,279	12,463	376.6	178.4	71.2
Unit value	\$217	\$195	\$218	0.2	-10.3	11.7
Ending inventory ( <i>quantity</i> )	2,518,204	2,277,739	2,239,626	-11.1	-9.5	-1.7
Inventories/total shipments <sup>1</sup>	4.3	4.0	3.7	-0.6	-0.3	-0.3

Table continued. See footnotes at end of table.

**Table C-3--Continued**

**Slabs: 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 <sup>4</sup>	17,264	16,876	16,813	-2.6	-2.2	-0.4
Hours worked <sup>4</sup> (1,000s)	37,140	35,465	36,388	-2.0	-4.5	2.6
Wages paid <sup>4</sup> (\$1,000)	970,827	948,109	998,839	2.9	-2.3	5.4
Hourly wages <sup>4</sup>	\$26.14	\$26.73	\$27.45	5.0	2.3	2.7
Productivity <sup>4</sup> (tons/1,000 hours)	***	***	***	11.8	5.5	5.9
Unit labor costs <sup>4</sup>	\$***	\$***	\$***	-6.1	-3.1	-3.1
Net commercial sales:						
Quantity	106,902	201,234	793,854	642.6	88.2	294.5
Value	22,332	44,417	183,075	719.8	98.9	312.2
Unit value	\$209	\$221	\$231	10.4	5.7	4.5
Cost of goods sold (COGS)	23,879	45,829	175,862	636.5	91.9	283.7
Gross profit or (loss)	(1,547)	(1,412)	7,213	<sup>(5)</sup>	8.7	<sup>(5)</sup>
SG&A expenses	2,683	3,536	13,920	418.8	31.8	293.7
Operating income or (loss)	(4,230)	(4,948)	(6,707)	-58.6	-17.0	-35.6
Capital expenditures	214,164	1,204	4,254	-98.0	-99.4	253.3
Unit COGS	\$223	\$228	\$222	-0.8	2.0	-2.7
Unit SG&A expenses	\$25	\$18	\$18	-30.1	-30.0	-0.2
Unit operating income or (loss)	\$(40)	\$(25)	\$(8)	78.6	37.9	65.6
COGS/sales <sup>1</sup>	106.9	103.2	96.1	-10.9	-3.7	-7.1
Operating income or (loss)/sales <sup>1</sup>	(18.9)	(11.1)	(3.7)	15.3	7.8	7.5

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> 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).

<sup>3</sup> Inventories of U.S. imports are based on responses to Commission questionnaires.

<sup>4</sup> \*\*\* did not provide employment data. Productivity and unit labor costs are calculated using data of only those firms providing both numerator and denominator information.

<sup>5</sup> 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 C-4

## 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	5,921,186	6,583,080	6,316,361	6.7	11.2	-4.1
Producers' share <sup>1</sup>	83.7	84.6	89.1	5.4	0.9	4.4
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	11.0	9.9	3.1	-7.9	-1.1	-6.8
Noncovered sources	5.3	5.4	7.8	2.5	0.2	2.4
Total imports	16.3	15.4	10.9	-5.4	-0.9	-4.4
U.S. consumption value:						
Amount	2,343,240	2,429,774	2,379,915	1.6	3.7	-2.1
Producers' share <sup>1</sup>	83.6	84.0	88.5	4.9	0.4	4.5
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	11.6	11.0	4.2	-7.4	-0.6	-6.8
Noncovered sources	4.7	5.0	7.2	2.5	0.3	2.3
Total imports	16.4	16.0	11.5	-4.9	-0.4	-4.5
U.S. imports from:						
Covered sources: <sup>2</sup>						
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> ) <sup>3</sup>	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> ) <sup>3</sup>	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> ) <sup>3</sup>	22,696	23,439	23,668	4.3	3.3	1.0
U.S. producers:						
Average capacity ( <i>quantity</i> )	7,635,237	8,579,041	8,701,618	14.0	12.4	1.4
Production ( <i>quantity</i> )	5,177,644	5,837,256	5,861,837	13.2	12.7	0.4
Capacity utilization <sup>1</sup>	67.8	68.0	67.4	-0.4	0.2	-0.7
U.S. shipments:						
Quantity	4,956,588	5,572,296	5,627,293	13.5	12.4	1.0
Value	1,960,014	2,041,490	2,106,885	7.5	4.2	3.2
Unit value	\$395	\$366	\$374	-5.3	-7.4	2.2
Export shipments:						
Quantity	222,868	187,956	266,202	19.4	-15.7	41.6
Value	91,491	73,612	98,394	7.5	-19.5	33.7
Unit value	\$411	\$392	\$370	-10.0	-4.6	-5.6
Ending inventory ( <i>quantity</i> )	346,258	395,368	362,079	4.6	14.2	-8.4
Inventories/total shipments <sup>1</sup>	6.7	6.9	6.1	-0.5	0.2	-0.7

Table continued. See footnotes at end of table.

**Table C-4--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 <sup>4</sup>	5,005	4,958	4,539	-9.3	-0.9	-8.5
Hours worked <sup>4</sup> (1,000s)	***	***	***	-8.9	-1.5	-7.5
Wages paid <sup>4</sup> (\$1,000)	***	***	***	-4.2	2.9	-6.9
Hourly wages <sup>4</sup>	\$***	\$***	\$***	5.6	4.4	1.1
Productivity <sup>4</sup> (tons/1,000 hours)	***	***	***	25.9	15.8	8.7
Unit labor costs <sup>4</sup>	\$***	\$***	\$***	-16.5	-9.9	-7.3
Net commercial sales:						
Quantity	5,008,421	5,353,285	5,474,277	9.3	6.9	2.3
Value	1,979,495	1,948,264	2,023,130	2.2	-1.6	3.8
Unit value	\$395	\$364	\$370	-6.5	-7.9	1.5
Cost of goods sold (COGS)	2,034,828	2,048,556	2,079,714	2.2	0.7	1.5
Gross profit or (loss)	(55,333)	(100,292)	(56,584)	-2.3	-81.3	43.6
SG&A expenses	98,192	95,297	90,465	-7.9	-2.9	-5.1
Operating income or (loss)	(153,525)	(195,589)	(147,049)	4.2	-27.4	24.8
Capital expenditures	231,716	161,133	37,553	-83.8	-30.5	-76.7
Unit COGS	\$406	\$383	\$380	-6.5	-5.8	-0.7
Unit SG&A expenses	\$20	\$18	\$17	-15.7	-9.2	-7.2
Unit operating income or (loss)	\$(31)	\$(37)	\$(27)	12.4	-19.2	26.5
COGS/sales <sup>1</sup>	102.8	105.1	102.8	0.0	2.4	-2.4
Operating income or (loss)/sales <sup>1</sup>	(7.8)	(10.0)	(7.3)	0.5	-2.3	2.8

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> 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).

<sup>3</sup> Inventories of U.S. imports are based on responses to Commission questionnaires.

<sup>4</sup> \*\*\*. Hourly wages, productivity and unit labor costs are calculated using data of only those firms providing both numerator and denominator information. However, in order to make certain carbon and alloy flat-rolled steel public, hours, wages, and hourly wages are treated as if business proprietary.

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 C-5

## 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	69,852,373	63,814,099	69,157,058	-1.0	-8.6	8.4
Producers' share <sup>1</sup>	91.0	95.0	92.8	1.8	4.0	-2.3
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	5.3	2.9	3.2	-2.1	-2.4	0.4
Noncovered sources	3.7	2.1	4.0	0.3	-1.6	1.9
Total imports	9.0	5.0	7.2	-1.8	-4.0	2.3
U.S. consumption value:						
Amount	19,765,565	16,193,423	21,402,356	8.3	-18.1	32.2
Producers' share <sup>1</sup>	90.3	94.7	92.4	2.1	4.4	-2.3
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	5.8	3.2	3.5	-2.3	-2.6	0.4
Noncovered sources	3.9	2.1	4.1	0.2	-1.8	1.9
Total imports	9.7	5.3	7.6	-2.1	-4.4	2.3
U.S. imports from:						
Covered sources: <sup>2</sup>						
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> ) <sup>3</sup>	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> ) <sup>3</sup>	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> ) <sup>3</sup>	191,242	161,134	250,540	31.0	-15.7	55.5
U.S. producers:						
Average capacity ( <i>quantity</i> )	76,869,172	74,371,412	78,425,790	2.0	-3.2	5.5
Production ( <i>quantity</i> )	63,673,426	60,888,386	65,354,890	2.6	-4.4	7.3
Capacity utilization <sup>1</sup>	82.8	81.9	83.3	0.5	-1.0	1.5
U.S. shipments:						
Quantity	63,565,030	60,636,492	64,155,454	0.9	-4.6	5.8
Value	17,844,679	15,335,694	19,775,888	10.8	-14.1	29.0
Unit value	\$281	\$253	\$308	9.8	-9.9	21.9
Export shipments:						
Quantity	489,273	382,833	914,969	87.0	-21.8	139.0
Value	155,992	115,402	271,289	73.9	-26.0	135.1
Unit value	\$319	\$301	\$297	-7.0	-5.5	-1.6
Ending inventory ( <i>quantity</i> )	2,319,339	2,195,422	1,805,497	-22.2	-5.3	-17.8
Inventories/total shipments <sup>1</sup>	3.6	3.6	2.8	-0.8	0.0	-0.8

Table continued. See footnotes at end of table.

**Table C-5--Continued**  
**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. producers:--Continued						
Production workers <sup>4</sup>	27,588	27,427	24,968	-9.5	-0.6	-9.0
Hours worked <sup>4</sup> (1,000s)	61,006	55,164	54,219	-11.1	-9.6	-1.7
Wages paid <sup>4</sup> (\$1,000)	1,577,142	1,453,680	1,476,556	-6.4	-7.8	1.6
Hourly wages <sup>4</sup>	\$25.85	\$26.35	\$27.23	5.3	1.9	3.3
Productivity <sup>4</sup> (tons/1,000 hours)	***	***	***	16.5	6.4	9.5
Unit labor costs <sup>4</sup>	\$***	\$***	\$***	-9.6	-4.2	-5.6
Net commercial sales:						
Quantity	22,486,258	22,891,606	24,706,971	9.9	1.8	7.9
Value	6,661,823	5,769,302	7,830,022	17.5	-13.4	35.7
Unit value	\$296	\$252	\$317	7.0	-14.9	25.7
Cost of goods sold (COGS)	6,891,180	6,448,054	7,004,646	1.6	-6.4	8.6
Gross profit or (loss)	(229,357)	(678,752)	825,376	( <sup>5</sup> )	-195.9	( <sup>5</sup> )
SG&A expenses	443,984	394,328	448,138	0.9	-11.2	13.6
Operating income or (loss)	(673,341)	(1,073,080)	377,237	( <sup>5</sup> )	-59.4	( <sup>5</sup> )
Capital expenditures	378,371	194,307	158,076	-58.2	-48.6	-18.6
Unit COGS	\$306	\$282	\$284	-7.5	-8.1	0.7
Unit SG&A expenses	\$20	\$17	\$18	-8.1	-12.8	5.3
Unit operating income or (loss)	\$(30)	\$(47)	\$15	( <sup>5</sup> )	-56.5	( <sup>5</sup> )
COGS/sales <sup>1</sup>	103.4	111.8	89.5	-14.0	8.3	-22.3
Operating income or (loss)/sales <sup>1</sup>	(10.1)	(18.6)	4.8	14.9	-8.5	23.4

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> 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).

<sup>3</sup> Inventories of U.S. imports are based on responses to Commission questionnaires.

<sup>4</sup> \*\*\* did not provide employment data. Productivity and unit labor costs are calculated using data of only those firms providing both numerator and denominator information.

<sup>5</sup> 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 C-6

## 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	38,384,784	35,389,381	36,539,905	-4.8	-7.8	3.3
Producers' share <sup>1</sup>	92.5	91.6	95.3	2.8	-0.9	3.7
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	5.4	6.4	1.5	-3.9	1.0	-4.9
Noncovered sources	2.1	2.0	3.2	1.1	-0.1	1.2
Total imports	7.5	8.4	4.7	-2.8	0.9	-3.7
U.S. consumption value:						
Amount	15,567,222	12,875,170	14,863,744	-4.5	-17.3	15.4
Producers' share <sup>1</sup>	91.5	91.6	94.6	3.1	0.1	3.0
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	6.5	6.7	2.3	-4.2	0.2	-4.4
Noncovered sources	2.0	1.7	3.1	1.1	-0.3	1.4
Total imports	8.5	8.4	5.4	-3.1	-0.1	-3.0
U.S. imports from:						
Covered sources: <sup>2</sup>						
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> ) <sup>3</sup>	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> ) <sup>3</sup>	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> ) <sup>3</sup>	250,081	190,008	204,848	-18.1	-24.0	7.8
U.S. producers:						
Average capacity ( <i>quantity</i> )	45,036,069	42,204,169	44,865,169	-0.4	-6.3	6.3
Production ( <i>quantity</i> )	35,934,790	32,953,278	35,860,330	-0.2	-8.3	8.8
Capacity utilization <sup>1</sup>	79.8	78.1	79.9	0.1	-1.7	1.8
U.S. shipments:						
Quantity	35,504,481	32,419,080	34,835,165	-1.9	-8.7	7.5
Value	14,251,059	11,794,652	14,064,455	-1.3	-17.2	19.2
Unit value	\$401	\$364	\$404	0.6	-9.4	11.0
Export shipments:						
Quantity	530,057	529,550	609,972	15.1	-0.1	15.2
Value	278,857	245,998	291,047	4.4	-11.8	18.3
Unit value	\$526	\$465	\$477	-9.3	-11.7	2.7
Ending inventory ( <i>quantity</i> )	1,878,229	1,684,954	1,611,890	-14.2	-10.3	-4.3
Inventories/total shipments <sup>1</sup>	5.2	5.1	4.5	-0.7	-0.1	-0.6

Table continued. See footnotes at end of table.

**Table C-6--Continued**

**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. producers:--Continued						
Production workers <sup>4</sup>	27,674	26,467	23,199	-16.2	-4.4	-12.3
Hours worked <sup>4</sup> (1,000s)	61,091	52,979	49,476	-19.0	-13.3	-6.6
Wages paid <sup>4</sup> (\$1,000)	1,629,793	1,453,709	1,406,946	-13.7	-10.8	-3.2
Hourly wages <sup>4</sup>	\$26.68	\$27.44	\$28.44	6.6	2.9	3.6
Productivity <sup>4</sup> (tons/1,000 hours)	***	***	***	23.0	5.7	16.4
Unit labor costs <sup>4</sup>	***	***	***	-13.4	-2.7	-11.0
Net commercial sales:						
Quantity	14,779,177	12,960,940	14,192,085	-4.0	-12.3	9.5
Value	6,395,805	4,978,896	6,143,547	-3.9	-22.2	23.4
Unit value	\$433	\$384	\$433	0.0	-11.2	12.7
Cost of goods sold (COGS)	6,421,387	5,382,525	5,717,508	-11.0	-16.2	6.2
Gross profit or (loss)	(25,582)	(403,629)	426,040	( <sup>5</sup> )	-1,477.8	( <sup>5</sup> )
SG&A expenses	299,453	244,220	259,256	-13.4	-18.4	6.2
Operating income or (loss)	(325,035)	(647,850)	166,784	( <sup>5</sup> )	-99.3	( <sup>5</sup> )
Capital expenditures	283,354	233,275	117,586	-58.5	-17.7	-49.6
Unit COGS	\$434	\$415	\$403	-7.3	-4.4	-3.0
Unit SG&A expenses	\$20	\$19	\$18	-9.8	-7.0	-3.1
Unit operating income or (loss)	\$(22)	\$(50)	\$12	( <sup>5</sup> )	-127.3	( <sup>5</sup> )
COGS/sales <sup>1</sup>	100.4	108.1	93.1	-7.3	7.7	-15.0
Operating income or (loss)/sales <sup>1</sup>	(5.1)	(13.0)	2.7	7.8	-7.9	15.7

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> 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).

<sup>3</sup> Inventories of U.S. imports are based on responses to Commission questionnaires.

<sup>4</sup> \*\*\* did not provide employment data. Productivity and unit labor costs are calculated using data of only those firms providing both numerator and denominator information.

<sup>5</sup> 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 C-7

## Coated: 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	21,218,984	20,729,880	22,081,665	4.1	-2.3	6.5
Producers' share <sup>1</sup>	89.2	89.1	87.6	-1.7	-0.1	-1.6
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	6.1	5.9	3.8	-2.3	-0.2	-2.1
Noncovered sources	4.7	5.0	8.6	4.0	0.3	3.6
Total imports	10.8	10.9	12.4	1.7	0.1	1.6
U.S. consumption value:						
Amount	11,363,151	10,148,654	11,831,702	4.1	-10.7	16.6
Producers' share <sup>1</sup>	88.8	88.8	87.0	-1.8	0.0	-1.8
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	6.4	6.0	4.3	-2.1	-0.4	-1.7
Noncovered sources	4.7	5.1	8.7	3.9	0.4	3.5
Total imports	11.2	11.2	13.0	1.8	0.0	1.8
U.S. imports from:						
Covered sources: <sup>2</sup>						
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> ) <sup>3</sup>	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> ) <sup>3</sup>	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> ) <sup>3</sup>	251,027	235,377	239,029	-4.8	-6.2	1.6
U.S. producers:						
Average capacity ( <i>quantity</i> )	25,085,424	24,625,776	25,086,790	0.0	-1.8	1.9
Production ( <i>quantity</i> )	19,739,355	19,159,340	20,425,629	3.5	-2.9	6.6
Capacity utilization <sup>1</sup>	78.7	77.8	81.4	2.7	-0.9	3.6
U.S. shipments:						
Quantity	18,936,144	18,474,872	19,332,808	2.1	-2.4	4.6
Value	10,091,493	9,016,238	10,294,174	2.0	-10.7	14.2
Unit value	\$533	\$488	\$532	-0.1	-8.4	9.1
Export shipments:						
Quantity	785,038	771,022	753,597	-4.0	-1.8	-2.3
Value	500,348	485,098	470,841	-5.9	-3.0	-2.9
Unit value	\$637	\$629	\$625	-2.0	-1.3	-0.7
Ending inventory ( <i>quantity</i> )	1,888,019	1,840,569	1,987,490	5.3	-2.5	8.0
Inventories/total shipments <sup>1</sup>	9.6	9.6	9.9	0.3	0.0	0.3

Table continued. See footnotes at end of table.

**Table C-7--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=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 <sup>4</sup>	23,605	23,765	20,065	-15.0	0.7	-15.6
Hours worked <sup>4</sup> (1,000s)	***	***	***	-20.3	-11.8	-9.6
Wages paid <sup>4</sup> (\$1,000)	***	***	***	-13.0	-8.4	-5.0
Hourly wages <sup>4</sup>	\$***	\$***	\$***	9.2	3.8	5.1
Productivity <sup>4</sup> (tons/1,000 hours)	\$***	\$***	\$***	27.8	9.2	17.1
Unit labor costs <sup>4</sup>	***	***	***	-14.6	-4.9	-10.2
Net commercial sales:						
Quantity	19,073,022	18,499,279	19,387,230	1.6	-3.0	4.8
Value	10,278,383	9,196,838	10,456,456	1.7	-10.5	13.7
Unit value	\$539	\$497	\$539	0.1	-7.7	8.5
Cost of goods sold (COGS)	9,885,969	9,170,206	9,555,069	-3.3	-7.2	4.2
Gross profit or (loss)	392,414	26,632	901,387	129.7	-93.2	3,284.7
SG&A expenses	492,425	465,947	463,759	-5.8	-5.4	-0.5
Operating income or (loss)	(100,011)	(439,316)	437,628	<sup>(5)</sup>	-339.3	<sup>(5)</sup>
Capital expenditures	297,776	176,368	193,627	-35.0	-40.8	9.8
Unit COGS	\$518	\$496	\$493	-4.9	-4.4	-0.6
Unit SG&A expenses	\$26	\$25	\$24	-7.3	-2.4	-5.0
Unit operating income or (loss)	\$(5)	\$(24)	\$23	<sup>(5)</sup>	-352.9	<sup>(5)</sup>
COGS/sales <sup>1</sup>	96.2	99.7	91.4	-4.8	3.5	-8.3
Operating income or (loss)/sales <sup>1</sup>	(1.0)	(4.8)	4.2	5.2	-3.8	9.0

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> 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).

<sup>3</sup> Inventories of U.S. imports are based on responses to Commission questionnaires.

<sup>4</sup> \*\*\* did not provide employment data. Productivity and unit labor costs are calculated using data of only those firms providing both numerator and denominator information. However, in order to make certain carbon and alloy flat-rolled steel public, hours, wages, and hourly wages are treated as if business proprietary.

<sup>5</sup> 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.



