CERTAIN FLAT-ROLLED CARBON STEEL PRODUCTS FROM ARGENTINA, AUSTRALIA, AUSTRIA, BELGIUM, BRAZIL, CANADA, FINLAND, FRANCE GERMANY, ITALY, JAPAN, KOREA, MEXICO, THE NETHERLANDS, NEW ZEALAND, POLAND, ROMANIA, SPAIN, SWEDEN, TAIWAN, AND THE UNITED KINGDOM

Determinations of the Commission in Investigations Nos. 701–TA–319–354 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

Determinations of the Commission in Investigations Nos. 731–TA–573–620 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations. Nos. 701-TA-319 through 354
and 731-TA-573 through 620 (Preliminary)

CERTAIN FLAT-ROLLED CARBON STEEL PRODUCTS

Determinations

On the basis of the record[1] developed in the subject countervailing duty investigations, the Commission determines, pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the following flat-rolled carbon steel products[2] that are alleged to be subsidized by the Governments of the specified countries:

Country	Plate	Hot-rolled products	Cold-rolled products	Corrosion-resistant products
Austria			701-TA-336[1]	
Belgium	701-TA-319	701-TA-329[2]	701-TA-337[1]	
Brazil	701-TA-320	701-TA-330[3]	701-TA-338	701-TA-347[3]
France	701-TA-321[1]	701-TA-331	701-TA-339	701-TA-348
Germany	701-TA-322	701-TA-332	701-TA-340	701-TA-349
Italy	701-TA-323[4]		701-TA-341[5]	
Korea	701-TA-324[6]	701-TA-334	701-TA-342	701-TA-350
Mexico	701-TA-325			701-TA-351
New Zealand				701-TA-352[7]
Spain	701-TA-326		701-TA-344[2]	
Sweden	701-TA-327			701-TA-353[7]
United Kingdom	701-TA-328			

[1] Commissioner Brunsdale dissenting.
[2] Commissioners Rohr, Brunsdale, and Crawford dissenting.
[3] Commissioners Brunsdale and Crawford dissenting.
[4] Commissioner Brunsdale dissenting, Vice Chairman Watson not participating.
[5] Commissioners Rohr and Brunsdale dissenting, Vice Chairman Watson not participating.
[6] Vice Chairman Watson and Commissioners Brunsdale and Crawford dissenting.
[7] Chairman Newquist and Commissioner Brunsdale dissenting.

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

[2] The products covered by the subject investigations are provided for in headings/subheadings 7208, 7209, 7210.31, 7210.39, 7210.41, 7210.49, 7210.60, 7210.70, 7210.90, 7211, 7212.21, 7212.29, 7212.30, 7212.40, 7212.50, and 7212.60 of the Harmonized Tariff Schedule of the United States. For a complete description of the products, see the Department of Commerce's initiation notices (57 FR 32970, July 24, 1992, and 57 FR 33488, July 29, 1992).

The Commission determines that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of allegedly subsidized imports of the following flat-rolled carbon steel products:

Country	Plate	Hot-rolled products	Cold-rolled products	Corrosion-resistant products
Italy		701-TA-333[1]		
New Zealand . . .		701-TA-335	701-TA-343	
Taiwan			701-TA-345[2]	701-TA-354[3]
United Kingdom .			701-TA-346[4]	

[1] Chairman Newquist and Commissioner Nuzum dissenting, Vice Chairman Watson not participating.
[2] Chairman Newquist dissenting, Commissioner Crawford not participating.
[3] Commissioner Crawford not participating.
[4] Chairman Newquist dissenting.

On the basis of the record developed in the subject antidumping investigations, the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the following flat-rolled carbon steel products that are alleged to be sold in the United States at less than fair value (LTFV):

Country	Plate	Hot-rolled products	Cold-rolled products	Corrosion-resistant products
Argentina			731-TA-597[1]	
Australia				731-TA-612
Austria			731-TA-599[1]	
Belgium	731-TA-573	731-TA-588[2]	731-TA-600[1]	
Brazil	731-TA-574	731-TA-589[3]	731-TA-601	731-TA-613[4]
Canada	731-TA-575	731-TA-590	731-TA-602	731-TA-614
Finland	731-TA-576			
France	731-TA-577[1]	731-TA-591	731-TA-603	731-TA-615
Germany	731-TA-578	731-TA-592	731-TA-604	731-TA-616
Italy	731-TA-579[5]		731-TA-605[6]	
Japan		731-TA-594[7]	731-TA-606	731-TA-617
Korea	731-TA-581[7]	731-TA-595	731-TA-607	731-TA-618
Mexico	731-TA-582			731-TA-619
Netherlands		731-TA-596[1]	731-TA-608	
Poland	731-TA-583			
Romania	731-TA-584			
Spain	731-TA-585		731-TA-609[2]	
Sweden	731-TA-586			
United Kingdom	731-TA-587			

[1] Commissioner Brunsdale dissenting.
[2] Commissioners Rohr, Brunsdale, and Crawford dissenting.
[3] Commissioners Brunsdale and Crawford dissenting.
[4] Chairman Newquist and Commissioners Brunsdale and Crawford dissenting.
[5] Commissioner Brunsdale dissenting, Vice Chairman Watson not participating.
[6] Commissioners Rohr and Brunsdale dissenting, Vice Chairman Watson not participating.
[7] Vice Chairman Watson and Commissioners Brunsdale and Crawford dissenting.

The Commission determines that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of allegedly LTFV imports of the following flat-rolled carbon steel products:

Country	Plate	Hot-rolled products	Cold-rolled products	Corrosion-resistant products
Australia			731-TA-598	
Italy		731-TA-593[1]		
Japan	731-TA-580			
Taiwan			731-TA-610[2]	731-TA-620[3]
United Kingdom			731-TA-611[4]	

[1] Chairman Newquist and Commissioner Nuzum dissenting, Vice Chairman Watson not participating.
[2] Chairman Newquist dissenting, Commissioner Crawford not participating.
[3] Commissioner Crawford not participating.
[4] Chairman Newquist dissenting.