## **CARBON AND ALLOY LONG STEEL**

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Table C-8

## Hot bar: 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	10,783,208	9,772,803	10,044,818	-6.8	-9.4	2.8
Producers' share <sup>1</sup>	78.6	79.6	81.0	2.4	1.0	1.4
Importers' share: <sup>1</sup>						
Covered sources	7.2	7.2	4.8	-2.4	0.0	-2.5
Noncovered sources	14.2	13.1	14.2	0.0	-1.1	1.1
Total imports	21.4	20.4	19.0	-2.4	-1.0	-1.4
U.S. consumption value:						
Amount	4,441,068	3,824,998	4,005,642	-9.8	-13.9	4.7
Producers' share <sup>1</sup>	77.4	77.9	79.2	1.7	0.5	1.3
Importers' share: <sup>1</sup>						
Covered sources	9.1	9.7	6.6	-2.5	0.5	-3.0
Noncovered sources	13.4	12.4	14.2	0.8	-1.0	1.8
Total imports	22.6	22.1	20.8	-1.7	-0.5	-1.3
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 ( <i>quantity</i> ) <sup>2</sup>	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 ( <i>quantity</i> ) <sup>2</sup>	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 ( <i>quantity</i> ) <sup>2</sup>	98,069	101,068	125,647	28.1	3.1	24.3
U.S. producers:						
Average capacity ( <i>quantity</i> )	11,332,255	11,132,284	11,512,310	1.6	-1.8	3.4
Production ( <i>quantity</i> )	8,729,681	7,967,962	8,322,046	-4.7	-8.7	4.4
Capacity utilization <sup>1</sup>	77.0	71.6	72.3	-4.7	-5.5	0.7
U.S. shipments:						
Quantity	8,477,533	7,782,923	8,137,414	-4.0	-8.2	4.6
Value	3,438,159	2,978,530	3,170,617	-7.8	-13.4	6.4
Unit value	\$406	\$383	\$390	-3.9	-5.6	1.8
Export shipments:						
Quantity	329,826	295,345	324,392	-1.6	-10.5	9.8
Value	128,014	115,160	132,697	3.7	-10.0	15.2
Unit value	\$388	\$390	\$409	5.4	0.5	4.9
Ending inventory ( <i>quantity</i> )	1,140,231	1,023,422	881,743	-22.7	-10.2	-13.8
Inventories/total shipments <sup>1</sup>	12.9	12.7	10.4	-2.5	-0.3	-2.2

Table continued. See footnotes at end of table.

**Table C-8--Continued**

**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. producers:--Continued						
Production workers <sup>3</sup>	8,701	8,037	7,862	-9.6	-7.6	-2.2
Hours worked <sup>3</sup> (1,000s)	17,833	15,803	15,662	-12.2	-11.4	-0.9
Wages paid <sup>3</sup> (\$1,000)	463,527	410,299	410,851	-11.4	-11.5	0.1
Hourly wages <sup>3</sup>	\$25.99	\$25.96	\$26.23	0.9	-0.1	1.0
Productivity <sup>3</sup> (tons/1,000 hours)	***	***	***	8.5	3.0	5.4
Unit labor costs	\$***	\$***	\$***	-7.0	-3.0	-4.1
Net commercial sales:						
Quantity	6,884,052	6,203,548	6,553,814	-4.8	-9.9	5.6
Value	2,814,098	2,381,838	2,562,683	-8.9	-15.4	7.6
Unit value	\$409	\$384	\$391	-4.3	-6.1	1.8
Cost of goods sold (COGS)	2,525,138	2,195,090	2,335,869	-7.5	-13.1	6.4
Gross profit or (loss)	288,960	186,749	226,814	-21.5	-35.4	21.5
SG&A expenses	166,357	147,681	149,302	-10.3	-11.2	1.1
Operating income or (loss)	122,604	39,068	77,512	-36.8	-68.1	98.4
Capital expenditures	82,700	55,005	97,337	17.7	-33.5	77.0
Unit COGS	\$367	\$354	\$356	-2.8	-3.5	0.7
Unit SG&A expenses	\$24	\$24	\$23	-5.7	-1.5	-4.3
Unit operating income or (loss)	\$18	\$6	\$12	-33.6	-64.6	87.8
COGS/sales <sup>1</sup>	89.7	92.2	91.1	1.4	2.4	-1.0
Operating income or (loss)/sales <sup>1</sup>	4.4	1.6	3.0	-1.3	-2.7	1.4
<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points. <sup>2</sup> Inventories of U.S. imports are based on responses to Commission questionnaires. <sup>3</sup> *** did not provide employment data. Productivity and unit labor costs are calculated using data of firms providing both numerator and denominator information.						
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 C-9

## 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	1,989,711	1,694,932	1,715,654	-13.8	-14.8	1.2
Producers' share <sup>1</sup>	85.0	84.3	87.8	2.8	-0.7	3.5
Importers' share: <sup>1</sup>						
Covered sources	10.9	10.7	5.8	-5.1	-0.2	-4.9
Noncovered sources	4.1	5.0	6.4	2.3	0.9	1.4
Total imports	15.0	15.7	12.2	-2.8	0.7	-3.5
U.S. consumption value:						
Amount	1,425,432	1,181,339	1,203,058	-15.6	-17.1	1.8
Producers' share <sup>1</sup>	83.7	82.8	86.4	2.7	-0.9	3.6
Importers' share: <sup>1</sup>						
Covered sources	11.7	11.7	6.7	-5.0	0.0	-5.0
Noncovered sources	4.6	5.5	6.8	2.3	0.9	1.4
Total imports	16.3	17.2	13.6	-2.7	0.9	-3.6
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> ) <sup>2</sup>	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> ) <sup>2</sup>	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> ) <sup>2</sup>	14,557	24,605	19,751	35.7	69.0	-19.7
U.S. producers:						
Average capacity ( <i>quantity</i> )	2,542,755	2,546,230	2,731,288	7.4	0.1	7.3
Production ( <i>quantity</i> )	1,707,553	1,388,878	1,505,558	-11.8	-18.7	8.4
Capacity utilization <sup>1</sup>	67.2	54.5	55.1	-12.0	-12.6	0.6
U.S. shipments:						
Quantity	1,691,219	1,428,510	1,506,047	-10.9	-15.5	5.4
Value	1,193,022	978,430	1,039,535	-12.9	-18.0	6.2
Unit value	\$705	\$685	\$690	-2.2	-2.9	0.8
Export shipments:						
Quantity	19,907	15,313	16,781	-15.7	-23.1	9.6
Value	14,200	10,444	11,271	-20.6	-26.5	7.9
Unit value	\$713	\$682	\$672	-5.8	-4.4	-1.5
Ending inventory ( <i>quantity</i> )	332,232	274,705	286,962	-13.6	-17.3	4.5
Inventories/total shipments <sup>1</sup>	19.4	19.0	18.8	-0.6	-0.4	-0.2

Table continued. See footnotes at end of table.

**Table C-9--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 <sup>3</sup>	2,373	2,114	1,882	-20.7	-10.9	-11.0
Hours worked <sup>3</sup> (1,000s)	5,221	4,430	4,090	-21.7	-15.1	-7.7
Wages paid <sup>3</sup> (\$1,000)	84,038	70,994	68,802	-18.1	-15.5	-3.1
Hourly wages <sup>3</sup>	\$16.10	\$16.02	\$16.82	4.5	-0.5	5.0
Productivity <sup>3</sup> (tons/1,000 hours)	***	***	***	12.5	-4.2	17.4
Unit labor costs	\$***	\$***	\$***	-7.1	3.9	-10.6
Net commercial sales:						
Quantity	929,831	746,519	737,133	-20.7	-19.7	-1.3
Value	623,405	482,049	478,072	-23.3	-22.7	-0.8
Unit value	\$670	\$646	\$649	-3.3	-3.7	0.4
Cost of goods sold (COGS)	565,860	449,121	438,050	-22.6	-20.6	-2.5
Gross profit or (loss)	57,545	32,928	40,023	-30.5	-42.8	21.5
SG&A expenses	42,037	34,807	32,878	-21.8	-17.2	-5.5
Operating income or (loss)	15,508	(1,878)	7,145	-54.0	( <sup>4</sup> )	( <sup>4</sup> )
Capital expenditures	13,771	24,033	10,091	-26.7	74.5	-58.0
Unit COGS	\$609	\$602	\$594	-2.4	-1.1	-1.2
Unit SG&A expenses	\$45	\$47	\$45	-1.3	3.1	-4.3
Unit operating income or (loss)	\$17	\$(3)	\$10	-41.9	( <sup>4</sup> )	( <sup>4</sup> )
COGS/sales <sup>1</sup>	90.8	93.2	91.6	0.9	2.4	-1.5
Operating income or (loss)/sales <sup>1</sup>	2.5	(0.4)	1.5	-1.0	-2.9	1.9
<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points. <sup>2</sup> Inventories of U.S. imports are based on responses to Commission questionnaires. <sup>3</sup> ***. Productivity and unit labor costs are calculated using data of firms providing both numerator and denominator information. <sup>4</sup> 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 C-10

## 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	7,517,055	8,245,062	7,697,542	2.4	9.7	-6.6
Producers' share <sup>1</sup>	79.3	77.5	86.6	7.2	-1.8	9.0
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	15.9	16.6	4.0	-11.9	0.7	-12.6
Noncovered sources	4.8	5.9	9.5	4.7	1.1	3.6
Total imports	20.7	22.5	13.4	-7.2	1.8	-9.0
U.S. consumption value:						
Amount	1,952,776	2,093,845	1,972,862	1.0	7.2	-5.8
Producers' share <sup>1</sup>	82.1	80.7	87.6	5.5	-1.5	6.9
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	13.6	14.0	3.7	-9.9	0.4	-10.4
Noncovered sources	4.3	5.3	8.8	4.5	1.0	3.4
Total imports	17.9	19.3	12.4	-5.5	1.5	-6.9
U.S. imports from:						
Covered sources: <sup>2</sup>						
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> ) <sup>3</sup>	0	1,340	0	0.0	(*)	-100.0
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> ) <sup>3</sup>	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> ) <sup>3</sup>	671	2,955	3,676	447.8	340.4	24.4
U.S. producers:						
Average capacity ( <i>quantity</i> )	8,034,167	8,011,725	8,053,328	0.2	-0.3	0.5
Production ( <i>quantity</i> )	6,076,360	6,360,706	6,651,831	9.5	4.7	4.6
Capacity utilization <sup>1</sup>	75.6	79.4	82.6	7.0	3.8	3.2
U.S. shipments:						
Quantity	5,963,083	6,393,196	6,663,292	11.7	7.2	4.2
Value	1,604,050	1,689,277	1,728,132	7.7	5.3	2.3
Unit value	\$269	\$264	\$259	-3.6	-1.8	-1.8
Export shipments:						
Quantity	156,267	107,001	206,036	31.8	-31.5	92.6
Value	39,406	26,957	50,207	27.4	-31.6	86.2
Unit value	\$252	\$252	\$244	-3.4	-0.1	-3.3
Ending inventory ( <i>quantity</i> )	660,058	632,503	508,353	-23.0	-4.2	-19.6
Inventories/total shipments <sup>1</sup>	10.8	9.7	7.4	-3.4	-1.1	-2.3

Table continued. See footnotes at end of table.

**Table C-10--Continued**

**Rebar: 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	3,672	3,736	3,636	-1.0	1.8	-2.7
Hours worked ( <i>1,000s</i> )	7,919	8,021	7,937	0.2	1.3	-1.0
Wages paid ( <i>\$1,000</i> )	191,534	206,937	212,950	11.2	8.0	2.9
Hourly wages	\$24.19	\$25.80	\$26.83	10.9	6.7	4.0
Productivity ( <i>tons/1,000 hours</i> )	767.3	793.0	838.1	9.2	3.4	5.7
Unit labor costs	\$31.52	\$32.53	\$32.01	1.6	3.2	-1.6
Net commercial sales:						
Quantity	4,981,806	5,264,120	5,646,092	13.3	5.7	7.3
Value	1,346,644	1,397,034	1,466,120	8.9	3.7	4.9
Unit value	\$270	\$265	\$260	-3.9	-1.8	-2.2
Cost of goods sold (COGS)	1,208,510	1,248,056	1,392,800	15.2	3.3	11.6
Gross profit or (loss)	138,134	148,979	73,320	-46.9	7.9	-50.8
SG&A expenses	95,578	95,318	82,870	-13.3	-0.3	-13.1
Operating income or (loss)	42,555	53,660	(9,550)	( <sup>4</sup> )	26.1	( <sup>4</sup> )
Capital expenditures	44,923	27,013	34,952	-22.2	-39.9	29.4
Unit COGS	\$243	\$237	\$247	1.7	-2.3	4.0
Unit SG&A expenses	\$19	\$18	\$15	-23.5	-5.6	-18.9
Unit operating income or (loss)	\$9	\$10	\$(2)	( <sup>4</sup> )	19.3	( <sup>4</sup> )
COGS/sales <sup>1</sup>	89.7	89.3	95.0	5.3	-0.4	5.7
Operating income or (loss)/sales <sup>1</sup>	3.2	3.8	(0.7)	-3.8	0.7	-4.5

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> Although Moldova, Turkey, and Venezuela are generally excluded from the section 203 relief, they are covered sources with respect to imports of rebar.

<sup>3</sup> Inventories of U.S. imports are based on responses to Commission questionnaires.

<sup>4</sup> 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.



## **CARBON AND ALLOY TUBULAR STEEL**

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**Table C-11**

**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	6,429,098	7,005,045	6,268,926	-2.5	9.0	-10.5
Producers' share <sup>1</sup>	61.1	57.3	62.9	1.7	-3.8	5.5
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	18.3	22.6	12.9	-5.4	4.3	-9.7
Noncovered sources	20.5	20.1	24.2	3.7	-0.5	4.2
Total imports	38.9	42.7	37.1	-1.7	3.8	-5.5
U.S. consumption value:						
Amount	3,636,865	3,710,900	3,633,452	-0.1	2.0	-2.1
Producers' share <sup>1</sup>	64.8	59.9	64.4	-0.4	-5.0	4.5
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	16.1	21.2	13.2	-2.9	5.1	-8.0
Noncovered sources	19.1	18.9	22.4	3.3	-0.2	3.5
Total imports	35.2	40.1	35.6	0.4	5.0	-4.5
U.S. imports from:						
Covered sources: <sup>2</sup>						
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> ) <sup>3</sup>	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> ) <sup>3</sup>	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> ) <sup>3</sup>	10,730	13,514	10,442	-2.7	26.0	-22.7
U.S. producers:						
Average capacity ( <i>quantity</i> )	7,519,521	7,441,796	7,744,735	3.0	-1.0	4.1
Production ( <i>quantity</i> )	4,135,729	4,074,940	4,097,957	-0.9	-1.5	0.6
Capacity utilization <sup>1</sup>	55.0	54.8	52.9	-2.1	-0.2	-1.8
U.S. shipments:						
Quantity	3,930,330	4,016,814	3,941,431	0.3	2.2	-1.9
Value	2,357,002	2,221,300	2,339,552	-0.7	-5.8	5.3
Unit value	\$600	\$553	\$594	-1.0	-7.8	7.3
Export shipments:						
Quantity	170,561	137,065	138,700	-18.7	-19.6	1.2
Value	113,433	87,109	89,527	-21.1	-23.2	2.8
Unit value	\$665	\$636	\$645	-2.9	-4.4	1.6
Ending inventory ( <i>quantity</i> )	604,431	546,480	584,311	-3.3	-9.6	6.9
Inventories/total shipments <sup>1</sup>	14.7	13.2	14.3	-0.4	-1.6	1.2

Table continued. See footnotes at end of table.

**Table C-11--Continued**

**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 <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	5,980	5,734	6,014	0.6	-4.1	4.9
Hours worked (1,000s)	12,050	11,552	11,888	-1.3	-4.1	2.9
Wages paid (\$1,000)	230,020	226,295	250,990	9.1	-1.6	10.9
Hourly wages	\$19.09	\$19.59	\$21.11	10.6	2.6	7.8
Productivity (tons/1,000 hours)	343.2	352.8	344.7	0.4	2.8	-2.3
Unit labor costs	\$55.62	\$55.53	\$61.25	10.1	-0.2	10.3
Net commercial sales:						
Quantity	4,009,903	4,045,134	3,977,774	-0.8	0.9	-1.7
Value	2,414,275	2,246,516	2,381,308	-1.4	-6.9	6.0
Unit value	\$602	\$555	\$599	-0.6	-7.8	7.8
Cost of goods sold (COGS)	2,079,771	1,930,635	2,099,695	1.0	-7.2	8.8
Gross profit or (loss)	334,504	315,881	281,613	-15.8	-5.6	-10.8
SG&A expenses	196,713	194,819	203,538	3.5	-1.0	4.5
Operating income or (loss)	137,791	121,062	78,075	-43.3	-12.1	-35.5
Capital expenditures	79,884	61,399	83,790	4.9	-23.1	36.5
Unit COGS	\$519	\$477	\$528	1.8	-8.0	10.6
Unit SG&A expenses	\$49	\$48	\$51	4.3	-1.8	6.2
Unit operating income or (loss)	\$34	\$30	\$20	-42.9	-12.9	-34.4
COGS/sales <sup>1</sup>	86.1	85.9	88.2	2.0	-0.2	2.2
Operating income or (loss)/sales <sup>1</sup>	5.7	5.4	3.3	-2.4	-0.3	-2.1

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.  
<sup>2</sup> Although Thailand is generally exempt from the section 203 relief, it is a covered source with respect to imports of welded.  
<sup>3</sup> 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 C-12**  
**Fittings: 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	281,584	270,354	218,206	-22.5	-4.0	-19.3
Producers' share <sup>1</sup>	47.6	36.4	39.9	-7.6	-11.1	3.5
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	38.9	50.4	45.6	6.7	11.4	-4.7
Noncovered sources	13.5	13.2	14.5	0.9	-0.3	1.2
Total imports	52.4	63.6	60.1	7.6	11.1	-3.5
U.S. consumption value:						
Amount	514,315	522,959	445,364	-13.4	1.7	-14.8
Producers' share <sup>1</sup>	36.3	32.8	36.0	-0.3	-3.4	3.1
Importers' share: <sup>1</sup>						
Covered sources <sup>2</sup>	41.1	45.8	43.6	2.4	4.7	-2.2
Noncovered sources	22.6	21.3	20.4	-2.2	-1.3	-0.9
Total imports	63.7	67.2	64.0	0.3	3.4	-3.1
U.S. imports from:						
Covered sources: <sup>2</sup>						
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> ) <sup>3</sup>	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> ) <sup>3</sup>	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> ) <sup>3</sup>	5,893	10,612	10,501	78.2	80.1	-1.0
U.S. producers:						
Average capacity ( <i>quantity</i> )	186,531	183,345	162,978	-12.6	-1.7	-11.1
Production ( <i>quantity</i> )	134,192	99,037	91,029	-32.2	-26.2	-8.1
Capacity utilization <sup>1</sup>	71.9	54.0	55.9	-16.1	-17.9	1.8
U.S. shipments:						
Quantity	133,915	98,431	87,085	-35.0	-26.5	-11.5
Value	186,603	171,781	160,289	-14.1	-7.9	-6.7
Unit value	\$1,393	\$1,745	\$1,841	32.1	25.2	5.5
Export shipments:						
Quantity	6,212	4,248	3,991	-35.7	-31.6	-6.1
Value	8,648	6,819	6,739	-22.1	-21.1	-1.2
Unit value	\$1,392	\$1,605	\$1,689	21.3	15.3	5.2
Ending inventory ( <i>quantity</i> )	42,958	38,924	37,990	-11.6	-9.4	-2.4
Inventories/total shipments <sup>1</sup>	30.7	37.9	41.7	11.1	7.3	3.8

Table continued. See footnotes at end of table.

**Table C-12--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 <sup>4</sup>	1,523	1,410	1,272	-16.5	-7.4	-9.8
Hours worked <sup>4</sup> (1,000s)	3,065	2,835	2,575	-16.0	-7.5	-9.2
Wages paid <sup>4</sup> (\$1,000)	44,005	41,442	38,875	-11.7	-5.8	-6.2
Hourly wages <sup>4</sup>	\$14.36	\$14.62	\$15.10	5.2	1.8	3.3
Productivity <sup>4</sup> (tons/1,000 hours)	***	***	***	-19.3	-20.2	1.2
Unit labor costs <sup>4</sup>	\$***	\$***	\$***	30.2	27.6	2.1
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)	***	***	***	( <sup>5</sup> )	( <sup>5</sup> )	-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)	\$***	\$***	\$***	( <sup>5</sup> )	( <sup>5</sup> )	-9.4
COGS/sales <sup>1</sup>	***	***	***	-11.9	-11.7	-0.2
Operating income or (loss)/sales <sup>1</sup>	***	***	***	9.2	10.1	-0.9
<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points. <sup>2</sup> Although India, Romania, and Turkey are generally exempt from the section 203 relief, they are covered sources with respect to imports of fittings. <sup>3</sup> Inventories of U.S. imports are based on responses to Commission questionnaires. <sup>4</sup> ***. Hourly wages, productivity, and unit labor costs are calculated using data of firms providing both numerator and denominator information. <sup>5</sup> 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.						



## STAINLESS STEEL

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Table C-13

## 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	306,921	254,107	238,103	-22.4	-17.2	-6.3
Producers' share <sup>1</sup>	53.2	57.3	58.1	5.0	4.1	0.9
Importers' share: <sup>1</sup>						
Covered sources	38.4	32.6	26.8	-11.7	-5.9	-5.8
Noncovered sources	8.4	10.2	15.1	6.7	1.8	4.9
Total imports	46.8	42.7	41.9	-5.0	-4.1	-0.9
U.S. consumption value:						
Amount	896,689	739,070	635,178	-29.2	-17.6	-14.1
Producers' share <sup>1</sup>	62.3	64.7	64.6	2.3	2.4	-0.2
Importers' share: <sup>1</sup>						
Covered sources	31.6	27.6	23.7	-7.9	-4.0	-3.9
Noncovered sources	6.1	7.7	11.7	5.6	1.6	4.0
Total imports	37.7	35.3	35.4	-2.3	-2.4	0.2
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> ) <sup>2</sup>	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> ) <sup>2</sup>	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> ) <sup>2</sup>	12,479	11,703	11,458	-8.2	-6.2	-2.1
U.S. producers:						
Average capacity ( <i>quantity</i> )	230,052	232,799	235,445	2.3	1.2	1.1
Production ( <i>quantity</i> )	167,316	146,532	142,686	-14.7	-12.4	-2.6
Capacity utilization <sup>1</sup>	72.7	62.9	60.6	-12.1	-9.8	-2.3
U.S. shipments:						
Quantity	163,149	145,480	138,389	-15.2	-10.8	-4.9
Value	558,532	478,373	410,165	-26.6	-14.4	-14.3
Unit value	\$3,423	\$3,288	\$2,964	-13.4	-3.9	-9.9
Export shipments:						
Quantity	6,545	5,300	6,070	-7.3	-19.0	14.5
Value	27,376	23,048	24,487	-10.6	-15.8	6.2
Unit value	\$4,183	\$4,349	\$4,034	-3.6	4.0	-7.2
Ending inventory ( <i>quantity</i> )	23,237	18,989	17,215	-25.9	-18.3	-9.3
Inventories/total shipments <sup>1</sup>	13.7	12.6	11.9	-1.8	-1.1	-0.7

Table continued. See footnotes at end of table.

**Table C-13--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 <sup>3</sup>	1,833	1,538	1,252	-31.7	-16.1	-18.6
Hours worked <sup>3</sup> (1,000s)	3,871	3,007	2,370	-38.8	-22.3	-21.2
Wages paid <sup>3</sup> (\$1,000)	91,729	67,319	53,406	-41.8	-26.6	-20.7
Hourly wages <sup>3</sup>	\$23.66	\$22.27	\$22.27	-5.9	-5.8	0.0
Productivity <sup>3</sup> (tons/1,000 hours)	***	***	***	33.3	8.4	23.0
Unit labor costs <sup>3</sup>	\$***	\$***	\$***	-32.0	-14.3	-20.6
Net commercial sales:						
Quantity	166,891	148,406	142,580	-14.6	-11.1	-3.9
Value	577,077	493,821	428,903	-25.7	-14.4	-13.1
Unit value	\$3,458	\$3,328	\$3,008	-13.0	-3.8	-9.6
Cost of goods sold (COGS)	520,011	472,280	427,267	-17.8	-9.2	-9.5
Gross profit or (loss)	57,066	21,541	1,636	-97.1	-62.3	-92.4
SG&A expenses	36,195	38,242	35,332	-2.4	5.7	-7.6
Operating income or (loss)	20,871	(16,701)	(33,696)	( <sup>4</sup> )	( <sup>4</sup> )	-101.8
Capital expenditures	34,007	16,381	9,042	-73.4	-51.8	-44.8
Unit COGS	\$3,116	\$3,182	\$2,997	-3.8	2.1	-5.8
Unit SG&A expenses	\$217	\$258	\$248	14.3	18.8	-3.8
Unit operating income or (loss)	\$125	\$(113)	\$(236)	( <sup>4</sup> )	( <sup>4</sup> )	-110.0
COGS/sales <sup>1</sup>	90.1	95.6	99.6	9.5	5.5	4.0
Operating income or (loss)/sales <sup>1</sup>	3.6	(3.4)	(7.9)	-11.5	-7.0	-4.5

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> Inventories of U.S. imports are based on responses to Commission questionnaires.

<sup>3</sup> \*\*\*. Hourly wages, productivity, and unit labor costs are calculated using data of firms providing both numerator and denominator information.

<sup>4</sup> 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 C-14**  
**Stainless rod: Summary data concerning the U.S. market, April 2000-March 2003**

\* \* \* \* \*

Table C-15

## 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	76,162	66,751	71,969	-5.5	-12.4	7.8
Producers' share <sup>1</sup>	58.1	53.1	53.8	-4.3	-4.9	0.7
Importers' share: <sup>1</sup>						
Covered sources	36.7	40.1	34.8	-1.9	3.4	-5.3
Noncovered sources	5.3	6.8	11.4	6.2	1.5	4.7
Total imports	41.9	46.9	46.2	4.3	4.9	-0.7
U.S. consumption value:						
Amount	309,339	248,534	255,456	-17.4	-19.7	2.8
Producers' share <sup>1</sup>	61.7	59.6	60.4	-1.2	-2.1	0.8
Importers' share: <sup>1</sup>						
Covered sources	35.3	36.9	33.7	-1.7	1.6	-3.2
Noncovered sources	3.0	3.5	5.9	2.9	0.5	2.4
Total imports	38.3	40.4	39.6	1.2	2.1	-0.8
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> ) <sup>2</sup>	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> ) <sup>2</sup>	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> ) <sup>2</sup>	1,894	3,144	2,433	28.5	66.0	-22.6
U.S. producers:						
Average capacity ( <i>quantity</i> )	72,749	73,686	75,996	4.5	1.3	3.1
Production ( <i>quantity</i> )	45,446	34,079	39,175	-13.8	-25.0	15.0
Capacity utilization <sup>1</sup>	62.5	46.2	51.5	-10.9	-16.2	5.3
U.S. shipments:						
Quantity	44,215	35,456	38,718	-12.4	-19.8	9.2
Value	190,713	148,111	154,365	-19.1	-22.3	4.2
Unit value	\$4,313	\$4,177	\$3,987	-7.6	-3.2	-4.6
Export shipments:						
Quantity	892	626	685	-23.2	-29.8	9.4
Value	4,537	3,388	3,518	-22.5	-25.3	3.8
Unit value	\$5,086	\$5,412	\$5,136	1.0	6.4	-5.1
Ending inventory ( <i>quantity</i> )	8,751	6,480	6,641	-24.1	-25.9	2.5
Inventories/total shipments <sup>1</sup>	19.4	18.0	16.9	-2.5	-1.4	-1.1

Table continued. See footnotes at end of table.

**Table C-15--Continued**

**Stainless wire: 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. producers:--Continued						
Production workers <sup>3</sup>	769	630	578	-24.8	-18.1	-8.3
Hours worked <sup>3</sup> (1,000s)	1,552	1,261	1,134	-27.0	-18.8	-10.1
Wages paid <sup>3</sup> (\$1,000)	25,004	19,572	18,608	-25.6	-21.7	-4.9
Hourly wages <sup>3</sup>	\$16.11	\$15.53	\$16.41	1.9	-3.6	5.7
Productivity <sup>3</sup> (tons/1,000 hours)	***	***	***	16.0	-7.7	25.6
Unit labor costs <sup>3</sup>	\$***	\$***	\$***	-12.1	4.4	-15.8
Net commercial sales:						
Quantity	44,283	35,221	38,375	-13.3	-20.5	9.0
Value	189,810	146,419	152,025	-19.9	-22.9	3.8
Unit value	\$4,286	\$4,157	\$3,962	-7.6	-3.0	-4.7
Cost of goods sold (COGS)	161,847	136,154	140,786	-13.0	-15.9	3.4
Gross profit or (loss)	27,963	10,265	11,240	-59.8	-63.3	9.5
SG&A expenses	21,138	18,306	17,781	-15.9	-13.4	-2.9
Operating income or (loss)	6,825	(8,040)	(6,541)	( <sup>4</sup> )	( <sup>4</sup> )	18.6
Capital expenditures	8,823	7,154	2,646	-70.0	-18.9	-63.0
Unit COGS	\$3,655	\$3,866	\$3,669	0.4	5.8	-5.1
Unit SG&A expenses	\$477	\$520	\$463	-2.9	8.9	-10.9
Unit operating income or (loss)	\$154	\$(228)	\$(170)	( <sup>4</sup> )	( <sup>4</sup> )	25.3
COGS/sales <sup>1</sup>	85.3	93.0	92.6	7.3	7.7	-0.4
Operating income or (loss)/sales <sup>1</sup>	3.6	(5.5)	(4.3)	-7.9	-9.1	1.2

<sup>1</sup> "Reported data" are in percent and "period changes" are in percentage points.

<sup>2</sup> Inventories of U.S. imports are based on responses to Commission questionnaires.

<sup>3</sup>\*\*\*. Productivity and unit labor costs are calculated using data of firms providing both numerator and denominator information.

<sup>4</sup> 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**

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### **MANUFACTURING PROCESSES, PRODUCT DESCRIPTIONS, AND USES**



# MANUFACTURING PROCESSES, BROAD PRODUCT DESCRIPTIONS, AND USES<sup>1</sup>

## 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 by either the integrated or nonintegrated process.<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> The hot metal is processed into steel when oxygen is blown into the metal bath. Lime is added to serve as a fluxing<sup>5</sup> 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 ladle<sup>6</sup> to be transported to a ladle metallurgy (or secondary steelmaking) station, and then to casting.

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.<sup>7</sup> 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 of sheet steel may be reduced further by subsequent hydrogen annealing of the coiled steel, the steel’s essential chemical characteristics are established prior to the casting stage.

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

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

<sup>3</sup> 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.

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

<sup>5</sup> A flux is a substance added to the molten steel for purification purposes.

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

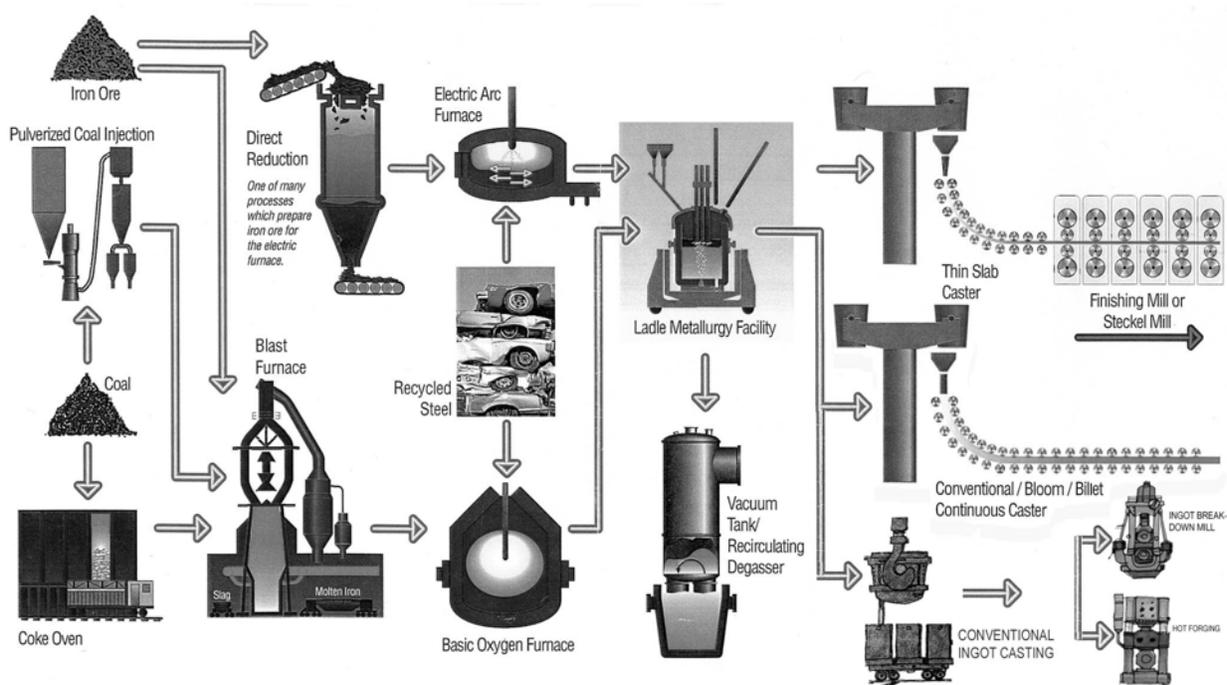
<sup>7</sup> The goals of secondary steelmaking include controlling gases (e.g., decreasing the concentration of oxygen, hydrogen, and nitrogen, called degassing), reducing sulfur, removing undesirable nonmetallic inclusions such as oxides and sulfides, changing the composition and/or shape of oxides 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*, 10<sup>th</sup> edition, p. 671.

## Casting Stage

Following the production of molten steel with the desired properties, the steel typically is 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.<sup>8</sup> Producers also formerly used ingot teeming to cast steel, but continuous casting is now the preferred, lower-cost method. 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 D-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 of the bottom portion of the mold. The solidified steel is cut off below the mold into the desired lengths for further processing.

**Figure D-1**  
**Steelmaking flowchart**



Source: AISI.

<sup>8</sup> Billets and blooms may also have non-rectangular cross-sections.

Although continuous casting is used by most steelmakers worldwide, some steel is cast into ingots before processing into semifinished forms (also depicted in figure D-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 can 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 forms of steel produced directly and indirectly from slabs include the following:

- **Cut-to-length or discrete plate**—Flat-rolled steel 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 steel**—Flat-rolled steel 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 24 inches or more while strip is narrower.
- **Cold-rolled steel**—Hot-rolled steel that is subsequently cold-rolled, improving the steel’s surface quality and strength.
- **Corrosion-resistant and other coated steel**—For hot-dipped zinc or aluminum coatings, sheet and strip are cleaned so the coating will adhere to the steel, then placed in 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 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 or chromium in a process similar to electrogalvanizing.
- **Welded pipe**—Welded pipe is produced indirectly 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.

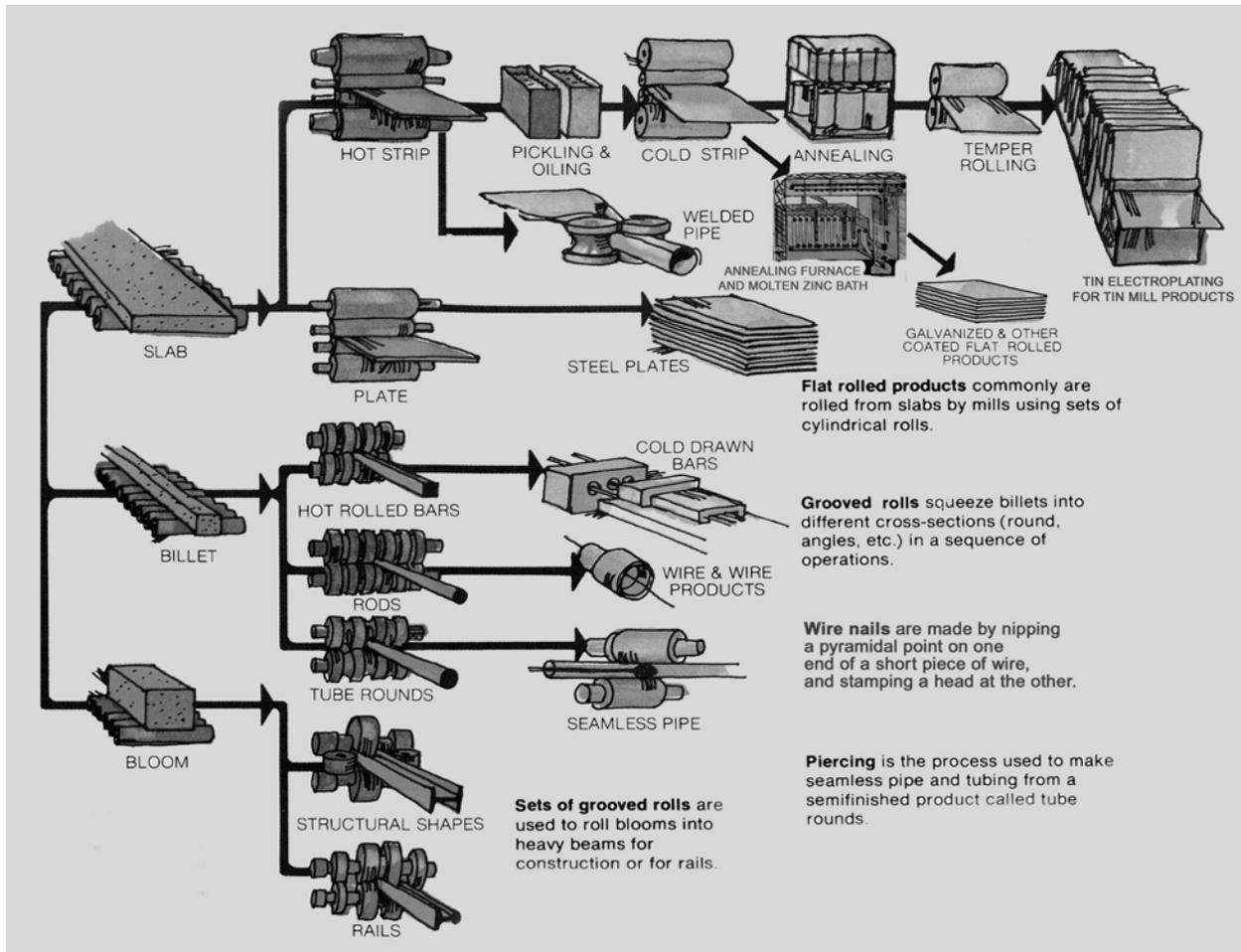
### **Blooms and Billets**

Blooms and billets generally are 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**—Rebar is 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, and 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 also typically are 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 D-2.

**Figure D-2**  
**Steel processing flowchart**



Source: AISI.

## USES

Table D-1 presents information on the primary end markets for major forms of subject steel.

**Table D-1**  
**Major markets for various subject steel products and forms**

Item	End use markets
<b>Flat:</b>	
Slab	Hot-rolled steel producers
Plates (uncoated)	Construction, automotive, rail transportation, and construction and materials-handling equipment
Hot-rolled sheet and strip	Automotive, construction, and welded tubular
Cold-rolled sheet and strip	Automotive, electrical equipment, appliances, utensils and cutlery, other domestic and commercial equipment, construction
Corrosion-resistant sheet and strip	Automotive, construction
Tin mill	Automotive; containers, packaging and shipping material
<b>Long:</b>	
Hot-rolled bars and light shapes	Construction, automotive
Cold-finished bar and light shapes	Automotive, machinery
Rebar	Non-residential building and road construction
<b>Tubular:</b>	
Welded tubular pipe (standard pipe / large diameter line pipe / mechanical pipe)	Oil and gas industry, electrical equipment, construction / oil and gas industry / construction and automotive
Flanges and fittings	Oil and gas industry, electrical equipment, construction, and automotive
<b>Stainless steel:</b>	
Stainless steel bar and light shapes	Aerospace equipment, power generation machinery, petrochemical machinery, and other capital machinery
Stainless steel rod	Stainless steel wire, aerospace equipment, power generation machinery, petrochemical machinery, and other capital machinery
Stainless steel wire	Fasteners, medical equipment, machinery
Source: Based upon AISI, <i>Annual Statistical Report 2002</i> , table 11 ("Net Shipments of Steel Mill Products by Market Classifications, All Grades), pp. 30.31.	

## TECHNOLOGY TRENDS

For the decade beginning in 1991, the development and implementation of new technologies were 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 over the past decade 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 has been 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 shutdown 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 practical in a minimill 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.

## **APPENDIX E**

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### **U.S. PRODUCERS' POSITIONS WITH RESPECT TO THE SECTION 203 RELIEF**



**Table E-1**

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

\* \* \* \* \*

**Table E-2**

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

\* \* \* \* \*

**Table E-3**

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

\* \* \* \* \*

**Table E-4**

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

\* \* \* \* \*



## **APPENDIX F**

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### **ADDITIONAL FLAT STEEL TABLES**



**SLAB**

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**Table F-1**

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

Item	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003
<b>Quantity (short tons)</b>			
Capacity	68,381,515	66,854,548	69,565,244
Production	59,277,687	57,019,459	60,393,082
Internal consumption/transfers	58,914,102	57,138,046	60,193,563
U.S. commercial shipments	94,878	163,925	736,687
U.S. shipments	59,008,980	57,301,971	60,930,250
Export shipments	12,023	37,308	57,167
Total shipments	59,021,003	57,339,279	60,987,417
Ending inventories	2,518,204	2,277,739	2,239,626
<b>Value (\$1,000)</b>			
Internal consumption/transfers	13,130,938	12,243,314	13,349,838
U.S. commercial shipments	19,717	37,138	170,612
U.S. shipments	13,150,655	12,280,452	13,520,450
Export shipments	2,615	7,279	12,463
Total shipments	13,153,270	12,287,731	13,532,913
<b>Unit value (per short ton)</b>			
Internal consumption/transfers	223	214	222
U.S. commercial shipments	208	227	232
U.S. shipments	223	214	222
Export shipments	217	195	218
Total shipments	223	214	222
<b>Ratios and shares (percent)</b>			
Capacity utilization	86.7	85.3	86.8
U.S. shipments to distributors	1.1	1.6	4.5
U.S. shipments to end users	98.9	98.4	95.5
Inventories/total shipments	4.3	4.0	3.7
<b>Employment data<sup>1</sup></b>			
PRWs <sup>2</sup> (number)	17,264	16,876	16,813
Hours worked (1,000)	37,140	35,465	36,388
Wages paid (\$1,000)	970,827	948,109	998,839
Hourly wages	\$26.14	\$26.73	\$27.45
Productivity (short tons/1,000 hours)	***	***	***
Unit labor costs (per short ton)	\$***	\$***	\$***
<p><sup>1</sup> *** did not provide employment data. Productivity and unit labor costs are calculated using data of only those firms providing both numerator and denominator information.</p> <p><sup>2</sup> Production and related workers.</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.</p>			

Table F-2

## Slab: Results of operations of U.S. producers, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
<b>Quantity (short tons)</b>			
Net commercial sales	106,902	201,234	793,854
<b>Value (\$1,000)</b>			
Net commercial sales	22,332	44,417	183,075
COGS	23,879	45,829	175,862
Gross profit or (loss)	(1,547)	(1,412)	7,213
SG&A expenses	2,683	3,536	13,920
Operating income or (loss)	(4,230)	(4,948)	(6,707)
Interest expense	1,284	1,699	8,778
Other (income)/expenses, net	(593)	(1,411)	(62)
Net income or (loss)	(4,921)	(5,236)	(15,423)
Depreciation/amortization	1,836	1,564	11,600
Cash flow	(3,085)	(3,672)	(3,823)
CDSOA funds received	0	0	0
Pension (credit)/expense	219	310	26,612
Other post-employment benefits	221	411	15,008
Capital expenditures	214,164	1,204	4,254
R&D expenses	5,782	4,991	5,308
<b>Ratio to net commercial sales (percent)</b>			
COGS	106.9	103.2	96.1
Gross profit or (loss)	(6.9)	(3.2)	3.9
SG&A expenses	12.0	8.0	7.6
Operating income or (loss)	(18.9)	(11.1)	(3.7)
Net income or (loss)	(22.0)	(11.8)	(8.4)
<b>Unit value (per short ton)</b>			
Net commercial sales	\$209	\$221	\$231
COGS total	223	228	222
Raw materials	121	98	113
Direct labor	40	44	49
Other factory costs	62	86	59
Gross profit or (loss)	(14)	(7)	9
SG&A expenses	25	18	18
Operating income or (loss)	(40)	(25)	(8)
<b>Number of firms reporting</b>			
Operating Losses	5	5	5
Data	7	7	9
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table F-3**  
**Slab: U.S. imports, by sources, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	Period change from period 2 to period 3
	<b>Quantity (short tons)</b>			<b>Percent</b>
Covered sources <sup>1</sup>	4,526,237	5,075,704	4,539,802	-10.6
Noncovered sources: <sup>2</sup>				
Mexico	1,559,891	1,203,234	2,183,195	81.4
All others	337,311	306,039	299,574	-2.1
Subtotal (noncovered)	1,897,202	1,509,273	2,482,769	64.5
Total (all imports)	6,423,439	6,584,977	7,022,570	6.6
	<b>Landed, duty paid value (\$1,000)</b>			
Covered sources <sup>1</sup>	962,734	837,269	939,733	12.2
Noncovered sources: <sup>2</sup>				
Mexico	349,123	231,877	487,944	110.4
All others	73,225	52,901	69,450	31.3
Subtotal (noncovered)	422,348	284,778	557,394	95.7
Total (all imports)	1,385,081	1,122,047	1,497,127	33.4
	<b>Unit value (per short ton)</b>			
Covered sources <sup>1</sup>	\$213	\$165	\$207	25.5
Noncovered sources: <sup>2</sup>				
Mexico	224	193	223	16.0
All others	217	173	232	34.1
Average (noncovered)	223	189	225	19.0
Average (all imports)	216	170	213	25.1
	<b>Share of total imports based on quantity (percent)</b>			<b>Percentage point</b>
Covered sources <sup>1</sup>	70.5	77.1	64.6	-12.4
Noncovered sources: <sup>2</sup>				
Mexico	24.3	18.3	31.1	12.8
All others	5.3	4.6	4.3	-0.4
Subtotal (noncovered)	29.5	22.9	35.4	12.4
Total (all imports)	100.0	100.0	100.0	0.0
	<b>Ratio of imports to production (percent)</b>			
Covered sources <sup>1</sup>	7.6	8.9	7.5	-1.4
Noncovered sources	3.2	2.6	4.1	1.5
Total	10.8	11.5	11.6	0.1

<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of slab.