Background

On June 30, 1992, petitions were filed with the Commission and the Department of Commerce by Armco Steel Company, L.P.; Bethlehem Steel Corporation; Geneva Steel; Gulf States Steel, Inc. of Alabama; Inland Steel Industries, Inc.; Laclede Steel Company; LTV Steel Company, Inc.; Lukens Steel Company; National Steel Corporation; Sharon Steel Corporation; USX Corporation/U.S. Steel Group; and WCI Steel, Inc., alleging that industries in the United States are materially injured or threatened with material injury by reason of the above-specified imports. Accordingly, effective June 30, 1992, the Commission instituted the specified countervailing duty and antidumping investigations.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of July 8, 1992 (57 FR 30230). The conference was held in Washington, DC, on July 21, 1992, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

Based on the information obtained in these preliminary investigations, we find that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury[1] by reason of allegedly subsidized imports of cut-to-length carbon steel plate from Belgium, Brazil, France, Germany, Italy, Korea, Mexico, Spain, Sweden, and the United Kingdom. We further determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of cut-to-length plate from Belgium, Brazil, Canada, Finland, France, Germany, Italy, Korea, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom alleged to be sold at less than fair value (LTFV).

We determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly LTFV imports of cut-to-length plate from Japan.

Based on the information obtained in these preliminary investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly subsidized imports of hot-rolled carbon steel flat products from Belgium, Brazil, France, Germany, and Korea. We further

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[1] Material retardation of a domestic industry by reason of the subject imports is not an issue in any of these investigations, and therefore the issue will not be discussed further.

determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly LTFV imports of hot-rolled flat products from Belgium, Brazil, Canada, France, Germany, Japan, Korea, and the Netherlands.

We determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly subsidized imports of hot-rolled flat products from Italy and New Zealand. We also determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly LTFV imports of hot-rolled flat products from Italy.

Based on the information available in these preliminary investigations, we find that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly subsidized imports of cold-rolled carbon steel flat products from Austria, Belgium, Brazil, France, Germany, Italy, Korea, and Spain. We further determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly LTFV imports of cold-rolled flat products from Argentina, Austria, Belgium, Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Spain.

We determine that there is no reasonable indication that an

industry in the United States is materially injured or threatened with materially injury by reason of allegedly subsidized imports of cold-rolled flat products from New Zealand, Taiwan, and the United Kingdom. We also determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly LTFV imports of cold-rolled flat products from Australia, Taiwan, and the United Kingdom.

Based on the information obtained in these preliminary investigations, we find that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly subsidized imports of corrosion-resistant carbon steel flat products from Brazil, France, Germany, Korea, Mexico, New Zealand, and Sweden. We also determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly LTFV imports of corrosion-resistant flat products from Australia, Brazil, Canada, France, Germany, Japan, Korea and Mexico.

We determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly subsidized or LTFV imports of corrosion-resistant flat products from Taiwan.

I. THE LEGAL STANDARD IN PRELIMINARY DETERMINATIONS

The legal standard in preliminary antidumping and countervailing duty investigations requires the Commission to

determine whether, based upon the best information available at the time of the preliminary determination, there is a reasonable indication of material injury or threat thereof to a domestic industry by reason of the imports under investigation.[2] In these investigations, the Commission considered whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[3] The U.S. Court of Appeals for the Federal Circuit has held that this interpretation of the standard "accords with clearly discernible legislative intent and is sufficiently reasonable."[4] In American Lamb, the Federal Circuit stated that the purpose of preliminary material injury investigations is to "eliminate unnecessary and costly investigations which are an impediment to trade",[5] and that the "reasonable indication" standard requires more than a finding that there is a "possibility" of material injury.[6]

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[2] 19 U.S.C. §§ 1671b(a), 1673b(a). American Lamb Co. v. United States, 785 F.2d 994, 1001 (Fed. Cir. 1986); Calabrian Corp. v. United States Int'l Trade Comm'n, Slip Op. 92-69 (CIT 1991) (citing American Lamb).

[3] Id. at 1001-04. Recently, the CIT interpreted the American Lamb case to affirm "the Commission's practice of reaching a negative preliminary determination of injury only when" these two factors are met. Torrington Co. v. United States, Slip Op. 92-49 at 3.

[4] American Lamb, 785 F.2d at 1004.

[5] Id. at 1002-1003, citing S. Rep. No. 1290, 96th Cong., 2d Sess. 171, reprinted in 1979 U.S. Code Cong. & Ad. News 7186, 7308.

[6] Id. at 1001-1004.

II. LIKE PRODUCT

A. Background

To determine whether a domestic industry is materially injured or threatened with material injury, the Commission must first define the domestic industry. Section 771(4)(A) of the Tariff Act of 1930 defines the domestic industry as the "domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product .... "[7] In turn, section 771(10) defines the like product as a "product that is like, or in the absence of like, most similar in characteristics and uses with the article subject to an investigation .... "[8]

Petitioners allege injury by reason of LTFV and subsidized imports in four product groups: hot-rolled carbon steel flat product; cold-rolled carbon steel flat product; corrosion-resistant carbon steel flat product; and cut-to-length carbon steel plate.[9]

The Department of Commerce ("Commerce") has identified these same four products as classes or kinds of merchandise subject to these investigations.[10] They are described as follows:

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[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(10).

[9] Petition I.2.

[10] In letters dated July 20 and August 6, 1992, petitioners requested that the scope of the investigations be amended to

(continued...)

Certain Hot-Rolled Carbon Steel Flat Products

Hot-rolled carbon steel flat products, of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, in coils, or in straight lengths which are less than 4.75 millimeters in thickness and of a width measuring at least 10 times the thickness.