<sup>2</sup> Noncovered sources accounting for 3 percent or more of total U.S. imports (based on quantity) in April 2002-March 2003 are itemized.

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

Source: Compiled from official statistics of Commerce.

**Table F-4**

**Slab: U.S. imports from covered sources, by tariff categories, April 2002-March 2003**

\* \* \* \* \*

**Table F-5**

**Slab: U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003**

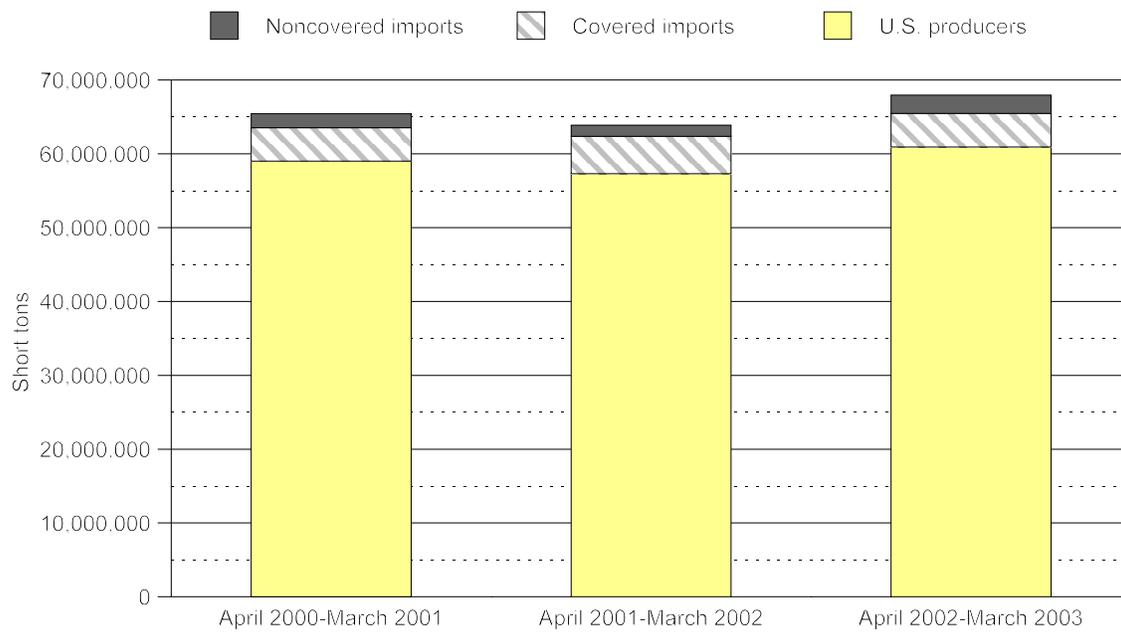
Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Covered sources: <sup>1</sup>			
U.S. shipments of imports	4,286,123	5,061,690	4,934,199
End-of-period inventories	621,348	883,214	701,319
Noncovered sources:			
U.S. shipments of imports	2,593,120	2,835,350	3,333,901
End-of-period inventories	338,592	326,524	366,701
Total:			
U.S. shipments of imports	6,879,243	7,897,040	8,268,100
End-of-period inventories	959,940	1,209,738	1,068,020
	<b>Ratio of inventories to U.S. shipments of imports (percent)</b>		
Covered sources	14.5	17.4	14.2
Noncovered sources	13.1	11.5	11.0
Average	14.0	15.3	12.9
<p><sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of slab.</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.</p>			

**Table F-6**

**Slab: 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
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	59,008,980	57,301,971	60,930,250
U.S. imports from:			
Covered sources <sup>1</sup>	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	65,432,419	63,886,948	67,952,820
	<b>Value (\$1,000)</b>		
U.S. producers' U.S. shipments	13,150,655	12,280,452	13,520,450
U.S. imports from:			
Covered sources <sup>1</sup>	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	14,535,736	13,402,499	15,017,577
	<b>U.S. market share based on quantity (percent)</b>		
U.S. producers' U.S. shipments	90.2	89.7	89.7
U.S. imports from:			
Covered sources <sup>1</sup>	6.9	7.9	6.7
Noncovered sources	2.9	2.4	3.7
Total U.S. imports	9.8	10.3	10.3
	<b>U.S. market share based on value (percent)</b>		
U.S. producers' U.S. shipments	90.5	91.6	90.0
U.S. imports from:			
Covered sources <sup>1</sup>	6.6	6.2	6.3
Noncovered sources	2.9	2.1	3.7
Total U.S. imports	9.5	8.4	10.0
<p><sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of slab.</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>			

**Figure F-1**  
**Slab: Apparent U.S. consumption, by sources, April 2000-March 2003**



Source: Table F-6.



## PLATE

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Table F-7

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

Item	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003
	<b>Quantity (short tons)</b>		
Capacity	7,635,237	8,579,041	8,701,618
Production	5,177,644	5,837,256	5,861,837
Internal consumption/transfers	169,833	405,876	418,596
U.S. commercial shipments	4,786,755	5,166,420	5,208,697
U.S. shipments	4,956,588	5,572,296	5,627,293
Export shipments	222,868	187,956	266,202
Total shipments	5,179,456	5,760,252	5,893,495
Ending inventories	346,258	395,368	362,079
	<b>Value (\$1,000)</b>		
Internal consumption/transfers	72,010	166,838	182,149
U.S. commercial shipments	1,888,004	1,874,652	1,924,736
U.S. shipments	1,960,014	2,041,490	2,106,885
Export shipments	91,491	73,612	98,394
Total shipments	2,051,505	2,115,102	2,205,279
	<b>Unit value (per short ton)</b>		
Internal consumption/transfers	424	411	435
U.S. commercial shipments	394	363	370
U.S. shipments	395	366	374
Export shipments	411	392	370
Total shipments	396	367	374
	<b>Ratios and shares (percent)</b>		
Capacity utilization	67.8	68.0	67.4
U.S. shipments to distributors	54.4	58.2	60.6
U.S. shipments to end users	45.6	41.8	39.4
Inventories/total shipments	6.7	6.9	6.1
	<b>Employment data<sup>1</sup></b>		
PRWs <sup>2</sup> (number)	5,005	4,958	4,539
Hours worked (1,000)	***	***	***
Wages paid (\$1,000)	***	***	***
Hourly wages	\$***	\$***	\$***
Productivity (short tons/1,000 hours)	***	***	***
Unit labor costs (per short ton)	\$***	\$***	\$***
<p><sup>1</sup> ***. Hourly wages, productivity and unit labor costs are calculated using data of only those firms providing both numerator and denominator information. In order to make certain carbon and alloy flat-rolled steel public, hours and wages are treated as if business proprietary.</p> <p><sup>2</sup> Production and related workers.</p>			
Note—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Table F-8

## Plate: Results of operations of U.S. producers, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
<b>Quantity (short tons)</b>			
Net commercial sales	5,008,421	5,353,285	5,474,277
<b>Value (\$1,000)</b>			
Net commercial sales	1,979,495	1,948,264	2,023,130
COGS	2,034,828	2,048,556	2,079,714
Gross profit or (loss)	(55,333)	(100,292)	(56,584)
SG&A expenses	98,192	95,297	90,465
Operating income or (loss)	(153,525)	(195,589)	(147,049)
Interest expense	75,078	72,294	58,938
Other (income)/expenses, net	(3,317)	(11,739)	407
Net income or (loss)	(225,286)	(256,144)	(206,394)
Depreciation/amortization	96,980	122,837	124,135
Cash flow	(128,306)	(133,307)	(82,259)
CDSOA funds received	0	1,185	459
Pension (credit)/expense	22,986	29,747	25,089
Other post-employment benefits	55,646	54,083	46,138
Capital expenditures	231,716	161,133	37,553
R&D expenses	4,587	3,945	2,837
<b>Ratio to net commercial sales (percent)</b>			
COGS	102.8	105.1	102.8
Gross profit or (loss)	(2.8)	(5.1)	(2.8)
SG&A expenses	5.0	4.9	4.5
Operating income or (loss)	(7.8)	(10.0)	(7.3)
Net income or (loss)	(11.4)	(13.1)	(10.2)
<b>Unit value (per short ton)</b>			
Net commercial sales	\$395	\$364	\$370
COGS total	406	383	380
Raw materials	191	167	174
Direct labor	55	52	46
Other factory costs	161	164	161
Gross profit or (loss)	(11)	(19)	(10)
SG&A expenses	20	18	17
Operating income or (loss)	(31)	(37)	(27)
<b>Number of firms reporting</b>			
Operating Losses	9	9	7
Data	14	14	14
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table F-9**  
**Plate: U.S. imports, by sources, April 2000-March 2003<sup>1</sup>**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	Period change from period 2 to period 3
	<b>Quantity (short tons)</b>			<b>Percent</b>
Covered sources <sup>1</sup>	652,347	652,737	195,241	-70.1
Noncovered sources: <sup>2</sup>				
Bulgaria	16,223	31,625	27,169	-14.1
Canada	185,355	231,351	259,355	12.1
Czech Republic	43,141	19,875	68,458	244.4
Romania	2,728	16,660	100,753	504.8
Subtotal	247,447	299,511	455,735	52.2
All others	64,804	58,535	38,093	-34.9
Subtotal (noncovered)	312,251	358,046	493,828	37.9
Total (all imports)	964,598	1,010,784	689,068	-31.8
	<b>Landed, duty paid value (\$1,000)</b>			
Covered sources <sup>1</sup>	272,760	267,483	100,955	-62.3
Noncovered sources: <sup>2</sup>				
Bulgaria	4,799	7,527	7,083	-5.9
Canada	71,861	86,225	100,916	17.0
Czech Republic	12,680	7,084	23,136	226.6
Romania	1,824	3,769	29,302	677.4
Subtotal	91,164	104,605	160,437	53.4
All others	19,302	16,196	11,638	-28.1
Subtotal (noncovered)	110,466	120,801	172,075	42.4
Total (all imports)	383,226	388,284	273,030	-29.7
	<b>Unit value (per short ton)</b>			
Covered sources <sup>1</sup>	\$418	\$410	\$517	26.2
Noncovered sources: <sup>2</sup>				
Bulgaria	296	238	261	9.5
Canada	388	373	389	4.4
Czech Republic	294	356	338	-5.2
Romania	669	226	291	28.6
Average	368	349	352	0.8
All others	298	277	306	10.4
Average (noncovered)	354	337	348	3.3
Average (all imports)	397	384	396	3.1
	<b>Share of total imports based on quantity (percent)</b>			<b>Percentage point</b>
Covered sources <sup>1</sup>	67.6	64.6	28.3	-36.2
Noncovered sources: <sup>2</sup>				
Bulgaria	1.7	3.1	3.9	0.8
Canada	19.2	22.9	37.6	14.8
Czech Republic	4.5	2.0	9.9	8.0
Romania	0.3	1.6	14.6	13.0
Subtotal	25.7	29.6	66.1	36.5
All others	6.7	5.8	5.5	-0.3
Subtotal	32.4	35.4	71.7	36.2
Total	100.0	100.0	100.0	0.0
	<b>Ratio of imports to production (percent)</b>			
Covered sources <sup>1</sup>	12.6	11.2	3.3	-7.9
Noncovered sources	6.0	6.1	8.4	2.3
Total	18.6	17.3	11.8	-5.6

<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of plate.  
<sup>2</sup> Noncovered sources accounting for 3 percent or more of total U.S. imports (based on quantity) in April 2002-March 2003 are itemized.

Source: Compiled from official statistics of Commerce.

**Table F-10**

**Plate: U.S. imports from covered sources, by tariff categories, April 2002-March 2003**

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**Table F-11**

**Plate: U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Covered sources: <sup>1</sup>			
U.S. shipments of imports	346,752	398,486	150,246
End-of-period inventories	18,406	20,198	19,453
Noncovered sources:			
U.S. shipments of imports	180,253	228,456	280,544
End-of-period inventories	4,290	3,241	4,215
Total:			
U.S. shipments of imports	527,005	626,942	430,790
End-of-period inventories	22,696	23,439	23,668
	<b>Ratio of inventories to U.S. shipments of imports (percent)</b>		
Covered sources	5.3	5.1	12.9
Noncovered sources	2.4	1.4	1.5
Average	4.3	3.7	5.5

<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of plate.

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

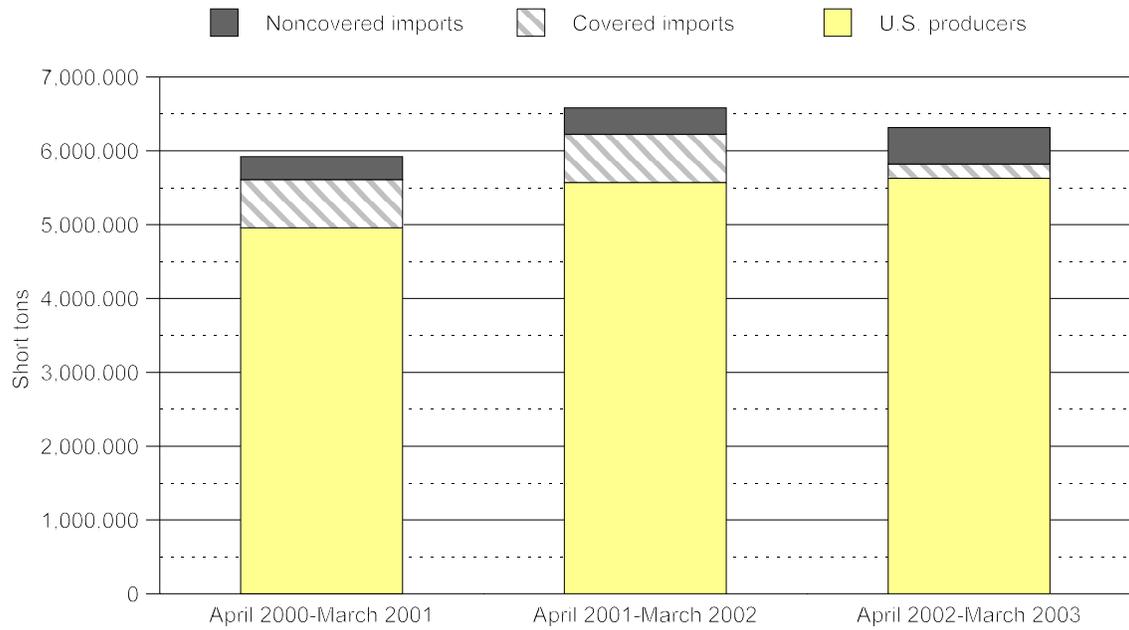
Source: Compiled from data submitted in response to Commission questionnaires.

**Table F-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
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	4,956,588	5,572,296	5,627,293
U.S. imports from:			
Covered sources <sup>1</sup>	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	5,921,186	6,583,080	6,316,361
	<b>Value (\$1,000)</b>		
U.S. producers' U.S. shipments	1,960,014	2,041,490	2,106,885
U.S. imports from:			
Covered sources <sup>1</sup>	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	2,343,240	2,429,774	2,379,915
	<b>U.S. market share based on quantity (percent)</b>		
U.S. producers' U.S. shipments	83.7	84.6	89.1
U.S. imports from:			
Covered sources <sup>1</sup>	11.0	9.9	3.1
Noncovered sources	5.3	5.4	7.8
Total U.S. imports	16.3	15.4	10.9
	<b>U.S. market share based on value (percent)</b>		
U.S. producers' U.S. shipments	83.6	84.0	88.5
U.S. imports from:			
Covered sources <sup>1</sup>	11.6	11.0	4.2
Noncovered sources	4.7	5.0	7.2
Total U.S. imports	16.4	16.0	11.5
<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of plate.			
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.			

**Figure F-2**  
**Plate: Apparent U.S. consumption, by sources, April 2000-March 2003**



Source: Table F-12.



**HOT-ROLLED**

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**Table F-13**

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

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Capacity	76,869,172	74,371,412	78,425,790
Production	63,673,426	60,888,386	65,354,890
Internal consumption/transfers	41,567,046	38,067,719	40,475,264
U.S. commercial shipments	21,997,984	22,568,773	23,680,190
U.S. shipments	63,565,030	60,636,492	64,155,454
Export shipments	489,273	382,833	914,969
Total shipments	64,054,303	61,019,325	65,070,423
Ending inventories	2,319,339	2,195,422	1,805,497
	<b>Value (\$1,000)</b>		
Internal consumption/transfers	11,349,709	9,662,347	12,274,932
U.S. commercial shipments	6,494,970	5,673,347	7,500,956
U.S. shipments	17,844,679	15,335,694	19,775,888
Export shipments	155,992	115,402	271,289
Total shipments	18,000,671	15,451,096	20,047,177
	<b>Unit value (per short ton)</b>		
Internal consumption/transfers	273	254	303
U.S. commercial shipments	295	251	317
U.S. shipments	281	253	308
Export shipments	319	301	297
Total shipments	281	253	308
	<b>Ratios and shares (percent)</b>		
Capacity utilization	82.8	81.9	83.3
U.S. shipments to distributors	52.3	51.7	54.2
U.S. shipments to end users	47.7	48.3	45.8
Inventories/total shipments	3.6	3.6	2.8
	<b>Employment data<sup>1</sup></b>		
PRWs <sup>2</sup> (number)	27,588	27,427	24,968
Hours worked (1,000)	61,006	55,164	54,219
Wages paid (\$1,000)	1,577,142	1,453,680	1,476,556
Hourly wages	\$25.85	\$26.35	\$27.23
Productivity (short tons/1,000 hours)	***	***	***
Unit labor costs (per short ton)	\$***	\$***	\$***
<sup>1</sup> *** did not provide employment data. Productivity and unit labor costs are calculated using data of only those firms providing both numerator and denominator information. <sup>2</sup> Production and related workers.			
Note—Because of rounding, figures may not add to the totals shown.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Table F-14

## Hot-rolled: Results of operations of U.S. producers, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
<b>Quantity (short tons)</b>			
Net commercial sales	22,486,258	22,891,606	24,706,971
<b>Value (\$1,000)</b>			
Net commercial sales	6,661,823	5,769,302	7,830,022
COGS	6,891,180	6,448,054	7,004,646
Gross profit or (loss)	(229,357)	(678,752)	825,376
SG&A expenses	443,984	394,328	448,138
Operating income or (loss)	(673,341)	(1,073,080)	377,237
Interest expense	180,859	193,026	160,751
Other (income)/expenses, net	(42,628)	3,145	(28,327)
Net income or (loss)	(811,572)	(1,269,251)	244,813
Depreciation/amortization	441,558	431,203	381,759
Cash flow	(370,014)	(838,048)	626,572
CDSOA funds received	0	1	247
Pension (credit)/expense	45,482	69,032	96,352
Other post-employment benefits	88,390	100,564	112,048
Capital expenditures	378,371	194,307	158,076
R&D expenses	7,888	6,574	4,036
<b>Ratio to net commercial sales (percent)</b>			
COGS	103.4	111.8	89.5
Gross profit or (loss)	(3.4)	(11.8)	10.5
SG&A expenses	6.7	6.8	5.7
Operating income or (loss)	(10.1)	(18.6)	4.8
Net income or (loss)	(12.2)	(22.0)	3.1
<b>Unit value (per short ton)</b>			
Net commercial sales	\$296	\$252	\$317
COGS total	306	282	284
Raw materials	144	138	146
Direct labor	36	31	26
Other factory costs	127	112	112
Gross profit or (loss)	(10)	(30)	33
SG&A expenses	20	17	18
Operating income or (loss)	(30)	(47)	15
<b>Number of firms reporting</b>			
Operating Losses	16	20	6
Data	24	24	24
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table F-15**  
**Hot-rolled: U.S. imports, by sources, April 2000-March 2003<sup>1</sup>**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	Period change from period 2 to period 3
	<b>Quantity (short tons)</b>			<b>Percent</b>
Covered sources <sup>1</sup>	3,708,787	1,839,439	2,240,618	21.8
Noncovered sources: <sup>2</sup>				
Canada	468,507	508,620	970,943	90.9
Egypt	0	46,753	288,140	516.3
Mexico	293,571	219,442	396,544	80.7
Thailand	242,936	0	174,018	( <sup>3</sup> )
Turkey	40,687	374,053	346,708	-7.3
Subtotal	1,045,701	1,148,868	2,176,353	89.4
All others	1,532,855	189,300	584,633	208.8
Subtotal (noncovered)	2,578,556	1,338,168	2,760,986	106.3
Total (all imports)	6,287,343	3,177,607	5,001,604	57.4
	<b>Landed, duty paid value (\$1,000)</b>			
Covered sources <sup>1</sup>	1,151,042	516,360	758,461	46.9
Noncovered sources: <sup>2</sup>				
Canada	162,311	155,721	334,305	114.7
Egypt	0	11,151	95,262	754.3
Mexico	92,275	53,214	133,312	150.5
Thailand	73,057	0	54,391	( <sup>3</sup> )
Turkey	11,154	81,506	88,497	8.6
Subtotal	338,797	301,592	705,767	134.0
All others	431,048	39,777	162,240	307.9
Subtotal (noncovered)	769,845	341,369	868,007	154.3
Total (all imports)	1,920,886	857,729	1,626,468	89.6
	<b>Unit value (per short ton)</b>			
Covered sources <sup>1</sup>	\$310	\$281	\$339	20.6
Noncovered sources: <sup>2</sup>				
Canada	346	306	344	12.5
Egypt	( <sup>3</sup> )	239	331	38.6
Mexico	314	242	336	38.6
Thailand	301	( <sup>3</sup> )	313	( <sup>3</sup> )
Turkey	274	218	255	17.1
Average	324	263	324	23.5
All others	281	210	278	32.1
Average (noncovered)	299	255	314	23.2
Average (all imports)	306	270	325	20.5
	<b>Share of total imports based on quantity (percent)</b>			<b>Percentage point</b>
Covered sources <sup>1</sup>	59.0	57.9	44.8	-13.1
Noncovered sources: <sup>2</sup>				
Canada	7.5	16.0	19.4	3.4
Egypt	0.0	1.5	5.8	4.3
Mexico	4.7	6.9	7.9	1.0
Thailand	3.9	0.0	3.5	3.5
Turkey	0.6	11.8	6.9	-4.8
Subtotal	16.6	36.2	43.5	7.4
All others	24.4	6.0	11.7	5.7
Subtotal (noncovered)	41.0	42.1	55.2	13.1
Total (all imports)	100.0	100.0	100.0	0.0
	<b>Ratio of imports to production (percent)</b>			
Covered sources <sup>1</sup>	5.8	3.0	3.4	0.4
Noncovered sources	4.0	2.2	4.2	2.0
Total	9.9	5.2	7.7	2.4

<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of hot-rolled.

<sup>2</sup> Noncovered sources accounting for 3 percent or more of total U.S. imports (based on quantity) in April 2002-March 2003 are itemized.

<sup>3</sup> Not applicable.

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

Source: Compiled from official statistics of Commerce.

**Table F-16**

**Hot-rolled: U.S. imports from covered sources, by tariff categories, April 2002-March 2003**

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**Table F-17**

**Hot-rolled: U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003**

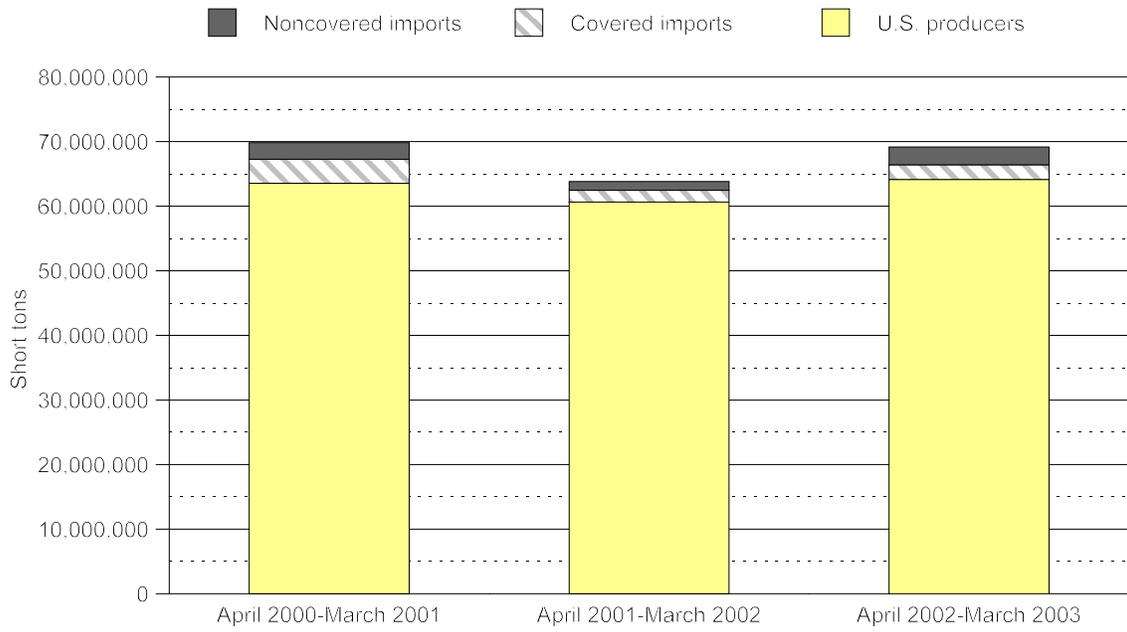
Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Covered sources: <sup>1</sup>			
U.S. shipments of imports	2,797,406	1,256,609	2,672,405
End-of-period inventories	133,579	135,671	169,205
Noncovered sources:			
U.S. shipments of imports	1,702,003	1,183,291	1,919,452
End-of-period inventories	57,663	25,463	81,335
Total:			
U.S. shipments of imports	4,499,409	2,439,900	4,591,857
End-of-period inventories	191,242	161,134	250,540
	<b>Ratio of inventories to U.S. shipments of imports (percent)</b>		
Covered sources	4.8	10.8	6.3
Noncovered sources	3.4	2.2	4.2
Average	4.3	6.6	5.5
<p><sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of hot-rolled.</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.</p>			

**Table F-18**

**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
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	63,565,030	60,636,492	64,155,454
U.S. imports from:			
Covered sources <sup>1</sup>	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	69,852,373	63,814,099	69,157,058
	<b>Value (\$1,000)</b>		
U.S. producers' U.S. shipments	17,844,679	15,335,694	19,775,888
U.S. imports from:			
Covered sources <sup>1</sup>	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	19,765,565	16,193,423	21,402,356
	<b>U.S. market share based on quantity (percent)</b>		
U.S. producers' U.S. shipments	91.0	95.0	92.8
U.S. imports from:			
Covered sources <sup>1</sup>	5.3	2.9	3.2
Noncovered sources	3.7	2.1	4.0
Total U.S. imports	9.0	5.0	7.2
	<b>U.S. market share based on value (percent)</b>		
U.S. producers' U.S. shipments	90.3	94.7	92.4
U.S. imports from:			
Covered sources <sup>1</sup>	5.8	3.2	3.5
Noncovered sources	3.9	2.1	4.1
Total U.S. imports	9.7	5.3	7.6
<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of hot-rolled.			
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.			

**Figure F-3**  
**Hot-rolled: Apparent U.S. consumption, by sources, April 2000-March 2003**



Source: Table F-18.



**COLD-ROLLED**

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**Table F-19**

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

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
<b>Quantity (short tons)</b>			
Capacity	45,036,069	42,204,169	44,865,169
Production	35,934,790	32,953,278	35,860,330
Internal consumption/transfers	21,033,226	19,781,910	21,077,535
U.S. commercial shipments	14,471,255	12,637,170	13,757,630
U.S. shipments	35,504,481	32,419,080	34,835,165
Export shipments	530,057	529,550	609,972
Total shipments	36,034,538	32,948,630	35,445,137
Ending inventories	1,878,229	1,684,954	1,611,890
<b>Value (\$1,000)</b>			
Internal consumption/transfers	8,042,568	6,987,731	8,137,896
U.S. commercial shipments	6,208,491	4,806,921	5,926,559
U.S. shipments	14,251,059	11,794,652	14,064,455
Export shipments	278,857	245,998	291,047
Total shipments	14,529,916	12,040,650	14,355,502
<b>Unit value (per short ton)</b>			
Internal consumption/transfers	382	353	386
U.S. commercial shipments	429	380	431
U.S. shipments	401	364	404
Export shipments	526	465	477
Total shipments	403	365	405
<b>Ratios and shares (percent)</b>			
Capacity utilization	79.8	78.1	79.9
U.S. shipments to distributors	39.0	35.9	39.5
U.S. shipments to end users	61.0	64.1	60.5
Inventories/total shipments	5.2	5.1	4.5
<b>Employment data<sup>1</sup></b>			
PRWs <sup>2</sup> (number)	27,674	26,467	23,199
Hours worked (1,000)	61,091	52,979	49,476
Wages paid (\$1,000)	1,629,793	1,453,709	1,406,946
Hourly wages	\$26.68	\$27.44	\$28.44
Productivity (short tons/1,000 hours)	***	***	***
Unit labor costs (per short ton)	\$***	\$***	\$***
<p><sup>1</sup> *** did not provide employment data. Productivity and unit labor costs are calculated using data of only those firms providing both numerator and denominator information.</p> <p><sup>2</sup> Production and related workers.</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.</p>			

**Table F-20**  
**Cold-rolled: Results of operations of U.S. producers, April 2000-March 2003**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
<b>Quantity (short tons)</b>			
Net commercial sales	14,779,177	12,960,940	14,192,085
<b>Value (\$1,000)</b>			
Net commercial sales	6,395,805	4,978,896	6,143,547
COGS	6,421,387	5,382,525	5,717,508
Gross profit or (loss)	(25,582)	(403,629)	426,040
SG&A expenses	299,453	244,220	259,256
Operating income or (loss)	(325,035)	(647,850)	166,784
Interest expense	162,764	150,040	124,041
Other (income)/expenses, net	(34,229)	(6,487)	(58,660)
Net income or (loss)	(453,570)	(791,403)	101,403
Depreciation/amortization	392,096	355,956	267,241
Cash flow	(61,474)	(435,447)	368,644
CDSOA funds received	0	592	1,340
Pension (credit)/expense	49,647	108,458	201,030
Other post-employment benefits	107,142	101,524	169,586
Capital expenditures	283,354	233,275	117,586
R&D expenses	14,185	11,699	9,398
<b>Ratio to net commercial sales (percent)</b>			
COGS	100.4	108.1	93.1
Gross profit or (loss)	(0.4)	(8.1)	6.9
SG&A expenses	4.7	4.9	4.2
Operating income or (loss)	(5.1)	(13.0)	2.7
Net income or (loss)	(7.1)	(15.9)	1.7
<b>Unit value (per short ton)</b>			
Net commercial sales	\$433	\$384	\$433
COGS total	434	415	403
Raw materials	167	159	170
Direct labor	66	62	51
Other factory costs	202	195	182
Gross profit or (loss)	(2)	(31)	30
SG&A expenses	20	19	18
Operating income or (loss)	(22)	(50)	12
<b>Number of firms reporting</b>			
Operating Losses	14	20	12
Data	24	25	25
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table F-21**  
**Cold-rolled: U.S. imports, by sources, April 2000-March 2003<sup>1</sup>**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	Period change from period 2 to period 3
	<b>Quantity (short tons)</b>			<b>Percent</b>
Covered sources <sup>1</sup>	2,079,737	2,276,229	548,229	-75.9
Noncovered sources: <sup>2</sup>				
Canada	229,786	201,099	367,008	82.5
Chile	22,300	3,782	74,170	1,861.1
Mexico	194,793	154,879	288,506	86.3
Turkey	55,527	51,410	74,892	45.7
Subtotal	502,406	411,170	804,576	95.7
All others	298,160	282,903	351,935	24.4
Subtotal (noncovered)	800,566	694,073	1,156,511	66.6
Total (all imports)	2,880,303	2,970,301	1,704,740	-42.6
	<b>Landed, duty paid value (\$1,000)</b>			
Covered sources <sup>1</sup>	1,006,054	859,332	338,442	-60.6
Noncovered sources: <sup>2</sup>				
Canada	102,766	80,756	163,290	102.2
Chile	8,237	1,153	26,852	2,228.9
Mexico	68,259	44,048	113,432	157.5
Turkey	20,957	14,341	29,013	102.3
Subtotal	200,219	140,298	332,587	137.1
All others	109,889	80,888	128,260	58.6
Subtotal (noncovered)	310,108	221,186	460,847	108.4
Total (all imports)	1,316,163	1,080,518	799,289	-26.0
	<b>Unit value (per short ton)</b>			
Covered sources <sup>1</sup>	\$484	\$378	\$617	63.5
Noncovered sources: <sup>2</sup>				
Canada	447	402	445	10.8
Chile	369	305	362	18.8
Mexico	350	284	393	38.2
Turkey	377	279	387	38.9
Average	399	341	413	21.1
All others	369	286	364	27.5
Average (noncovered)	387	319	398	25.0
Average (all imports)	457	364	469	28.9
	<b>Share of total imports based on quantity (percent)</b>			<b>Percentage point</b>
Covered sources <sup>1</sup>	72.2	76.6	32.2	-44.5
Noncovered sources: <sup>2</sup>				
Canada	8.0	6.8	21.5	14.8
Chile	0.8	0.1	4.4	4.2
Mexico	6.8	5.2	16.9	11.7
Turkey	1.9	1.7	4.4	2.7
Subtotal	17.4	13.8	47.2	33.4
All others	10.4	9.5	20.6	11.1
Subtotal (noncovered)	27.8	23.4	67.8	44.5
Total (all imports)	100.0	100.0	100.0	0.0
	<b>Ratio of imports to production (percent)</b>			
Covered sources <sup>1</sup>	5.8	6.9	1.5	-5.4
Noncovered sources	2.2	2.1	3.2	1.1
Total	8.0	9.0	4.8	-4.3
<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of cold-rolled. <sup>2</sup> Noncovered sources accounting for 3 percent or more of total U.S. imports (based on quantity) in April 2002-March 2003 are itemized. <sup>3</sup> Not applicable.				
Note—Because of rounding, figures may not add to the totals shown.				
Source: Compiled from official statistics of Commerce.				

**Table F-22**  
**Cold-rolled: U.S. imports from covered sources, by tariff categories, April 2002-March 2003**

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**Table F-23**  
**Cold-rolled: U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003**

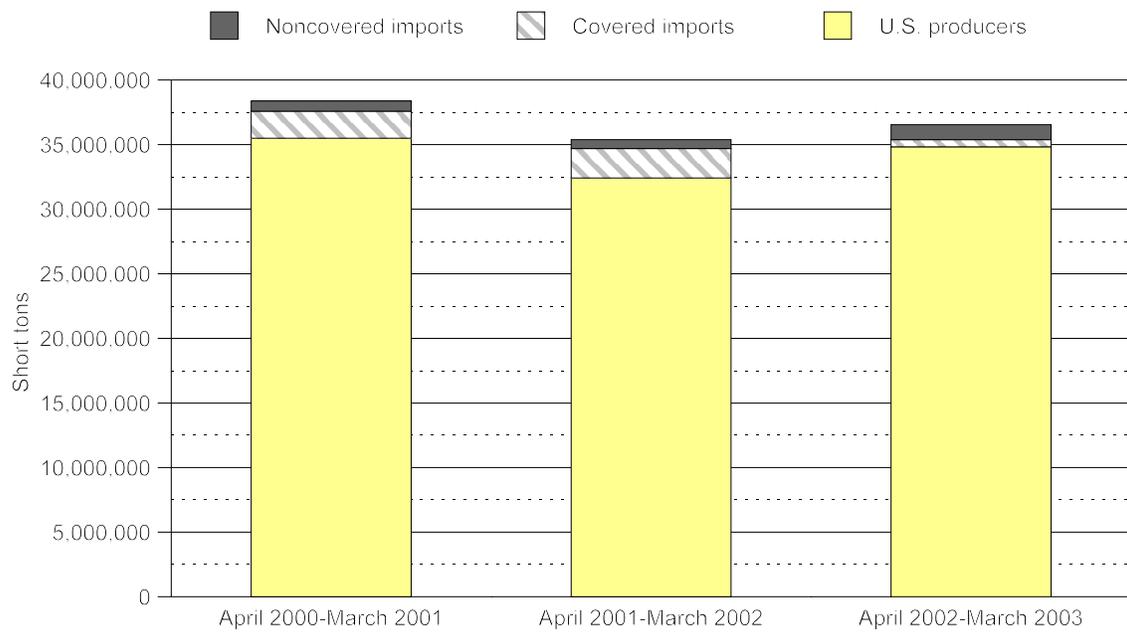
Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Covered sources: <sup>1</sup>			
U.S. shipments of imports	1,185,585	1,676,752	660,911
End-of-period inventories	213,327	167,645	166,580
Noncovered sources:			
U.S. shipments of imports	308,096	336,899	524,651
End-of-period inventories	36,754	22,363	38,268
Total:			
U.S. shipments of imports	1,493,681	2,013,651	1,185,562
End-of-period inventories	250,081	190,008	204,848
	<b>Ratio of inventories to U.S. shipments of imports (percent)</b>		
Covered sources	18.0	10.0	25.2
Noncovered sources	11.9	6.6	7.3
Average	16.7	9.4	17.3
<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of cold-rolled. Note—Because of rounding, figures may not add to the totals shown. Source: Compiled from data submitted in response to Commission questionnaires.			

**Table F-24**

**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
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	35,504,481	32,419,080	34,835,165
U.S. imports from:			
Covered sources <sup>1</sup>	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	38,384,784	35,389,381	36,539,905
	<b>Value (\$1,000)</b>		
U.S. producers' U.S. shipments	14,251,059	11,794,652	14,064,455
U.S. imports from:			
Covered sources <sup>1</sup>	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	15,567,222	12,875,170	14,863,744
	<b>U.S. market share based on quantity (percent)</b>		
U.S. producers' U.S. shipments	92.5	91.6	95.3
U.S. imports from:			
Covered sources <sup>1</sup>	5.4	6.4	1.5
Noncovered sources	2.1	2.0	3.2
Total U.S. imports	7.5	8.4	4.7
	<b>U.S. market share based on value (percent)</b>		
U.S. producers' U.S. shipments	91.5	91.6	94.6
U.S. imports from:			
Covered sources <sup>1</sup>	6.5	6.7	2.3
Noncovered sources	2.0	1.7	3.1
Total U.S. imports	8.5	8.4	5.4
<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of cold-rolled.			
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.			

**Figure F-4**  
**Cold-rolled: Apparent U.S. consumption, by sources, April 2000-March 2003**



Source: Table F-24.