Certain Cold-Rolled Carbon Steel Flat Products

Cold-rolled (cold-reduced) carbon steel flat products, of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, in coils, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width measuring at least ten times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness.

Certain Corrosion-Resistant Carbon Steel Flat Products

Flat-rolled carbon steel products, of solid rectangular (other than square) cross section, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils, or in straight lengths which, if of a thickness less than

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[10] (...continued)
exclude all grade X-70 cut-to-length carbon steel plate and shadow mask steel, respectively. As of the time of the Commission's injury determinations, the Department of Commerce had not acted on those requests and, accordingly, the Commission's determinations cover them. However, the volume of U.S. production and imports of these products is so small that their inclusion or exclusion has no discernible effect on the data presented in the Commission's report.

> 4.75 millimeters are of a width measuring at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness.

Certain Cut-to-Length Carbon Steel Plate

> Hot-rolled carbon steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief) of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat products in straight lengths, of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness.[11]

Accordingly, petitioners propose four like products: hot-rolled carbon steel flat product; cold-rolled carbon steel flat product; corrosion-resistant carbon steel flat product; and cut-

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[11] Initiation of Countervailing Duty Investigations and Postponement of Preliminary Determinations: Certain Steel Products From Austria, Belgium, Brazil, France, Germany, Italy, Korea, Mexico, New Zealand, Spain, Sweden, Taiwan, and the United Kingdom, 57 Fed. Reg. 32970 (July 24, 1992); Initiation of Antidumping Duty Investigations and Postponement of Preliminary Determinations: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate From Various Countries, 57 Fed. Reg. 33488, 33491-92 (July 29, 1992).

to-length carbon steel plate.[12] With certain exceptions discussed below, respondents accept petitioners' proposed like products.

All products under investigation are flat-rolled carbon steel products.[13] Carbon steel, which is marked by the presence of alloying elements in limited proportions, is the most common grade of steel. Carbon steel consists by weight predominantly of iron, and contains no more than 2 percent carbon by weight.

B. Analysis

The Commission's like product determinations are factual, and the Commission applies case-by-case the statutory standard of "like" or "most similar in characteristics and uses."[14]

Petitioners' four proposed like products can be readily distinguished from each other. First, the products differ in physical characteristics and uses. Hot-rolled sheet is generally thicker and of lower quality than cold-rolled and corrosion-resistant sheet. The cold reduction process, which is used for making cold-rolled and corrosion-resistant sheet, yields smoother

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[12] Petition I-2.

[13] Though technically described as flat products, those flat-rolled carbon steel products subject to these investigations (except for cut-to-length plate) will, for convenience, be referred to herein as sheet. Cut-to-length plate will be called plate.

[14] In analyzing like product issues, the Commission considers factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions; (5) common manufacturing facilities and production employees; and (6) when appropriate, price. See Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (CIT 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991).

surfaces and higher strength-to-weight ratios, while producing thinner gauge steel. Generally, hot-rolled sheet is thinner and weaker than cut-to-length plate, which is stronger and thicker than all other carbon steel flat products. Corrosion-resistant sheet is unique because, unlike the other products, it is coated, clad or plated with metals and alloys.

The different physical properties of each like product dictate particular end uses. Hot-rolled sheet, the least refined steel sheet product, is used to meet less exacting specifications. Because it is heavier and less smooth than cold-rolled sheet, hot-rolled sheet is used in applications where surface finish and light weight are not crucial, such as in construction and machinery.[15]

Because of its thin gauge, smooth surface and high strength-to-weight ratio, cold-rolled sheet is used to make products where surface finish and light weight are an important consideration. Such applications include appliances, electrical equipment and unexposed body parts and roofs in automobiles.[16]

Corrosion-resistant sheet is used mostly in applications requiring protection against the weather and other corroding agents. These applications include roofing and siding, culverts, eave troughs, air ducts, heating furnaces, quarter panels, trunk lids and mufflers.[17] The desire of automobile makers to offer

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[15] Report I-58.

[16] Id. at I-60.

[17] Petitioners' Br. 37.

rust-through protection has heightened demand for corrosion-resistant sheet.[18] Corrosion-resistant products are also used increasingly in the construction industry, where purchasers are prepared to pay more in initial costs for corrosion-resistant flat steel to avoid replacement costs later.[19]

Because cut-to-length plate is thicker and stronger than the other products, it is designed for heavy industrial uses, including storage tanks, railroad freight cars, shipbuilding and marine equipment, and industrial and construction machinery and equipment.[20]

Petitioners' proposed like products have limited interchangeability. Because of the need for smooth finishes and light weight, hot-rolled sheet is a poor substitute for cold-rolled sheet in applications such as household appliances. Neither hot-rolled nor cold-rolled sheet can substitute for corrosion-resistant sheet in many applications, because they cannot protect against corrosion -- a necessary quality in applications of corrosion-resistant flat-rolled steel. Cut-to-length plate serves demanding uses requiring thick gauges and superior strength that the other products cannot meet.

All of petitioners' proposed like products share similar

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[18] To meet federally-mandated energy-efficiency requirements, cars now use lighter, thinner steels that rust through far more easily than thicker materials, making corrosion-resistant coatings essential.

[19] Report I-61.

[20] Id. at I-58.

channels of distribution. Because hot-rolled and cold-rolled sheet are largely consumed captively by integrated producers, the channels of distribution for them are often similar. Of merchant market shipments, each proposed like product is distributed directly by the domestic producers, or through steel service centers, in roughly equal proportions.[21]

Customers and producers perceive the proposed like products differently. The American Iron & Steel Institute (AISI) reports shipment data on the products separately. Moreover, differing physical properties of the products affect directly customer and producer perceptions of product utility for different applications.

All flat-rolled products share certain production processes and are, therefore, often made in a single plant. However, the proposed like products are transformed at different lines by different workers within those plants. Hot-rolled sheet is made on a strip mill. Cold-rolled sheet is finished on a cold-reduction mill. Corrosion-resistant flat product is coated on a coating line. However, cold-rolled and most corrosion-resistant sheet is first hot-rolled at a strip mill. But, while these products are all manufactured in part on the same equipment, they each undergo an additional step unique to their production (or, in the case of hot-rolled sheet, no further processing is

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[21] The products are sold through steel service centers in the following percentages: hot-rolled (37.8 percent); cold-rolled (29.4 percent); corrosion-resistant (23.8 percent); and cut-to-length (38.3 percent).

necessary for the product to be considered hot-rolled in its final form.)

Cut-to-length plate also is manufactured through an essentially different process from the other products. Though all cut-to-length plate is hot-rolled, only strip mill plate is hot-rolled at a strip mill; the majority of cut-to-length plate is hot-rolled at a sheared-plate mill. Also, unlike the other products, most cut-to-length plate (i.e. plate mill plate) is never coiled.

Prices vary for the different products. Because each step in the production process adds value, flat product becomes more expensive the more it is refined. Accordingly, hot-rolled sheet tends to be priced lower than cold-rolled, which tends to be priced lower than corrosion-resistant. Pricing data for the period of investigation reflect these tendencies.[22] [23]

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[22] Report I-153-160.

[23] The like product definitions proposed by petitioner and generally accepted by respondents coincide with past Commission practice. In all previous Title VII investigations involving the subject imports, the Commission has adopted like product definitions similar to those proposed here. See, e.g., Certain Carbon Steel Products from Austria, Czechoslovakia, East Germany, Hungary, Norway, Poland, Romania, Sweden, and Venezuela, Invs. Nos. 701-TA-225-234 (Preliminary) and 731-TA-213-217, 219, 221-226, 228-235 (Preliminary), USITC Pub. 1642 (Feb. 1985); Certain Carbon Steel Products from Argentina, Australia, Finland, South Africa, and Spain, Invs. Nos. 701-TA-212 (Preliminary) and 731-TA-169-182 (Preliminary), USITC Pub. 1510 (Mar. 1985); and Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany, Invs. Nos. 701-TA-86-144, 146, 147 (Preliminary) and 731-TA-53-86 (Preliminary), USITC Pub. 1221 (Feb. 1982). In a previous section 201 investigation, the Commission included hot-rolled and cold-rolled sheet as one like product, i.e., sheet

(continued...)

Accordingly, we determine for these preliminary investigations that there are four like products: hot-rolled carbon steel flat product; cold-rolled carbon steel flat product; corrosion-resistant carbon steel flat product; and cut-to-length carbon steel plate.

Petitioners' proposed like product definitions diverge from earlier Commission investigations in one important respect -- the petition argues for a different interpretation of cut-to-length plate. In the most recent investigations of carbon steel flat products, the Commission has treated plate in coils and cut-to-length plate as one like product, i.e., carbon steel plate.[24] Previously, the Commission had separated plate in coils from cut-to-length plate, including the former in the hot-rolled sheet category.[25] Petitioners ask the Commission to return to the

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[23](...continued)
and strip. Carbon and Certain Alloy Steel Products, Inv. No. 201-TA-51, USITC Pub. 1553 (July 1984). We note finally that each Commission determination is based on the facts of the particular case, and we are not bound in these investigations by determinations made in prior investigations. See Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1093-94 (CIT 1988).

[24] See, e.g., Certain Carbon Steel Products from Austria, Czechoslovakia, East Germany, Hungary, Norway, Poland, Romania, Sweden, and Venezuela, USITC Pub. 1642; Certain Hot-Rolled Carbon Steel Plate from the Republic of Korea, Inv. No. 731-TA-151 (Final), USITC Pub. 1561 (Aug. 1984); Certain Carbon Steel Products from Brazil, Invs. Nos. 701-TA-205-207 (Final), USITC Pub. 1538 (June 1984); Certain Flat-Rolled Carbon Steel Products from Brazil, Inv. No. 731-TA-123, USITC Pub. 1499 (Mar. 1984).

[25] See, e.g., Hot-Rolled Carbon Steel Plate from Brazil, Inv. No. 701-TA-87 (Final), USITC Pub. 1356 (Mar. 1983); Certain Carbon Steel Products from the Republic of Korea, Invs. Nos. 701-TA-170, 171, 173 (Final), USITC Pub. 1346 (Feb. 1983); Certain
(continued...)

earlier interpretation of cut-to-length plate and consider plate in coils as a hot-rolled flat product. With one exception, respondents accept petitioners' like product division between plate in coils and cut-to-length plate.[26]

We find that plate in coils should be separated from cut-to-length plate and treated instead as a hot-rolled flat product. Plate in coils and all cut-to-length plate differ in end uses. As petitioners note, the two largest consumers of plate in coils -- the automobile and pipe and tube industries -- strongly prefer using plate in coils in their production processes for better operational efficiency. Both industries send the coils through a feeder and stamp out the parts.[27] Therefore, while thickness generally dictates end use in the plate market, manufacturing limitations can and do make plate in coils and cut-to-length plate non-substitutable in important applications. Separating plate in coils from cut-to-length plate also would accord with industry perception; as noted above, AISI reports import and

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[25](...continued)
Carbon Steel Products from Spain, Invs. Nos. 701-TA-155, 157, 158-160, 162 (Final), USITC Pub. No. 1331 (Dec. 1982); Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany, USITC Pub. 1221.

[26] Spanish respondents Ensidesa and AHV argue that coiled and cut-to-length plate should be considered one like product. They give no independent analysis for their position, but cite as the only support for their argument the Commission's determination in Certain Flat-Rolled Carbon Steel Products from Brazil, USITC Pub. 1499 at 6 (finding that coiled plate and cut-to-length plate are one like product -- carbon steel plate). Ensidesa and AHV br. 25-26.

[27] Petition II.18-19.

domestic shipment data on plate in coils separately from cut-to-length plate.