**COATED**

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**Table F-25**

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

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Capacity	25,085,424	24,625,776	25,086,790
Production	19,739,355	19,159,340	20,425,629
Internal consumption/transfers	648,161	746,614	699,174
U.S. commercial shipments	18,287,983	17,728,258	18,633,634
U.S. shipments	18,936,144	18,474,872	19,332,808
Export shipments	785,038	771,022	753,597
Total shipments	19,721,182	19,245,894	20,086,405
Ending inventories	1,888,019	1,840,569	1,987,490
	<b>Value (\$1,000)</b>		
Internal consumption/transfers	320,458	304,497	308,557
U.S. commercial shipments	9,771,035	8,711,741	9,985,617
U.S. shipments	10,091,493	9,016,238	10,294,174
Export shipments	500,348	485,098	470,841
Total shipments	10,591,841	9,501,336	10,765,015
	<b>Unit value (per short ton)</b>		
Internal consumption/transfers	494	408	441
U.S. commercial shipments	534	491	536
U.S. shipments	533	488	532
Export shipments	637	629	625
Total shipments	537	494	536
	<b>Ratios and shares (percent)</b>		
Capacity utilization	78.7	77.8	81.4
U.S. shipments to distributors	32.4	30.9	28.3
U.S. shipments to end users	67.6	69.1	71.7
Inventories/total shipments	9.6	9.6	9.9
	<b>Employment data<sup>1</sup></b>		
PRWs <sup>2</sup> (number)	23,605	23,765	20,065
Hours worked (1,000)	***	***	***
Wages paid (\$1,000)	***	***	***
Hourly wages	\$***	\$***	\$***
Productivity (short tons/1,000 hours)	***	***	***
Unit labor costs (per short ton)	\$***	\$***	\$***
<p><sup>1</sup> *** did not provide employment data. Productivity and unit labor costs are calculated using data of only those firms providing both numerator and denominator information. However, in order to make certain carbon and alloy flat-rolled steel public, hours, wages, and hourly wages are treated as if business proprietary.</p> <p><sup>2</sup> Production and related workers.</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.</p>			

Table F-26

## Coated: Results of operations of U.S. producers, April 2000-March 2003

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
<b>Quantity (short tons)</b>			
Net commercial sales	19,073,022	18,499,279	19,387,230
<b>Value (\$1,000)</b>			
Net commercial sales	10,278,383	9,196,838	10,456,456
COGS	9,885,969	9,170,206	9,555,069
Gross profit or (loss)	392,414	26,632	901,387
SG&A expenses	492,425	465,947	463,759
Operating income or (loss)	(100,011)	(439,316)	437,628
Interest expense	270,446	267,641	207,171
Other (income)/expenses, net	(50,103)	(37,934)	(51,146)
Net income or (loss)	(320,354)	(669,023)	281,603
Depreciation/amortization	604,756	614,178	549,074
Cash flow	284,402	(54,845)	830,677
CDSOA funds received	0	7,122	5,473
Pension (credit)/expense	61,091	214,831	507,660
Other post-employment benefits	175,529	179,698	389,929
Capital expenditures	297,776	176,368	193,627
R&D expenses	28,141	26,657	25,186
<b>Ratio to net commercial sales (percent)</b>			
COGS	96.2	99.7	91.4
Gross profit or (loss)	3.8	0.3	8.6
SG&A expenses	4.8	5.1	4.4
Operating income or (loss)	(1.0)	(4.8)	4.2
Net income or (loss)	(3.1)	(7.3)	2.7
<b>Unit value (per short ton)</b>			
Net commercial sales	\$539	\$497	\$539
COGS total	518	496	493
Raw materials	207	201	212
Direct labor	63	60	51
Other factory costs	249	235	230
Gross profit or (loss)	21	1	46
SG&A expenses	26	25	24
Operating income or (loss)	(5)	(24)	23
<b>Number of firms reporting</b>			
Operating Losses	13	16	6
Data	20	21	21
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table F-27**  
**Coated: U.S. imports, by sources, April 2000-March 2003<sup>1</sup>**

Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	Period change from period 2 to period 3
	<b>Quantity (short tons)</b>			<b>Percent</b>
Covered sources <sup>1</sup>	1,289,633	1,221,049	842,857	-31.0
Noncovered sources: <sup>2</sup>				
Canada	564,056	572,669	796,716	39.1
India	39,588	85,094	459,048	439.5
Mexico	239,547	223,293	323,503	44.9
Subtotal	843,191	881,056	1,579,267	79.2
All others	150,016	152,903	326,733	113.7
Subtotal (noncovered)	993,207	1,033,959	1,906,000	84.3
Total (all imports)	2,282,840	2,255,008	2,748,857	21.9
	<b>Landed, duty paid value (\$1,000)</b>			
Covered sources <sup>1</sup>	732,479	610,867	511,805	-16.2
Noncovered sources: <sup>2</sup>				
Canada	310,686	310,720	461,824	48.6
India	17,517	32,009	215,852	574.3
Mexico	140,590	120,674	194,021	60.8
Subtotal	468,793	463,403	871,697	88.1
All others	70,386	58,145	154,026	164.9
Subtotal (noncovered)	539,179	521,548	1,025,723	96.7
Total (all imports)	1,271,658	1,132,416	1,537,528	35.8
	<b>Unit value (per short ton)</b>			
Covered sources <sup>1</sup>	\$568	\$500	\$607	21.4
Noncovered sources: <sup>2</sup>				
Canada	551	543	580	6.8
India	442	376	470	25.0
Mexico	587	540	600	11.0
Average	556	526	552	4.9
All others	469	380	471	24.0
Average (noncovered)	543	504	538	6.7
Average (all imports)	557	502	559	11.4
	<b>Share of total imports based on quantity (percent)</b>			<b>Percentage point</b>
Covered sources <sup>1</sup>	56.5	54.1	30.7	-23.5
Noncovered sources: <sup>2</sup>				
Canada	24.7	25.4	29.0	3.6
India	1.7	3.8	16.7	12.9
Mexico	10.5	9.9	11.8	1.9
Subtotal	36.9	39.1	57.5	18.4
All others	6.6	6.8	11.9	5.1
Subtotal (noncovered)	43.5	45.9	69.3	23.5
Total (all imports)	100.0	100.0	100.0	0.0
	<b>Ratio of imports to production (percent)</b>			
Covered sources <sup>1</sup>	6.5	6.4	4.1	-2.2
Noncovered sources	5.0	5.4	9.3	3.9
Total	11.6	11.8	13.5	1.7

<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of coated.

<sup>2</sup> Noncovered sources accounting for 3 percent or more of total U.S. imports (based on quantity) in April 2002-March 2003 are itemized.

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

Source: Compiled from official statistics of Commerce.

**Table F-28**

**Coated: U.S. imports from covered sources, by tariff categories, April 2002-March 2003**

\* \* \* \* \*

**Table F-29**

**Coated: U.S. importers' U.S. shipments and end-of-period inventories, April 2000-March 2003**

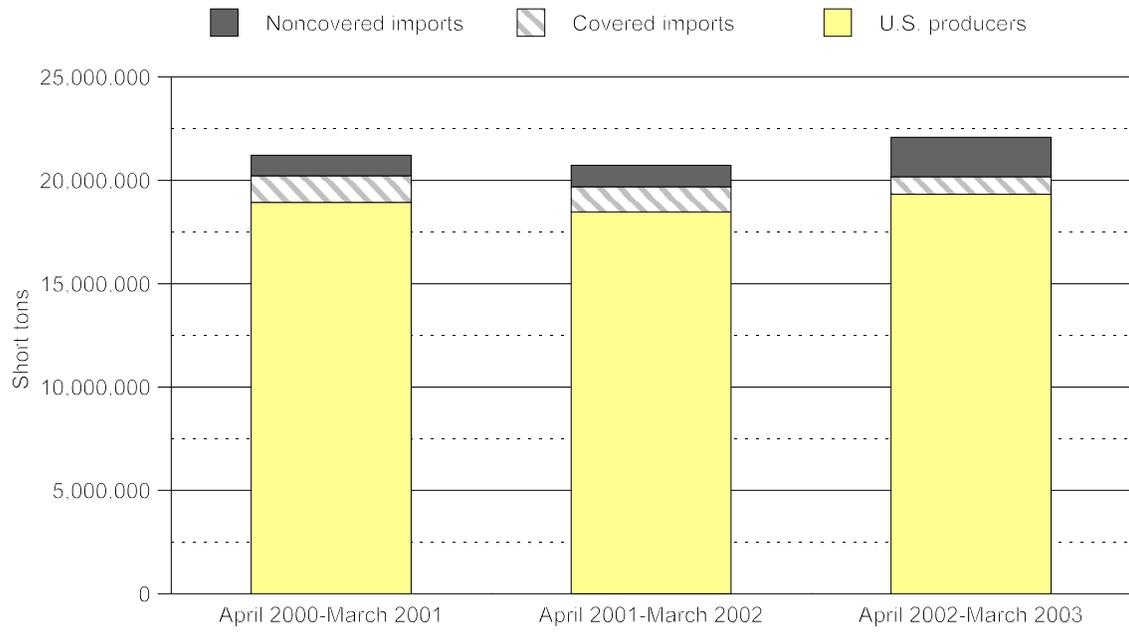
Item	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003
	<b>Quantity (short tons)</b>		
Covered sources: <sup>1</sup>			
U.S. shipments of imports	945,282	897,217	839,005
End-of-period inventories	208,192	187,030	166,800
Noncovered sources:			
U.S. shipments of imports	577,236	619,515	860,440
End-of-period inventories	42,835	48,347	72,229
Total:			
U.S. shipments of imports	1,522,518	1,516,732	1,699,445
End-of-period inventories	251,027	235,377	239,029
	<b>Ratio of inventories to U.S. shipments of imports (percent)</b>		
Covered sources	22.0	20.8	19.9
Noncovered sources	7.4	7.8	8.4
Average	16.5	15.5	14.1
<p><sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of coated.</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.</p>			

**Table F-30**

**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
	<b>Quantity (short tons)</b>		
U.S. producers' U.S. shipments	18,936,144	18,474,872	19,332,808
U.S. imports from:			
Covered sources <sup>1</sup>	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	21,218,984	20,729,880	22,081,665
	<b>Value (\$1,000)</b>		
U.S. producers' U.S. shipments	10,091,493	9,016,238	10,294,174
U.S. imports from:			
Covered sources <sup>1</sup>	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	11,363,151	10,148,654	11,831,702
	<b>U.S. market share based on quantity (percent)</b>		
U.S. producers' U.S. shipments	89.2	89.1	87.6
U.S. imports from:			
Covered sources <sup>1</sup>	6.1	5.9	3.8
Noncovered sources	4.7	5.0	8.6
Total U.S. imports	10.8	10.9	12.4
	<b>U.S. market share based on value (percent)</b>		
U.S. producers' U.S. shipments	88.8	88.8	87.0
U.S. imports from:			
Covered sources <sup>1</sup>	6.4	6.0	4.3
Noncovered sources	4.7	5.1	8.7
Total U.S. imports	11.2	11.2	13.0
<sup>1</sup> Although Brazil is generally exempt from the section 203 relief, it is a covered source with respect to imports of coated.			
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.			

**Figure F-5**  
**Coated: Apparent U.S. consumption, by sources, April 2000-March 2003**



Source: Table F-30.



## **APPENDIX G**

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### **THE FOREIGN INDUSTRIES**



## FLAT STEEL

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**Table G-1**

**Certain carbon and alloy flat-rolled steel: Data for producers in covered countries,<sup>1</sup> April 2000-March 2003, and projections for April 2003-March 2005**

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	518,077,227	510,698,621	513,733,149	517,334,720	518,514,522
Production	475,236,819	453,422,862	482,738,478	481,265,832	482,438,616
End-of-period-inventories	11,809,163	11,544,283	11,439,879	10,498,440	10,008,811
Shipments:					
Internal consumption/transfers	309,192,387	292,909,222	312,524,001	315,800,568	319,883,725
Home market	93,912,323	91,849,871	94,190,106	95,488,649	94,539,775
Exports to:					
United States	7,946,399	6,764,679	5,750,021	5,331,223	5,076,984
All other markets	63,770,094	64,622,416	72,563,327	68,000,584	66,042,188
Total exports	71,716,493	71,387,095	78,313,348	73,331,807	71,119,172
Total shipments	474,821,202	456,146,187	485,027,454	484,621,024	485,542,672
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	35,499,396	30,051,651	33,276,438	34,650,165	34,082,945
Exports to:					
United States	2,406,595	1,752,476	1,776,475	1,683,970	1,629,115
All other markets	19,929,348	17,365,872	22,818,389	22,975,389	21,752,907
Total exports	22,335,943	19,118,348	24,594,863	24,659,359	23,382,022
Total commercial shipments	57,835,339	49,170,000	57,871,302	59,309,524	57,464,968
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$378	\$327	\$353	\$363	\$361
Exports to:					
United States	303	259	309	316	321
All other markets	313	269	314	338	329
Total exports	311	268	314	336	329
Total commercial shipments	349	301	335	351	347
	<b>Ratios and shares (percent)</b>				
Capacity utilization	91.7	88.8	94.0	93.0	93.0
Inventories/production	2.5	2.5	2.4	2.2	2.1
Inventories/shipments	2.5	2.5	2.4	2.2	2.1
Share of total shipment quantity:					
Internal consumption/transfers	65.1	64.2	64.4	65.2	65.9
Home market	19.8	20.1	19.4	19.7	19.5
Exports to:					
United States	1.7	1.5	1.2	1.1	1.0
All other markets	13.4	14.2	15.0	14.0	13.6
Total exports	15.1	15.7	16.1	15.1	14.6
<sup>1</sup> Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs, plate, hot-rolled, cold-rolled, and coated.					
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table G-2**  
**Certain carbon and alloy flat-rolled steel: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005**

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	63,591,971	68,881,735	70,342,368	55,640,323	56,659,927
Production	55,041,695	57,315,575	63,427,977	51,349,221	52,555,501
End-of-period-inventories	2,858,359	2,567,051	2,428,139	1,973,818	1,967,974
Shipments:					
Internal consumption/transfers	30,105,676	32,830,818	35,804,319	28,551,355	29,548,704
Home market	18,325,702	17,644,326	18,742,581	14,101,994	14,920,651
Exports to:					
United States	3,230,155	3,024,307	5,037,857	3,668,834	3,616,122
All other markets	3,539,550	4,348,345	4,604,199	5,089,319	4,932,797
Total exports	6,769,705	7,372,653	9,642,055	8,758,154	8,548,919
Total shipments	55,201,083	57,847,797	64,188,956	51,411,503	53,018,275
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	7,392,668	6,422,016	7,572,244	6,101,800	6,379,294
Exports to:					
United States	1,029,206	884,340	1,728,724	1,260,135	1,282,523
All other markets	984,692	1,033,506	1,345,506	1,492,709	1,416,459
Total exports	2,013,898	1,917,845	3,074,230	2,752,845	2,698,982
Total commercial shipments	9,406,566	8,339,861	10,646,474	8,854,645	9,078,276
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$403	\$364	\$404	\$433	\$428
Exports to:					
United States	319	292	343	343	355
All other markets	278	238	292	293	287
Total exports	297	260	319	314	316
Total commercial shipments	375	333	375	387	387
	<b>Ratios and shares (percent)</b>				
Capacity utilization	86.6	83.2	90.2	92.3	92.8
Inventories/production	5.2	4.5	3.8	3.8	3.7
Inventories/shipments	5.2	4.4	3.8	3.8	3.7
Share of total shipment quantity:					
Internal consumption/transfers	54.5	56.8	55.8	55.5	55.7
Home market	33.2	30.5	29.2	27.4	28.1
Exports to:					
United States	5.9	5.2	7.8	7.1	6.8
All other markets	6.4	7.5	7.2	9.9	9.3
Total exports	12.3	12.7	15.0	17.0	16.1
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table G-3

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

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	8,506,347	8,410,211	7,953,954	7,920,512	7,952,950
Production	7,704,423	7,407,721	7,202,815	7,190,216	7,200,342
End-of-period-inventories	501,392	527,285	474,324	458,232	447,669
Shipments:					
Internal consumption/transfers	183,183	133,367	121,582	111,055	110,386
Home market	3,148,037	3,046,604	2,900,928	2,950,249	2,969,151
Exports to:					
United States	340,051	342,568	180,146	260,940	278,791
All other markets	4,041,374	3,935,479	4,066,731	3,889,564	3,869,578
Total exports	4,381,425	4,278,047	4,246,877	4,150,504	4,148,369
Total shipments	7,712,645	7,458,018	7,269,387	7,211,808	7,227,906
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	1,930,704	1,742,821	1,662,797	1,730,407	1,749,087
Exports to:					
United States	189,018	188,273	105,868	150,727	160,777
All other markets	2,041,001	1,963,002	2,018,750	2,057,036	2,316,976
Total exports	2,230,019	2,151,274	2,124,617	2,207,763	2,477,753
Total commercial shipments	4,160,723	3,894,095	3,787,414	3,938,170	4,226,840
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$613	\$572	\$573	\$587	\$589
Exports to:					
United States	556	550	588	578	577
All other markets	505	499	496	529	599
Total exports	509	503	500	532	597
Total commercial shipments	553	532	530	555	594
	<b>Ratios and shares (percent)</b>				
Capacity utilization	90.6	88.1	90.6	90.8	90.5
Inventories/production	6.5	7.1	6.6	6.4	6.2
Inventories/shipments	6.5	7.1	6.5	6.4	6.2
Share of total shipment quantity:					
Internal consumption/transfers	2.4	1.8	1.7	1.5	1.5
Home market	40.8	40.9	39.9	40.9	41.1
Exports to:					
United States	4.4	4.6	2.5	3.6	3.9
All other markets	52.4	52.8	55.9	53.9	53.5
Total exports	56.8	57.4	58.4	57.6	57.4
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table G-4

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

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	2,029,755	2,107,061	2,274,535	2,119,943	2,300,173
Production	1,859,485	1,838,336	1,862,435	2,031,752	2,179,899
End-of-period-inventories	144,308	159,454	136,609	48,184	43,774
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	91.6	87.2	81.9	95.8	94.8
Inventories/production	7.8	8.7	7.3	2.4	2.0
Inventories/shipments	***	***	***	***	***
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table G-5**

**Slabs: Data for producers in covered countries,<sup>1</sup> April 2000-March 2003, and projections for April 2003-March 2005**

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	198,515,468	191,973,431	194,877,391	195,621,316	195,033,762
Production	182,667,606	173,473,209	183,419,150	183,495,744	183,177,120
End-of-period-inventories	2,843,408	2,663,350	3,075,775	2,686,996	2,411,239
Shipments:					
Internal consumption/transfers	169,248,222	158,933,590	167,329,539	170,187,015	170,135,635
Home market	4,074,355	4,323,129	3,673,016	3,379,060	3,359,851
Exports to:					
United States	2,824,187	3,394,264	2,770,250	2,283,699	2,069,686
All other markets	7,040,017	8,653,181	10,805,818	9,613,750	9,667,705
Total exports	9,864,204	12,047,445	13,576,069	11,897,448	11,737,391
Total shipments	183,186,781	175,304,164	184,578,623	185,463,523	185,232,877
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	758,699	652,126	621,043	640,143	608,463
Exports to:					
United States	555,884	563,659	635,337	478,873	419,962
All other markets	1,271,667	1,412,054	2,203,272	1,976,344	1,918,428
Total exports	1,827,551	1,975,713	2,838,609	2,455,218	2,338,390
Total commercial shipments	2,586,250	2,627,839	3,459,652	3,095,361	2,946,853
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$186	\$151	\$169	\$189	\$181
Exports to:					
United States	197	166	229	210	203
All other markets	181	163	204	206	198
Total exports	185	164	209	206	199
Total commercial shipments	186	161	201	203	195
	<b>Ratios and shares (percent)</b>				
Capacity utilization	92.0	90.4	94.1	93.8	93.9
Inventories/production	1.6	1.5	1.7	1.5	1.3
Inventories/shipments	1.6	1.5	1.7	1.4	1.3
Share of total shipment quantity:					
Internal consumption/transfers	92.4	90.7	90.7	91.8	91.8
Home market	2.2	2.5	2.0	1.8	1.8
Exports to:					
United States	1.5	1.9	1.5	1.2	1.1
All other markets	3.8	4.9	5.9	5.2	5.2
Total exports	5.4	6.9	7.4	6.4	6.3

<sup>1</sup> Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of slabs.

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

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

Table G-6

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

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	22,718,853	25,079,220	25,053,834	20,229,159	20,229,159
Production	20,557,786	21,426,399	23,351,632	19,280,193	19,522,034
End-of-period-inventories	922,704	994,417	592,202	478,408	478,408
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	90.5	85.4	93.2	95.3	96.5
Inventories/production	4.5	4.6	2.5	2.5	2.5
Inventories/shipments	***	***	***	***	***
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table G-7**

**Plate: Data for producers in covered countries,<sup>1</sup> April 2000-March 2003, and projections for April 2003-March 2005**

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	23,303,485	23,956,597	23,902,780	23,961,841	23,961,841
Production	20,517,628	21,645,512	21,929,401	22,127,986	22,226,293
End-of-period-inventories	1,082,893	1,112,240	985,325	1,025,831	1,065,690
Shipments:					
Internal consumption/transfers	1,223,129	2,198,366	2,230,527	2,134,134	2,130,098
Home market	14,504,692	14,190,579	13,869,610	14,016,186	14,079,945
Exports to:					
United States	146,923	270,538	96,716	131,712	138,349
All other markets	4,626,866	5,329,619	6,623,805	6,617,448	6,648,042
Total exports	4,773,789	5,600,156	6,720,520	6,749,160	6,786,391
Total shipments	20,501,610	21,989,102	22,820,658	22,899,480	22,996,434
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	5,053,066	4,439,465	4,426,836	4,566,284	4,576,508
Exports to:					
United States	65,061	108,649	37,254	55,181	61,373
All other markets	1,478,782	1,671,032	2,012,099	2,054,351	2,069,446
Total exports	1,543,844	1,779,681	2,049,353	2,109,532	2,130,819
Total commercial shipments	6,596,910	6,219,147	6,476,189	6,675,817	6,707,327
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$348	\$313	\$319	\$326	\$325
Exports to:					
United States	443	402	385	419	444
All other markets	320	314	304	310	311
Total exports	323	318	305	313	314
Total commercial shipments	342	314	315	321	321
	<b>Ratios and shares (percent)</b>				
Capacity utilization	88.0	90.4	91.7	92.3	92.8
Inventories/production	5.3	5.1	4.5	4.6	4.8
Inventories/shipments	5.3	5.1	4.3	4.5	4.6
Share of total shipment quantity:					
Internal consumption/transfers	6.0	10.0	9.8	9.3	9.3
Home market	70.7	64.5	60.8	61.2	61.2
Exports to:					
United States	0.7	1.2	0.4	0.6	0.6
All other markets	22.6	24.2	29.0	28.9	28.9
Total exports	23.3	25.5	29.4	29.5	29.5
<sup>1</sup> Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of plate.					
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table G-8

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

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	2,888,316	3,157,277	3,137,277	2,142,323	2,164,369
Production	1,892,261	2,197,782	2,026,534	1,733,315	1,628,511
End-of-period-inventories	128,585	91,167	81,695	55,412	63,348
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	65.5	69.6	64.6	80.9	75.2
Inventories/production	6.8	4.1	4.0	3.2	3.9
Inventories/shipments	***	***	***	***	***
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table G-9**

**Hot-rolled: Data for producers in covered countries,<sup>1</sup> April 2000-March 2003, and projections for April 2003-March 2005**

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	166,093,701	162,996,137	163,481,348	165,849,289	166,847,638
Production	152,619,983	145,168,196	154,577,582	153,312,969	154,122,599
End-of-period-inventories	3,136,982	3,118,090	3,074,684	2,719,193	2,614,502
Shipments:					
Internal consumption/transfers	90,482,233	84,900,320	91,451,384	92,186,228	91,949,457
Home market	35,918,196	35,331,908	36,568,844	37,498,485	38,231,971
Exports to:					
United States	2,031,266	1,087,782	1,687,606	1,858,361	1,859,230
All other markets	24,107,959	24,244,763	24,939,136	22,146,866	22,205,630
Total exports	26,139,225	25,332,545	26,626,742	24,005,227	24,064,860
Total shipments	152,539,654	145,564,773	154,646,970	153,689,940	154,246,288
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	10,773,736	9,241,802	10,652,453	11,309,067	11,503,725
Exports to:					
United States	600,182	307,008	527,397	610,205	612,728
All other markets	5,986,443	5,050,318	6,553,790	6,236,765	6,219,879
Total exports	6,586,625	5,357,326	7,081,187	6,846,970	6,832,607
Total commercial shipments	17,360,361	14,599,128	17,733,640	18,156,037	18,336,332
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$300	\$262	\$291	\$302	\$301
Exports to:					
United States	295	282	313	328	330
All other markets	248	208	263	282	280
Total exports	252	211	266	285	284
Total commercial shipments	280	241	281	295	294
	<b>Ratios and shares (percent)</b>				
Capacity utilization	91.9	89.1	94.6	92.4	92.4
Inventories/production	2.1	2.1	2.0	1.8	1.7
Inventories/shipments	2.1	2.1	2.0	1.8	1.7
Share of total shipment quantity:					
Internal consumption/transfers	59.3	58.3	59.1	60.0	59.6
Home market	23.5	24.3	23.6	24.4	24.8
Exports to:					
United States	1.3	0.7	1.1	1.2	1.2
All other markets	15.8	16.7	16.1	14.4	14.4
Total exports	17.1	17.4	17.2	15.6	15.6

<sup>1</sup> Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of hot-rolled.