Several respondents proposed separate like products. For the reasons discussed below, we reject all of these arguments for these preliminary investigations, but will reconsider some of the arguments in any final investigation.[28]

Kawasaki Steel Corp., a Japanese producer and the only foreign producer of stainless steel clad sheet, argues that stainless steel clad sheet should be separated from other corrosion-resistant sheet and made a separate like product. There is allegedly only one domestic producer of this exact product. Stainless clad sheet is a sheet of carbon clad on both sides by stainless steel in a 20-60-20 ratio that is used exclusively in the manufacture of high quality cookware and is typically considered a stainless steel product.

Stainless clad sheet is allegedly not substitutable with other corrosion-resistant products, since those products do not conduct heat evenly and lack proper cooking and cleaning surfaces. Because of its higher price, stainless clad sheet, respondents assert, would not be used in other corrosion-resistant applications even though it theoretically could. Accordingly, customers and producers allegedly view stainless clad sheet as a distinct product, and channels of distribution for stainless clad sheet may differ from those for other

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[28] In light of petitioners' request to amend the petitions to exclude shadow mask steel, we are not addressing a respondent's like product argument concerning this product.

corrosion-resistant products. Stainless clad sheet is reportedly sold to end users only. Kawasaki claims to make its stainless clad sheet through a special cladding process unlike any other process used to make other corrosion-resistant flat product. According to Kawasaki, stainless clad sheet during the period of investigation was sold for five times as much as any other corrosion-resistant sheet.

The record does not contain sufficient information to allow us to determine whether stainless clad sheet is a separate like product and if so, what domestically-produced products are like imported stainless clad sheet. We will revisit this issue in any final investigations.

Japan Steel Works (JSW), a Japanese producer, claims that clad plate is a separate like product and should be excluded from the category of corrosion-resistant sheet. Clad plate is carbon steel plate that has been clad with a corrosion-resistant metal such as stainless steel, nickel, or copper. Clad plate has a corrosion-resistant material on one or both sides and is used in many of the same applications as cut-to-length plate (storage tanks, pressure vessels, industrial equipment, and shipbuilding). On the other hand, clad plate has similarities with corrosion-resistant sheet; e.g., JSW indicates that only plate made entirely of solid cladding material or carbon steel overlaid with other steel can substitute for clad plate. However, other corrosion-resistant sheet is not substitutable with clad plate, because it lacks sufficient strength and could not withstand the

intense pressures and stresses associated with these applications. JSW argues in essence, based on these similarities to both corrosion-resistant sheet and cut-to-length plate, that clad plate is like neither product and instead constitutes a separate like product.

JSW points to the following alleged differences between clad plate and corrosion-resistant sheet. Prices for clad plate reportedly exceed those for other corrosion-resistant sheet. Further, clad plate is made on a rolling mill by binding the cladding material to the carbon steel substrate through a rolling or explosive bonding process.[29] Clad plate typically is not painted or coated. Finally, according to JSW, clad plate is marketed differently from other corrosion-resistant flat product, since clad plate is made to order and sold directly to end users, while other corrosion-resistant sheet is sometimes sold to steel service centers and then distributed to customers.

Based mainly on differing end-uses, we conclude that clad plate may be sufficiently different from other corrosion-resistant sheet such that a separate like product finding would be appropriate. However, there is an insufficient record in these preliminary investigations for us to define clad plate as a separate like product, and we therefore find that the domestic

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[29] We note that rolling and explosive bonding are the two common ways of cladding materials together. Because clad products generally are included in these investigations as corrosion-resistant products, we put no weight on the fact that clad plate is clad, as other corrosion-resistant products share this characteristic.

product like imported clad plate is corrosion-resistant sheet. We will revisit this issue in any final investigation.

Hitachi Metals, Ltd., a Japanese manufacturer of hardened carbon steel, and Hitachi Metals America, Ltd., a U.S. importer of this steel (collectively "Hitachi"), argue that hardened carbon steel should be considered a separate like product.[30] Hardened carbon steel is a high carbon cold-rolled product of superior fatigue strength used in the manufacture of flapper valves for the automotive industry. Hardened carbon steel allegedly uses different raw materials and undergoes special processing than other cold-rolled products. Hitachi claims that because of exacting requirements, uses supplied by hardened carbon steel cannot be served by ordinary cold-rolled sheet. Accordingly, customers and producers reportedly do not view these products similarly.

While the record does not provide enough information to decide this issue now, we will pursue this matter in any final investigations.

Japanese producers propose two further separate like products: cold-rolled motor lamination steel (CRML) and tin mill black plate (TMBP). Tin mill black plate is an extra thin cold-rolled product, and is used principally as a substrate in the manufacture of tinplate (tin-coated steel) and tin-free steel

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[30] Japanese respondents in their joint brief suggest that a hardened carbon steel product called high carbon steel should be considered a separate like product. They provide insufficient facts for us to analyze their claim.

(chromium- or chromium oxide-coated steel). Tinplate and tin-free steel are used, for instance, in the manufacture of steel cans and containers.[31] Japanese respondents allege that TMBP differs from other cold-rolled products in uses, thickness (TMBP is allegedly thinner), and production facilities.

Respondents failed to provide sufficient information to justify separating TMBP from other cold-rolled products, e.g., concerning price, channels of distribution and customer and producer perceptions. Therefore, we find that tin mill black plate is a cold-rolled product.

Japanese producers argue that cold-rolled motor lamination steel, an electrical steel product made from steel containing small amounts of silicon, should be considered a separate like product. CRML allows electrical motors to operate more efficiently.[32] Due to its special properties, CRML is not used in other applications and commodity cold-rolled steel would be unusable in CRML applications. As a result of its narrow applications, CRML is only sold directly to end users and is not distributed through steel service centers. CRML is made essentially on a cold-reduction mill, like other cold-rolled products, with certain manufacturing variations to impart the special conductive properties for which CRML is known.

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[31] Report I-31.