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

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

Table G-10

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

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	22,075,662	23,921,753	25,167,034	18,685,814	19,060,596
Production	19,709,156	20,716,132	23,517,888	17,857,400	17,873,488
End-of-period-inventories	973,795	712,560	878,243	559,831	566,996
Shipments:					
Internal consumption/transfers	9,324,641	9,903,806	10,863,797	9,389,890	9,773,877
Home market	8,826,321	8,634,545	9,359,803	6,057,823	5,932,504
Exports to:					
United States	659,246	899,663	1,409,383	406,392	439,034
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	2,764,816	2,307,711	2,964,443	2,064,489	2,003,673
Exports to:					
United States	217,189	233,940	445,153	145,107	164,456
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$313	\$267	\$317	\$341	\$338
Exports to:					
United States	329	260	316	357	375
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	89.3	86.6	93.4	95.6	93.8
Inventories/production	4.9	3.4	3.7	3.1	3.2
Inventories/shipments	***	***	***	***	***
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table G-11**  
**Cold-rolled: Data for producers in covered countries,<sup>1</sup> April 2000-March 2003, and projections for April 2003-March 2005**

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	84,609,457	85,024,651	85,123,854	85,223,218	84,399,015
Production	77,030,205	71,768,660	77,731,719	76,634,672	76,827,549
End-of-period-inventories	2,284,450	2,131,484	1,868,637	1,694,649	1,629,782
Shipments:					
Internal consumption/transfers	43,997,048	42,617,384	46,764,343	46,982,374	47,982,071
Home market	17,270,098	15,874,596	17,137,213	17,132,790	16,661,284
Exports to:					
United States	2,076,933	1,356,681	480,529	465,694	438,318
All other markets	13,369,922	12,079,284	13,607,494	12,228,977	11,814,771
Total exports	15,446,855	13,435,965	14,088,023	12,694,671	12,253,089
Total shipments	76,714,001	71,927,945	77,989,579	76,809,835	76,896,444
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	7,249,359	5,764,109	6,636,154	6,686,764	6,530,587
Exports to:					
United States	754,620	469,898	211,773	215,082	214,269
All other markets	4,851,788	3,794,399	4,815,952	4,538,395	4,474,299
Total exports	5,606,409	4,264,297	5,027,725	4,753,477	4,688,568
Total commercial shipments	12,855,768	10,028,406	11,663,879	11,440,242	11,219,155
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$420	\$363	\$387	\$390	\$392
Exports to:					
United States	364	347	443	462	489
All other markets	363	314	354	371	379
Total exports	363	317	357	374	383
Total commercial shipments	393	342	374	384	388
	<b>Ratios and shares (percent)</b>				
Capacity utilization	91.0	84.4	91.3	89.9	91.0
Inventories/production	3.0	3.0	2.4	2.2	2.1
Inventories/shipments	3.0	3.0	2.4	2.2	2.1
Share of total shipment quantity:					
Internal consumption/transfers	57.4	59.3	60.0	61.2	62.4
Home market	22.5	22.1	22.0	22.3	21.7
Exports to:					
United States	2.7	1.9	0.6	0.6	0.6
All other markets	17.4	16.8	17.4	15.9	15.4
Total exports	20.1	18.7	18.1	16.5	15.9
<sup>1</sup> Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of cold-rolled.					
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table G-12**  
**Cold-rolled: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005**

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	11,112,891	11,805,177	11,957,540	9,921,870	10,392,773
Production	9,097,717	8,991,394	10,017,008	8,614,899	9,112,026
End-of-period-inventories	444,385	368,366	416,639	531,760	513,021
Shipments:					
Internal consumption/transfers	3,333,976	3,571,943	3,907,256	3,086,867	3,367,954
Home market	4,222,907	3,771,318	3,983,672	3,289,508	3,703,584
Exports to:					
United States	319,450	257,178	538,248	414,874	407,405
All other markets	1,161,037	1,411,145	1,495,851	1,534,616	1,641,822
Total exports	1,480,488	1,668,323	2,034,098	1,949,490	2,049,227
Total shipments	9,037,371	9,011,583	9,925,026	8,325,866	9,120,765
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	1,815,922	1,445,641	1,687,177	1,443,957	1,517,679
Exports to:					
United States	121,125	80,963	227,511	191,617	186,436
All other markets	356,120	368,116	471,096	508,230	494,688
Total exports	477,245	449,079	698,607	699,847	681,124
Total commercial shipments	2,293,167	1,894,720	2,385,784	2,143,805	2,198,803
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$430	\$383	\$424	\$439	\$410
Exports to:					
United States	379	315	423	462	458
All other markets	307	261	315	331	301
Total exports	322	269	343	359	332
Total commercial shipments	402	348	396	409	382
	<b>Ratios and shares (percent)</b>				
Capacity utilization	81.9	76.2	83.8	86.8	87.7
Inventories/production	4.9	4.1	4.2	6.2	5.6
Inventories/shipments	4.9	4.1	4.2	6.4	5.6
Share of total shipment quantity:					
Internal consumption/transfers	36.9	39.6	39.4	37.1	36.9
Home market	46.7	41.8	40.1	39.5	40.6
Exports to:					
United States	3.5	2.9	5.4	5.0	4.5
All other markets	12.8	15.7	15.1	18.4	18.0
Total exports	16.4	18.5	20.5	23.4	22.5
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table G-13**

**Coated: Data for producers in covered countries,<sup>1</sup> April 2000-March 2003, and projections for April 2003-March 2005**

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	45,555,116	46,747,805	46,347,776	46,679,056	48,272,266
Production	42,401,397	41,367,285	45,080,626	45,694,461	46,085,055
End-of-period-inventories	2,461,430	2,519,119	2,435,457	2,371,771	2,287,597
Shipments:					
Internal consumption/transfers	4,241,755	4,259,561	4,748,208	4,310,817	7,686,464
Home market	22,144,982	22,129,659	22,941,423	23,462,127	22,206,724
Exports to:					
United States	867,090	655,415	714,920	591,757	571,401
All other markets	14,625,330	14,315,568	16,587,074	17,393,544	15,706,040
Total exports	15,492,420	14,970,983	17,301,994	17,985,301	16,277,441
Total shipments	41,879,157	41,360,203	44,991,625	45,758,245	46,170,629
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	11,664,536	9,954,150	10,939,952	11,447,906	10,863,662
Exports to:					
United States	430,847	303,263	364,714	324,629	320,783
All other markets	6,340,668	5,438,068	7,233,276	8,169,534	7,070,855
Total exports	6,771,515	5,741,331	7,597,989	8,494,162	7,391,639
Total commercial shipments	18,436,051	15,695,480	18,537,941	19,942,068	18,255,301
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$527	\$450	\$477	\$488	\$489
Exports to:					
United States	497	463	510	549	561
All other markets	434	380	436	470	450
Total exports	437	383	439	472	454
Total commercial shipments	490	423	461	481	474
	<b>Ratios and shares (percent)</b>				
Capacity utilization	93.1	88.5	97.3	97.9	95.5
Inventories/production	5.8	6.1	5.4	5.2	5.0
Inventories/shipments	5.9	6.1	5.4	5.2	5.0
Share of total shipment quantity:					
Internal consumption/transfers	10.1	10.3	10.6	9.4	16.6
Home market	52.9	53.5	51.0	51.3	48.1
Exports to:					
United States	2.1	1.6	1.6	1.3	1.2
All other markets	34.9	34.6	36.9	38.0	34.0
Total exports	37.0	36.2	38.5	39.3	35.3

<sup>1</sup> Although Brazil is generally excluded from the section 203 relief, it is a covered source with respect to imports of coated.

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

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

Table G-14

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

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	4,796,250	4,918,307	5,026,683	4,661,156	4,813,029
Production	3,784,774	3,983,869	4,514,915	3,863,414	4,419,441
End-of-period-inventories	388,891	400,541	459,360	348,406	346,201
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	401,708	387,397	680,671	646,723	687,211
All other markets	402,179	396,747	401,449	382,220	461,312
Total exports	803,887	784,144	1,082,120	1,028,943	1,148,523
Total shipments	3,748,682	3,925,426	4,408,203	3,836,490	4,388,578
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	252,281	241,678	466,823	465,596	500,028
All other markets	193,991	164,146	182,927	178,126	218,514
Total exports	446,272	405,824	649,750	643,722	718,542
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	628	624	686	720	728
All other markets	482	414	456	466	474
Total exports	555	518	600	626	626
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	78.9	81.0	89.8	82.9	91.8
Inventories/production	10.3	10.1	10.2	9.0	7.8
Inventories/shipments	10.4	10.2	10.4	9.1	7.9
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	10.7	9.9	15.4	16.9	15.7
All other markets	10.7	10.1	9.1	10.0	10.5
Total exports	21.4	20.0	24.5	26.8	26.2
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					



## LONG STEEL

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Table G-15

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

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	7,525,906	7,481,706	7,414,106	7,440,706	7,482,406
Production	6,579,220	5,796,923	6,323,998	6,297,465	6,360,693
End-of-period-inventories	251,113	223,741	210,651	216,144	214,859
Shipments:					
Internal consumption/transfers	453,552	457,410	388,302	400,384	417,444
Home market	4,446,141	3,916,146	4,184,135	4,140,338	4,171,371
Exports to:					
United States	243,522	215,075	229,902	210,518	212,318
All other markets	1,707,827	1,415,438	1,732,751	1,735,733	1,755,845
Total exports	1,951,349	1,630,513	1,962,653	1,946,251	1,968,163
Total shipments	6,851,042	6,004,069	6,535,090	6,486,973	6,556,978
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	1,888,008	1,522,416	1,621,406	1,694,803	1,709,075
Exports to:					
United States	110,518	99,304	105,236	96,392	97,652
All other markets	607,942	513,103	612,378	642,311	652,668
Total exports	718,460	612,407	717,614	738,703	750,320
Total commercial shipments	2,606,468	2,134,823	2,339,020	2,433,506	2,459,395
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$462	\$424	\$426	\$446	\$446
Exports to:					
United States	455	463	458	458	460
All other markets	369	379	374	390	391
Total exports	380	391	384	398	399
Total commercial shipments	436	414	412	430	431
	<b>Ratios and shares (percent)</b>				
Capacity utilization	87.4	77.5	85.3	84.6	85.0
Inventories/production	3.8	3.9	3.3	3.4	3.4
Inventories/shipments	3.7	3.7	3.2	3.3	3.3
Share of total shipment quantity:					
Internal consumption/transfers	6.6	7.6	5.9	6.2	6.4
Home market	64.9	65.2	64.0	63.8	63.6
Exports to:					
United States	3.6	3.6	3.5	3.2	3.2
All other markets	24.9	23.6	26.5	26.8	26.8
Total exports	28.5	27.2	30.0	30.0	30.0
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table G-16

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

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	3,417,243	3,413,046	3,429,366	2,677,761	2,683,455
Production	2,315,592	2,184,042	2,258,168	1,622,678	1,679,630
End-of-period-inventories	283,124	295,592	331,133	290,443	312,856
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	793,888	631,220	730,098	589,775	618,412
All other markets	263,602	347,353	223,928	136,009	139,209
Total exports	1,057,490	978,573	954,026	725,784	757,621
Total shipments	2,329,659	2,166,065	2,244,099	1,613,149	1,657,217
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	299,393	243,334	296,827	232,139	245,654
All other markets	98,002	113,963	82,078	33,248	34,853
Total exports	397,395	357,297	378,905	265,387	280,507
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	377	385	407	422	425
All other markets	372	328	367	504	504
Total exports	376	365	397	431	433
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	67.8	64.0	65.8	60.6	62.6
Inventories/production	12.2	13.5	14.7	17.9	18.6
Inventories/shipments	12.2	13.6	14.8	18.0	18.9
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	34.1	29.1	32.5	36.6	37.3
All other markets	11.3	16.0	10.0	8.4	8.4
Total exports	45.4	45.2	42.5	45.0	45.7
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table G-17

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

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	826,506	833,616	776,016	787,116	802,116
Production	772,140	728,392	672,047	675,857	698,673
End-of-period-inventories	14,976	9,156	10,083	8,906	6,241
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	67,238	63,957	32,060	41,771	42,081
All other markets	293,328	290,252	273,506	274,183	283,290
Total exports	360,566	354,209	305,566	315,954	325,371
Total shipments	768,969	734,212	662,036	677,033	701,338
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	50,388	52,149	29,527	30,588	31,153
All other markets	158,793	160,884	155,953	156,729	162,325
Total exports	209,181	213,033	185,480	187,317	193,478
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	749	815	921	732	740
All other markets	549	562	578	580	581
Total exports	587	608	615	600	602
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	93.4	87.4	86.6	85.9	87.1
Inventories/production	1.9	1.3	1.5	1.3	0.9
Inventories/shipments	1.9	1.2	1.5	1.3	0.9
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	8.7	8.7	4.8	6.2	6.0
All other markets	38.1	39.5	41.3	40.5	40.4
Total exports	46.9	48.2	46.2	46.7	46.4
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table G-18**

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

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**Table G-19**  
**Rebar: Data for producers in covered countries,<sup>1</sup> April 2000-March 2003, and projections for April 2003-March 2005**

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
<b>Quantity (short tons)</b>					
Capacity	5,839,858	5,634,504	5,912,143	4,071,522	4,071,522
Production	4,374,541	4,932,055	5,335,916	3,549,393	3,539,393
End-of-period-inventories	126,874	213,886	220,958	240,506	240,176
Shipments:					
Internal consumption/transfers	217,401	3,758	62,567	2,653	2,653
Home market	1,124,397	705,885	931,093	918,276	918,276
Exports to:					
United States	229,843	118,816	79,057	40,000	50,000
All other markets	1,651,934	2,325,039	2,579,126	2,489,794	2,489,794
Total exports	1,881,777	2,443,855	2,658,183	2,529,794	2,539,794
Total shipments	3,223,575	3,153,498	3,651,842	3,450,723	3,460,723
<b>Value (\$1,000)</b>					
Shipments:					
Home market	227,943	148,598	222,884	232,638	232,638
Exports to:					
United States	41,393	29,678	17,707	10,800	13,400
All other markets	334,919	482,440	571,423	624,880	624,880
Total exports	376,312	512,118	589,130	635,680	638,280
Total commercial shipments	604,255	660,716	812,014	868,318	870,918
<b>Unit value (per short ton)</b>					
Shipments:					
Home market	\$203	\$211	\$239	\$253	\$253
Exports to:					
United States	180	250	224	270	268
All other markets	203	207	222	251	251
Total exports	200	210	222	251	251
Total commercial shipments	201	210	226	252	252
<b>Ratios and shares (percent)</b>					
Capacity utilization	74.9	87.5	90.3	87.2	86.9
Inventories/production	2.9	4.3	4.1	6.8	6.8
Inventories/shipments	3.9	6.8	6.1	7.0	6.9
Share of total shipment quantity:					
Internal consumption/transfers	6.7	0.1	1.7	0.1	0.1
Home market	34.9	22.4	25.5	26.6	26.5
Exports to:					
United States	7.1	3.8	2.2	1.2	1.4
All other markets	51.2	73.7	70.6	72.2	71.9
Total exports	58.4	77.5	72.8	73.3	73.4
<p><sup>1</sup> 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.</p>					

**Table G-20**

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

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	4,404,212	4,343,212	4,379,962	3,975,757	4,000,598
Production	1,949,211	2,045,857	2,116,121	2,034,819	2,139,676
End-of-period-inventories	160,875	77,395	91,712	61,005	61,473
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	44.3	47.1	48.3	51.2	53.5
Inventories/production	8.3	3.8	4.3	3.0	2.9
Inventories/shipments	***	***	***	***	***
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***

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

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



## TUBULAR STEEL

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**Table G-21**  
**Welded: Data for producers in covered countries,<sup>1</sup> April 2000-March 2003, and projections for April 2003-March 2005**

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
<b>Quantity (short tons)</b>					
Capacity	7,554,569	7,569,593	7,760,639	7,815,455	7,815,455
Production	6,207,009	6,445,927	6,660,236	6,788,679	6,819,279
End-of-period-inventories	403,137	338,429	323,490	404,659	446,942
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	497,682	547,110	426,018	417,730	419,164
All other markets	1,604,674	2,230,829	2,664,682	2,783,376	2,884,498
Total exports	2,102,356	2,777,939	3,090,700	3,201,106	3,303,662
Total shipments	6,148,704	6,544,073	6,713,653	6,861,580	6,991,066
<b>Value (\$1,000)</b>					
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	210,846	244,286	213,043	211,812	213,296
All other markets	769,702	1,177,096	1,273,995	1,452,919	1,508,088
Total exports	980,548	1,421,382	1,487,038	1,664,731	1,721,384
Total commercial shipments	***	***	***	***	***
<b>Unit value (per short ton)</b>					
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	424	447	500	507	509
All other markets	480	528	478	522	523
Total exports	466	512	481	520	521
Total commercial shipments	***	***	***	***	***
<b>Ratios and shares (percent)</b>					
Capacity utilization	82.2	85.2	85.8	86.9	87.3
Inventories/production	6.5	5.3	4.9	6.0	6.6
Inventories/shipments	6.6	5.2	4.8	5.9	6.4
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	8.1	8.4	6.3	6.1	6.0
All other markets	26.1	34.1	39.7	40.6	41.3
Total exports	34.2	42.4	46.0	46.7	47.3

<sup>1</sup> Although Thailand is generally excluded from the section 203 relief, it is a covered source with respect to imports of welded pipe.

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

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

Table G-22

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

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	3,314,849	3,611,058	3,662,050	2,403,804	2,454,335
Production	1,655,096	1,908,786	2,021,101	1,899,085	2,003,415
End-of-period-inventories	118,338	145,150	182,114	120,650	124,576
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	257,628	343,442	364,876	244,225	261,486
All other markets	183,358	330,701	304,994	331,964	352,915
Total exports	440,987	674,142	669,870	576,189	614,401
Total shipments	1,678,793	1,888,024	1,978,557	1,861,040	1,976,944
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	146,746	185,908	210,749	144,900	155,466
All other markets	68,395	126,532	111,772	124,332	134,881
Total exports	215,141	312,440	322,521	269,232	290,347
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	570	541	578	593	595
All other markets	373	383	366	375	382
Total exports	488	463	481	467	473
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	49.9	52.9	55.2	79.0	81.6
Inventories/production	7.1	7.6	9.0	6.4	6.2
Inventories/shipments	7.0	7.7	9.2	6.5	6.3
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	15.3	18.2	18.4	13.1	13.2
All other markets	10.9	17.5	15.4	17.8	17.9
Total exports	26.3	35.7	33.9	31.0	31.1
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table G-23**

**Fittings: Data for producers in covered countries,<sup>1</sup> April 2000-March 2003, and projections for April 2003-March 2005**

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**Table G-24**

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

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## **STAINLESS STEEL**

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**Table G-25**

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

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	428,505	431,066	438,614	451,089	467,814
Production	402,425	412,017	388,171	407,850	426,018
End-of-period-inventories	65,250	62,431	61,095	63,319	62,969
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	35,943	31,488	25,960	24,540	24,764
All other markets	211,742	222,793	217,458	230,923	246,491
Total exports	247,685	254,281	243,418	255,463	271,255
Total shipments	403,200	418,484	392,558	408,587	429,260
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	90,449	79,834	57,949	57,816	58,632
All other markets	523,047	504,957	481,435	507,758	527,728
Total exports	613,496	584,791	539,384	565,574	586,360
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	2,603	2,637	2,320	2,356	2,368
All other markets	2,470	2,266	2,214	2,199	2,141
Total exports	2,489	2,311	2,225	2,214	2,162
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	93.9	95.6	88.5	90.4	91.1
Inventories/production	16.2	15.2	15.7	15.5	14.8
Inventories/shipments	16.2	14.9	15.6	15.5	14.7
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	8.9	7.5	6.6	6.0	5.8
All other markets	52.5	53.2	55.4	56.5	57.4
Total exports	61.4	60.8	62.0	62.5	63.2
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table G-26**  
**Stainless bar: Data for producers in noncovered countries, April 2000-March 2003, and projections for April 2003-March 2005**

\* \* \* \* \*

Table G-27

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

Item	Actual experience			Projections	
	April 2000- March 2001	April 2001- March 2002	April 2002- March 2003	April 2003- March 2004	April 2004- March 2005
	<b>Quantity (short tons)</b>				
Capacity	585,003	599,838	609,988	617,708	629,788
Production	527,983	455,173	531,689	543,668	554,666
End-of-period-inventories	19,918	20,608	24,493	23,296	23,591
Shipments:					
Internal consumption/transfers	53,312	55,485	60,097	61,983	62,917
Home market	165,642	133,957	154,358	157,202	160,093
Exports to:					
United States	33,944	30,077	20,898	22,829	18,541
All other markets	274,321	235,060	292,575	302,850	312,820
Total exports	308,265	265,137	313,473	325,679	331,361
Total shipments	527,219	454,579	527,927	544,864	554,372
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	301,125	211,441	255,764	266,226	275,842
Exports to:					
United States	65,782	52,006	40,464	44,638	37,556
All other markets	522,372	362,548	526,503	561,977	579,524
Total exports	588,154	414,553	566,967	606,615	617,080
Total commercial shipments	889,279	625,994	822,731	872,841	892,922
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	\$1,818	\$1,578	\$1,657	\$1,694	\$1,723
Exports to:					
United States	1,938	1,729	1,936	1,955	2,026
All other markets	1,904	1,542	1,800	1,856	1,853
Total exports	1,908	1,564	1,809	1,863	1,862
Total commercial shipments	1,876	1,569	1,759	1,808	1,817
	<b>Ratios and shares (percent)</b>				
Capacity utilization	90.3	75.9	87.2	88.0	88.1
Inventories/production	3.8	4.5	4.6	4.3	4.3
Inventories/shipments	3.8	4.5	4.6	4.3	4.3
Share of total shipment quantity:					
Internal consumption/transfers	10.1	12.2	11.4	11.4	11.3
Home market	31.4	29.5	29.2	28.9	28.9
Exports to:					
United States	6.4	6.6	4.0	4.2	3.3
All other markets	52.0	51.7	55.4	55.6	56.4
Total exports	58.5	58.3	59.4	59.8	59.8
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table G-28

Stainless wire: Data for producers in covered countries,<sup>1</sup> April 2000-March 2003, and projections for April 2003-March 2004, and April 2004-March 2005

Item	Actual experience			Projections	
	April 2000-March 2001	April 2001-March 2002	April 2002-March 2003	April 2003-March 2004	April 2004-March 2005
	<b>Quantity (short tons)</b>				
Capacity	60,909	57,214	57,270	57,711	58,031
Production	54,370	48,121	49,773	52,318	53,039
End-of-period-inventories	3,542	3,187	3,451	3,308	2,987
Shipments:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	5,064	4,037	2,810	2,069	2,242
All other markets	24,536	22,053	23,100	27,871	28,982
Total exports	29,600	26,090	25,911	29,940	31,224
Total shipments	56,564	50,244	50,171	52,710	53,360
	<b>Value (\$1,000)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	7,739	6,366	6,899	7,490	8,093
All other markets	78,474	54,114	67,860	90,745	93,107
Total exports	86,213	60,480	74,760	98,235	101,200
Total commercial shipments	***	***	***	***	***
	<b>Unit value (per short ton)</b>				
Shipments:					
Home market	***	***	***	***	***
Exports to:					
United States	3,020	2,807	3,211	3,620	3,609
All other markets	3,198	2,454	2,938	3,256	3,213
Total exports	3,181	2,487	2,961	3,281	3,241
Total commercial shipments	***	***	***	***	***
	<b>Ratios and shares (percent)</b>				
Capacity utilization	89.3	84.1	86.9	90.7	91.4
Inventories/production	6.5	6.6	6.9	6.3	5.6
Inventories/shipments	6.3	6.3	6.9	6.3	5.6
Share of total shipment quantity:					
Internal consumption/transfers	***	***	***	***	***
Home market	***	***	***	***	***
Exports to:					
United States	9.0	8.0	5.6	3.9	4.2
All other markets	43.4	43.9	46.0	52.9	54.3
Total exports	52.3	51.9	51.6	56.8	58.5
Note—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					



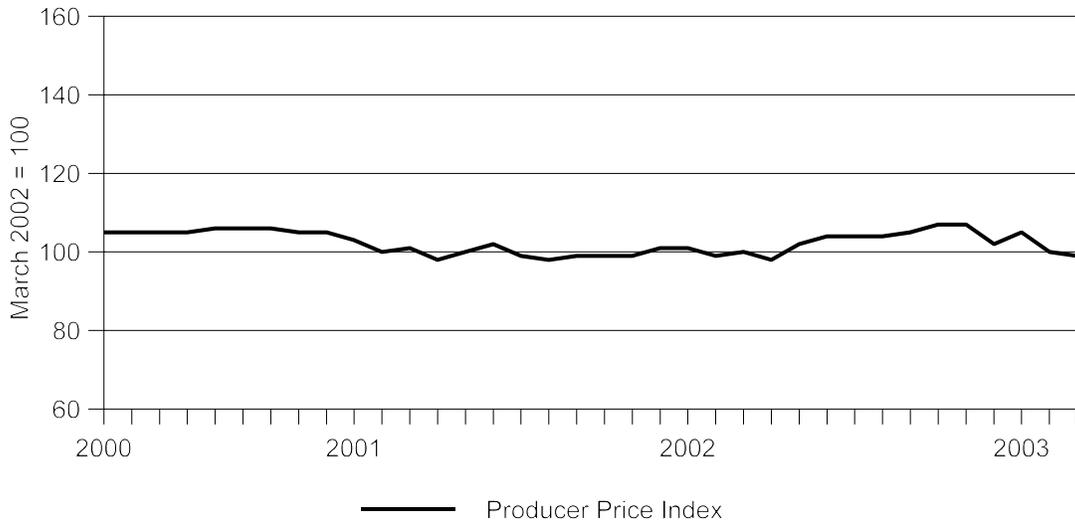
## **APPENDIX H**

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### **PUBLIC PRICE DATA**

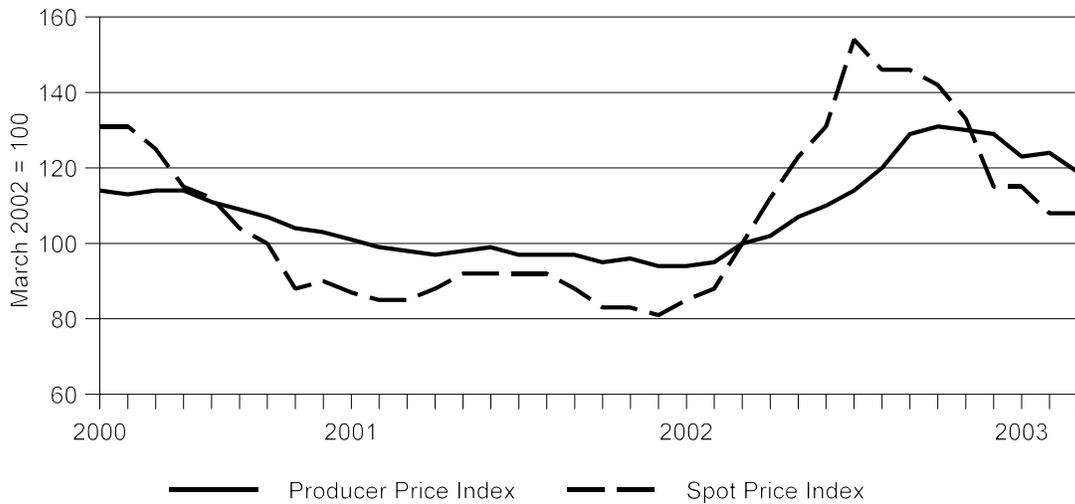


**Figure H-1**  
**Index of U.S. prices for carbon plates, April 2000-March 2003**



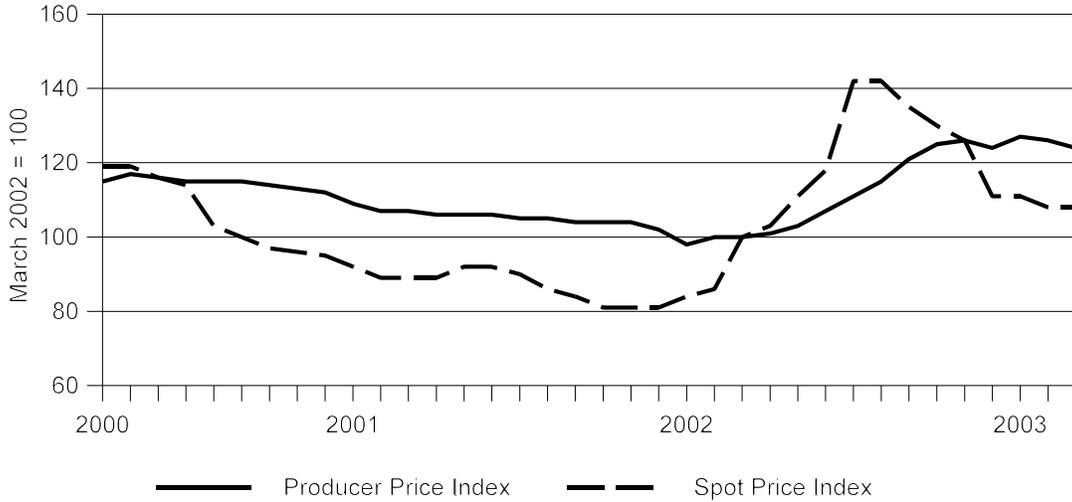
Source: Official statistics of the U.S. Bureau of Labor Statistics, Producer Price Index, Series WPU1070412.

**Figure H-2**  
**Index of U.S. prices for sheets, hot-rolled, carbon, April 2000-March 2003**



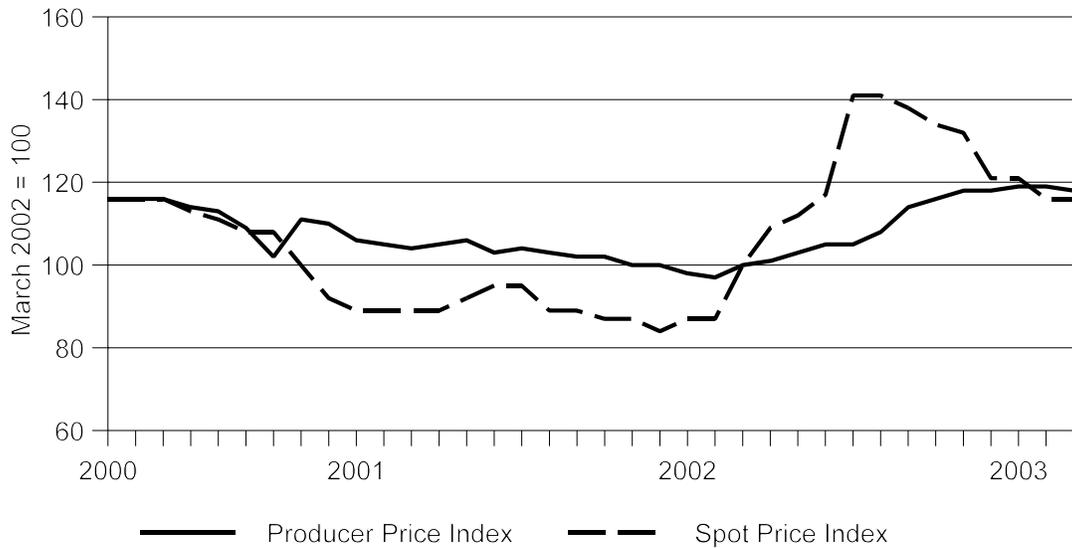
Source: Official statistics of the U.S. Bureau of Labor Statistics, Producer Price Index, Series WPU10170311 and Purchasing Magazine.

**Figure H-3**  
**Index of U.S. prices for sheets, cold-rolled, carbon, April 2000-March 2003**



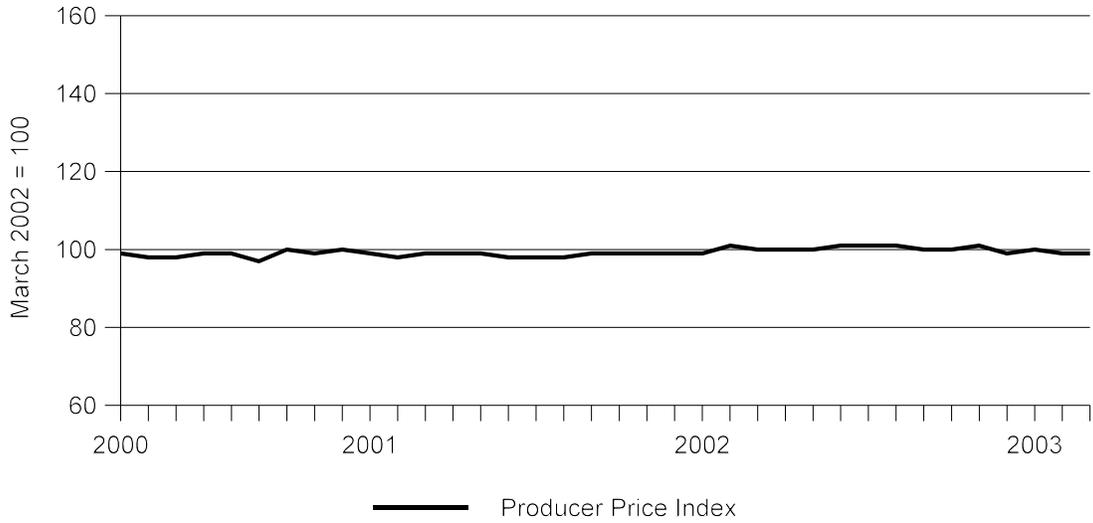
Source: Official statistics of the U.S. Bureau of Labor Statistics, Producer Price Index, Series WPU10170711 and Purchasing Magazine.

**Figure H-4**  
**Index of U.S. prices for sheets and strip, hot-dipped galvanized, April 2000-March 2003**



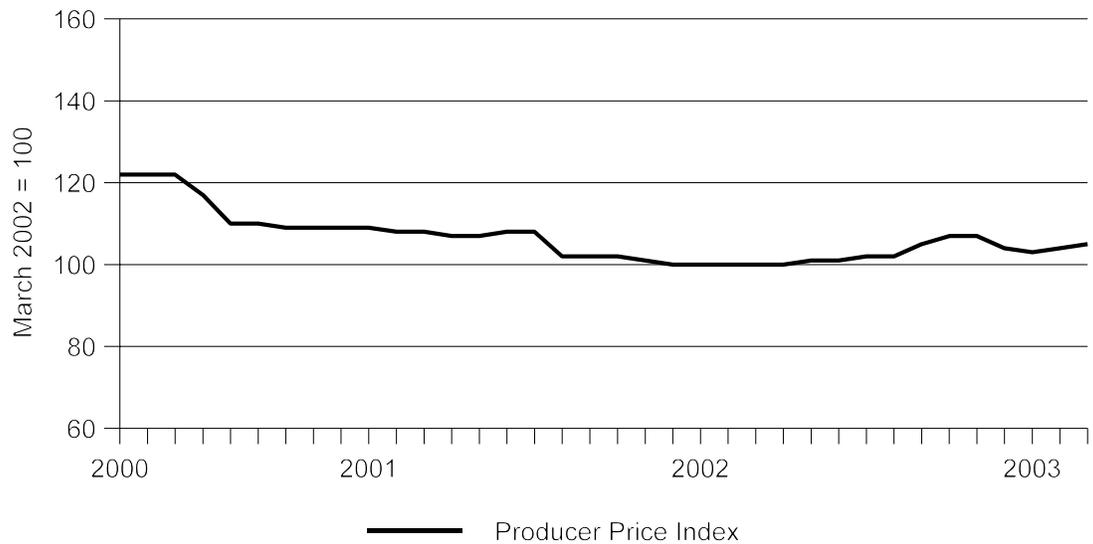
Source: Official statistics of the U.S. Bureau of Labor Statistics, Producer Price Index, Series WPU10170313 and Purchasing Magazine.

**Figure H-5**  
Index of U.S. prices for tinplate, April 2000-March 2003



Source: Official statistics of the U.S. Bureau of Labor Statistics, Producer Price Index, Series WPU10170326.

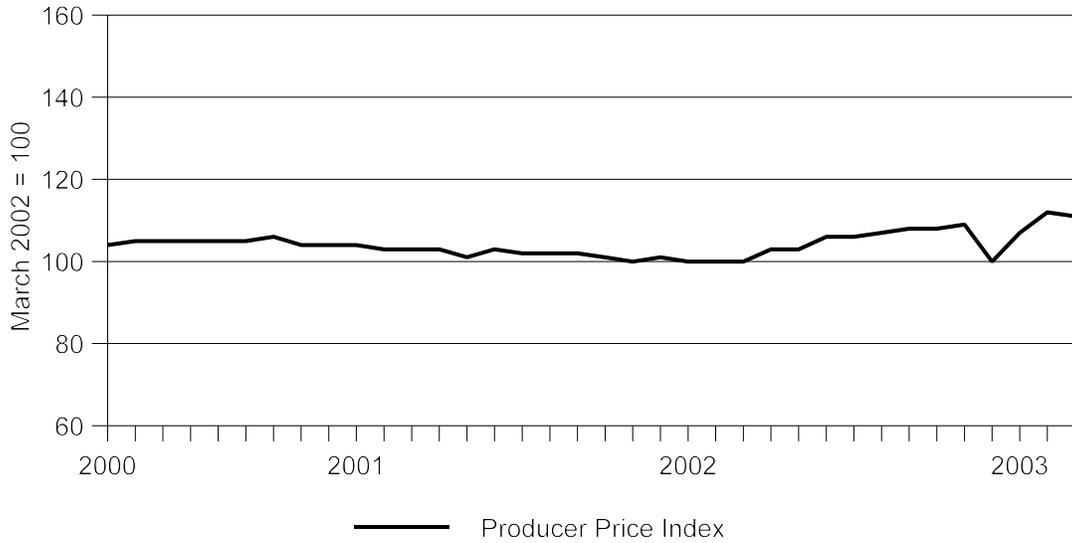
**Figure H-6**  
Index of U.S. prices for bars, light structurals, carbon, April 2000-March 2003



Source: Official statistics of the U.S. Bureau of Labor Statistics, Producer Price Index, Series WPU10170424.

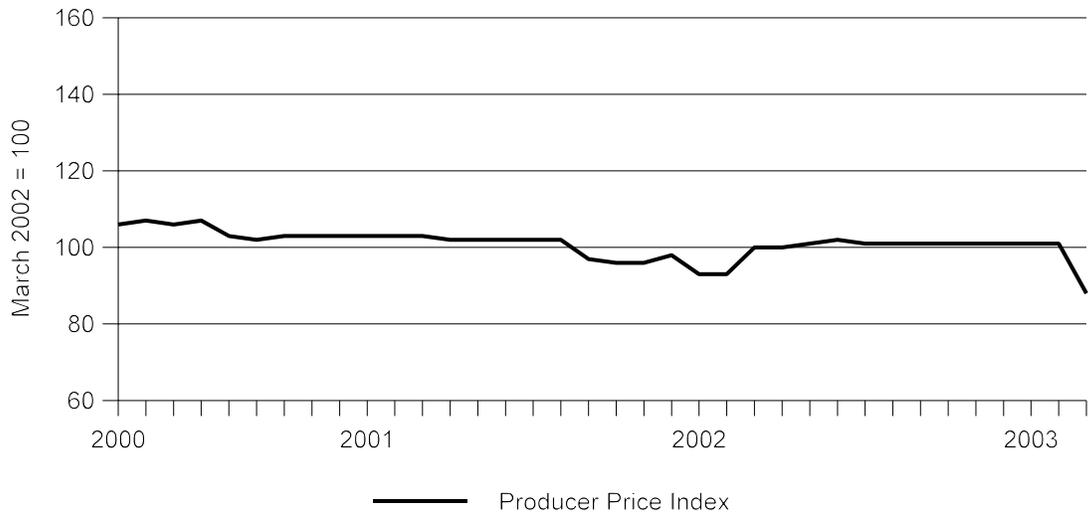


**Figure H-9**  
Index of U.S. prices for steel pipe and tube, April 2000-March 2003



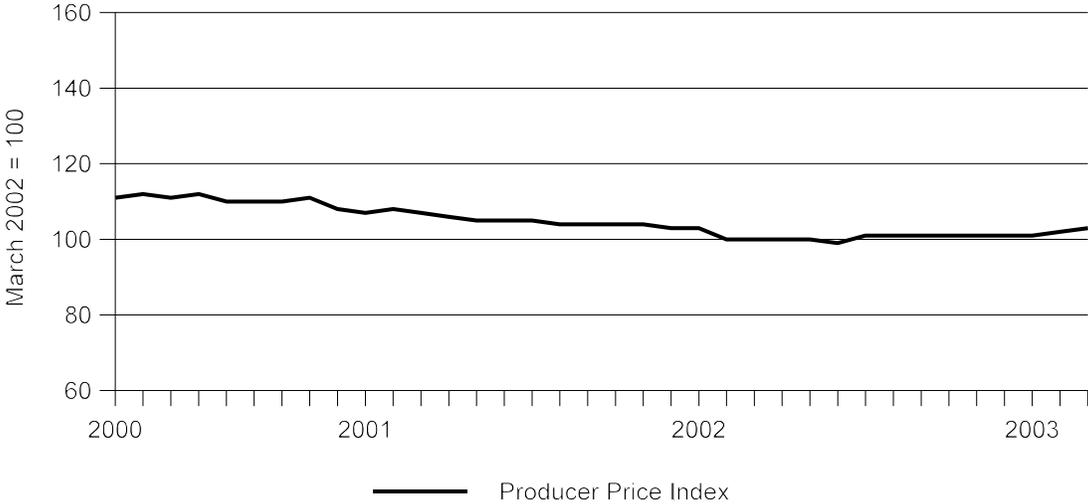
Source: Official statistics of the U.S. Bureau of Labor Statistics, Producer Price Index, Series PCU3317#(N).

**Figure H-10**  
Index of U.S. prices for bars, hot-rolled, stainless, April 2000-March 2003



Source: Official statistics of the U.S. Bureau of Labor Statistics, Producer Price Index, Series WPU10170461.

Figure H-11  
Index of U.S. prices for wire, stainless, April 2000-March 2003



Source: Official statistics of the U.S. Bureau of Labor Statistics, Producer Price Index, Series WPU10170551.