[32] Since regular cold-rolled steel does not conduct electricity well, its use in motors would cause the loss of electrical energy in the form of heat and would produce an inefficient and unmarketable motor.

Respondents offered no pricing data to distinguish CRML from commodity cold-rolled sheet.

We find that CRML is a cold-rolled product. First, manufacturing processes for CRML and other cold-rolled products are essentially the same. Second, no price comparisons between CRML and commodity cold-rolled sheet have been presented by respondents. Therefore, we consider CRML to be like other cold-rolled products.

Next, Galvak, a Mexican producer, and various Australian producers, argue that pre-painted galvanized sheet, which they export to the United States, is unlike commodity galvanized sheet and the Commission should find that pre-painted galvanized sheet is a separate like product apart from corrosion-resistant sheet. Even if the respondents are correct that pre-painted galvanized sheet from overseas is shipped directly to end users, serves special markets and costs considerably more than commodity galvanized sheet, pre-painted galvanized sheet is no different from commodity galvanized steel that has been painted on a toll basis. The fact that pre-painted galvanized sheet is painted by steel producers and commodity galvanized sheet is painted by outside tollers is, in our judgment, no basis for finding a separate like product and conducting an independent injury analysis.[33]

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[33] We note that the argument that pre-painted galvanized sheet is sufficiently different from commodity galvanized sheet to warrant a separate injury analysis has already been rejected by a previous Commission. Certain Carbon Steel Products from

(continued...)

Sollac, a French producer, argues for separate like product treatment for hot-dipped aluminized sheet, a corrosion-resistant flat product used in applications requiring heat-resistance such as heat shields around catalytic converters. Sollac contends that its product is a separate like product and should be treated apart from corrosion-resistant sheet. Sollac uses dedicated facilities to produce its aluminized sheet, and claims that while prices for hot-dipped galvanized sheet have dropped during the period of investigation, prices for aluminized sheet have remained steady.

Corrosion-resistant sheet includes many products coated to varying degrees with aluminum. These products include galvalume steel (55 percent aluminum) and galfan steel (5 percent aluminum).[34] Because Sollac has not explained why hot-dipped aluminized sheet is different in characteristics, uses, or production processes from these other aluminum-coated products, we find that hot-dipped aluminized sheet is a corrosion-resistant flat product.

Caterpillar, Inc., an importer of universal mill (UM) plate, argues that UM plate should be considered its own like product. Because in many, if not all, applications universal mill plate is like sheared-mill plate, we find that the product like universal mill plate is cut-to-length plate.

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[33] (...continued)
Argentina, Australia, Finland, South Africa, and Spain, USITC Pub. No. 1510 at 6-7.

[34] Report I-35.

Finally, Manitoba Rolling Mills (MRM), a Canadian producer, proposes that flat bars be considered a separate like product. Flat bars are carbon steel bars between 150 mm (5.9 inches) and 250 mm (approximately 10 inches) wide and 38.1 mm (1-1/2 inches) thick. As defined by the petition, flat bars are included in the category of cut-to-length plate. Flat bars allegedly differ from cut-to-length plate in significant ways, however. For instance, they are sold in strapped bundles of 5,000 or 10,000 lbs, and not as individual plates like most but not all other cut-to-length plate products. Flat bars, moreover, are not usually made on a plate or strip mill; they are generally made on a bar mill, which roll blooms and billets as opposed to slabs. MRM alleges that its production of flat bars technically falls inside the scope of the investigation but is not of concern to the domestic industry.

Although flat bars generally are not interchangeable with the wider, thicker plate rolled on plate or strip mills, there appears to be sufficient overlap of competition to include them in the category of cut-to-length plate. MRM claims that flat bars are used for less demanding applications in the construction and equipment industries. This does not distinguish flat bars from the narrower strip mill plate, however. Even if flat bars and other cut-to-length plate are not interchangeable in exact applications, MRM has failed to show that these products are not used for the same general purposes. Finally, there may not be any domestic production of flat bars, in which case the domestic

product most similar in characteristics and uses would be other cut-to-length plate. Even if there is such production, however, we are not convinced that flat bars constitute a separate like product and accordingly find that the domestic product like imported flat bars is cut-to-length plate.

III. DOMESTIC INDUSTRY

Section 771(4)(A) of the Tariff Act of 1930 defines the relevant domestic industry as the "domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."[35]

A. Captive Production

Petitioners argue that "captive" production of steel, i.e., steel products that are consumed by the producer to make other steel products,[36] should be excluded from the definition of the domestic industry. Therefore, petitioners would exclude such captive production from the overall production and shipments data for the domestic industry. They do not, however, argue in favor of adjusting the financial data compiled by the Commission to exclude such captive production.

The statutory definition of domestic industry directs the Commission to include all domestic production within the industry, and provides no basis for excluding captive

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[35] 19 U.S.C. § 1677(4)(A).

[36] For example, approximately two-thirds of hot-rolled sheet and strip produced by integrated domestic producers is used by them to produce cold-rolled sheet and strip. Report I-81, I-83.

production.[37] The Commission consistently has held that there is no basis for excluding captive production from the industry.[38] Petitioners are correct in pointing out that the Commission did not include captive production in the production and shipments data in earlier investigations of the products that are the subject of the present investigations, i.e., the 1982 and 1985 investigations. It does not appear that the issue of captive production was raised by the Commission or the parties in those cases, so the Commission neither gathered data concerning captive production nor addressed the issue of whether captive production should be excluded. In any event, we determine that the industry includes all production and shipments. However, the Commission has noted in captive production cases that imports under investigation may not affect open-market and captive production the same way.[39]

Accordingly, we determine there are four domestic industries: producers of hot-rolled carbon steel flat product; cold-rolled carbon steel flat product; corrosion-resistant carbon steel flat product; and cut-to-length carbon steel plate,

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[37] 19 U.S.C. § 1677(4)(A).

[38] See, e.g., Polyethylene Terephthalate Film, Sheet, and Strip from Japan, the Republic of Korea, and Taiwan ("PET Film"), Invs. Nos. 731-TA-458-60 (Preliminary), USITC Pub. 2292 (June 1990); Industrial Phosphoric Acid from Belgium and Israel, Invs. Nos. 701-TA-285-86 and 731-TA-365-66 (Final), USITC Pub. 2000 (Aug. 1987).

[39] PET Film, USITC Pub. 2292; see Refined Antimony Trioxide from the People's Republic of China, Inv. No. 731-TA-517 (Final), USITC Pub. 2497 (Apr. 1992)

including all production of these respective products.

B. Related Parties

Under section 771(4)(B), producers who are related to exporters or importers, or who are themselves importers of allegedly dumped or subsidized merchandise, may be excluded from the domestic industry in appropriate circumstances.[40] One U.S. integrated producer, USX, is related to UPI, an importer of hot-rolled steel that is subject to investigation. USX is a related party under the statute. We must determine whether to exclude USX from the domestic industry pursuant to the related parties provision. None of the parties argue in favor of such exclusion.

Application of the related parties provision is within the Commission's discretion based upon the facts presented in each case.[41] If a company qualifies as a related party under section 771(4)(B), the Commission determines in view of the producer's related status whether "appropriate circumstances" exist for excluding the company in question from the definition of the domestic industry.[42] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude the related parties include:

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[40] 19 U.S.C. § 1677(4)(B).

[41] Torrington v. United States, Slip. Op. 92-49 at 12 (CIT April 3, 1992); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (CIT 1987).

[42] See, e.g., Empire Plow Co., 675 F. Supp. at 1353 (CIT 1987); Steel Wire Rope from the Republic of Korea and Mexico, Invs. Nos. 731-TA-546 and 547 (Preliminary), USITC Pub. 2513 at 7 (May 1992).

(1) the percentage of domestic production attributable to related producers;

(2) the reason why importing producers choose to import the articles under investigation -- to benefit from the unfair trade practice or to enable them to continue production and compete in the domestic market; and

(3) the competitive position of the related domestic producer vis-a-vis other domestic producers, and whether it has been shielded from the impact of unfairly-traded imports because of its own importing activities.[43]

The Commission also has considered whether each company's books are kept separately from its "relations" and whether the primary interests of the related producers lie in domestic production or in importation.[44] Therefore, we have considered whether USX has been shielded from the effects of subject hot-rolled imports through UPI's importation of hot-rolled products, and concluded that USX's hot-rolled financial, production, and shipments data do not indicate that the firm is being shielded from the effects of the subject imports by virtue of UPI's importations.[45]

There are also numerous non-importing domestic producers of each of the four like products that are related through equity investments in joint ventures or other relationships to foreign

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[43] See, e.g., Torrington Co., Slip Op. 92-49 at 10 and 11 (Court upheld the Commission's practice of examining these factors in determining that appropriate circumstances did not exist to exclude related party); Steel Wire Rope from the Republic of Korea and Mexico, USITC Pub. 2513 at 7 n.18.

[44] See, e.g., Rock Salt from Canada, Inv. No. 731-TA-239 (Final), USITC Pub. 1798 at 12 (Jan. 1986); PET Film, Invs. Nos. 731-TA-458-459 (Final), USITC Pub. 2383 at 17-18 (May 1991).

[45] Report Tables 7, 85, 89.

exporters of merchandise subject to these investigations.[46] Such domestic producers qualify as related parties under the statute, and are subject to exclusion from the industry in appropriate circumstances.[47]

Because the related domestic producers themselves do not import, they are not shielding themselves from the effects of the allegedly LTFV and subsidized imports through their own importations. No party has argued that the related foreign exporters are setting prices or targeting their subject exports to shield the related domestic producers from the impact of the imports, and we do not find evidence on this record that such shielding is taking place. Moreover, the financial trends for the related producers track those for the industry as a whole, indicating that the foreign producers' investment in the domestic producers probably has not had the effect of insulating those producers from the overall industry financial trends.[48] We note that the related producers in the hot-rolled, cold-rolled, and corrosion-resistant industries account for a large share of domestic production in each of those industries,[49] and their exclusion would skew the industry data. The related plate

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[46] The domestic producers in which foreign exporters have invested are listed in the Report at Table 8.

[47] "When some producers are related to the exporters or importers . . . the term 'industry' may be applied in appropriate circumstances by excluding such producers from those included in that industry.'" 19 U.S.C. § 1677(4)(B).

[48] Report Tables 81, 85, 89, 93.

[49] Id. at Table 7.

producers account for a relatively small percentage of U.S. plate production[50], and their exclusion would not skew the plate industry data.

In these circumstances, we do not find it appropriate to exclude any of the non-importing related domestic producers from the domestic industry in these preliminary investigations. The parties are requested to fully brief these related parties issues in any final investigation in a manner responsive to the Act and prior Commission determinations.

IV. CONDITION OF THE INDUSTRY

A. Background

In assessing whether there is a reasonable indication of material injury to a domestic industry by reason of the allegedly subsidized and dumped imports, the Commission is directed to consider "all relevant economic factors which have a bearing on the state of the industry in the United States...."[51] These include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investments, ability to raise capital, and research and development.[52] No single factor is determinative, and the Commission considers all relevant factors "within the context of the business cycle and conditions of competition that are

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[50] Id.

[51] 19 U.S.C. § 1677(7)(C)(iii).

[52] Id.

distinctive to the affected industry."[53]

There are several conditions of competition distinctive to these domestic flat-rolled steel industries. During the period of investigation, domestic producers continued their large scale modernization and restructuring of the industry to increase productivity, efficiency, and competitiveness.[54] We note that the steel industry in general is characterized by high fixed costs.

Voluntary Restraint Agreements (VRAs), which placed limits on imported steel, were concurrently in force until they expired on March 31, 1992.[55] [56] The statutory scheme for the VRA program required the major domestic steel producers to commit substantially all of their net cash flow from steel operations to re-investment and modernization.[57] Further, the statute required that the industry take sufficient action to produce price-competitive and quality-competitive products, to control costs of

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[53] Id. With respect to the question of a business cycle, we note that respondents argue that there is a business cycle which is unique to the steel industry and which has a much wider amplitude than the business cycle for the economy as a whole. See Respondents' Post-Conference Economic Submission 1. Petitioners do not address the specific issue of a business cycle distinctive to the steel industry. We intend to address this issue further in any final investigation.

[54] Report I-47-48; Petitioners' Br. 3,4.

[55] Report I-41.

[56] The Commission monitored the effects of the VRA program at the request of the Administration.

[57] See Sec. 806(b) of the Trade and Tariff Act of 1984, as amended (P.L. 98-573, title VIII as amended by P.L. 100-418 and P.L. 101-221).

production and to improve productivity.[58] We note that, although not all countries subject to the VRAs are involved in these investigations and not all countries subject to the investigations were under the VRAs, evidence on the record shows that with only one exception none of the VRA ceilings was met during the period of investigation.[59]

This period of domestic industry restructuring also was marked by the development of more differentiated steel products, by both domestic and foreign producers. Quality and efficiency requirements of customers also spurred investment. In addition to domestic industry investment, foreign steel producers have provided capital and advanced technology to U.S. production facilities and have thereby gained greater access to the U.S. market.[60]

The domestic flat-rolled steel industry also attracted new entrants -- minimills -- when Nucor began production of flat-rolled steel in mid-1989.[61] Minimills typically have lower labor and financial costs and higher productivity than integrated producers.[62] In flat-rolled steel, however, minimill production has not yet offered the range of products offered by the

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[58] Id.

[59] Report I-41, I-43.

[60] Id. at I-48, I-49.

[61] Id. at I-125.

[62] Steel Industry Annual Report, Inv. No. 332-289, USITC Pub. 2436 at 4-6 (Sept. 1991).

integrated producers. On the other hand, some domestic integrated producers reconstituted their production facilities to include electric arc furnace production, which is directly competitive with minimill production.

Finally, another important condition of competition during this period has been the recession which has contributed to a decline in steel consumption. This decline, in turn, led to the temporary shutdown of production of several steel facilities and to a decline in domestic capacity utilization.[63]

B. The Hot-rolled Carbon Steel Industry[64]

Domestic production increased from 44.8 million tons in 1989 to 46.7 million tons in 1990 but declined to 41.3 million tons in 1991. Interim[65] production was 9.3 million tons in 1991 and 11.4 million tons in 1992. The domestic industry's shipments grew from 42.8 million tons in 1989 to 45.1 million tons in 1990 and fell to 38.7 million tons in 1991. Interim 1992 shipments increased over interim 1991 levels. Domestic capacity rose from 53.2 million tons in 1989 to 56.0 million tons in 1990, and then fell to 51.9 million tons in 1991. Capacity utilization declined from 83.6 percent in 1989 to 82.8 percent in 1990 and to 78.7 percent in 1991. Capacity showed a 1992 interim period decline when compared with interim 1991, while capacity utilization

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[63] Id. at 7-6.

[64] The information used in this section is taken from Tables 10, 18, 76, 78, 79, and 84 of the Report.

[65] The interim periods were January-March of 1991 and 1992.

showed a comparative increase in 1992. Apparent U.S. consumption increased and then decreased during the period, from 45.3 million tons in 1989 to 48.0 million tons in 1990 and to 41.3 million tons in 1991.

U.S. producers' inventories of hot-rolled steel products increased overall; they rose from 1.6 million tons in 1989 to 1.8 million tons in 1990 and then fell back to 1.7 million tons in 1991. Inventories as a ratio of total shipments increased throughout the period of investigation, from 3.7 percent in 1989 to 4.0 percent in 1990 and 4.3 percent in 1991. Both inventories and inventories as a ratio to total shipments declined in the interim 1992 period compared with interim 1991.

The number of production and related workers declined between 1990 and 1991, after increasing between 1989 and 1990. Hourly wages and total compensation increased, and hours worked declined, over the period of investigation. Productivity (short tons per hours worked) declined over the 1989-91 period, and increased in interim 1992 over interim 1991.

Net sales declined over the investigation period; they totalled $15.5 billion in 1989, $14.5 billion in 1990, and $11.8 billion in 1991. Operating income also fell both in terms of value and as a ratio to net sales between 1989 and 1991, as did net pre-tax income.[66] The industry showed 1991 operating losses

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[66] The 1989 figures are business proprietary information.

of $1.4 billion and net pre-tax losses of $2.2 billion.[67]

C. The Cold-rolled Carbon Steel Industry[68]

Domestic production of cold-rolled products declined between 1989 and 1991, rising from 24.4 million tons in 1989 to 24.5 million tons in 1990 but then declining to 21.2 million tons in 1991. Interim 1992 production showed an increase, however, over interim 1991. Domestic producers' shipments were largely unchanged in 1989-90, but then dropped in 1991; shipments were 23.8 million tons in 1989, 23.9 million tons in 1990, and 20.7 million tons in 1991. Interim 1992 shipments showed an increase over the 1991 interim period.[69] Productive capacity rose from 29 million tons in 1989 to 29.9 million tons in 1990 and 29.9 million tons in 1991. The rate of capacity utilization fell over the 1989-91 period, from 83.1 percent in 1989 to 81.1 percent in 1990 and 69.7 percent in 1991. Interim 1992 cold-rolled production and capacity both increased over interim 1991 levels. Apparent U.S. consumption showed an overall decline, going from 45.3 million tons in 1989 to 48.0 million tons in 1990 before falling to 41.3 million tons in 1991.

U.S. producers' end-of-period inventories grew over the investigation period; inventories totalled 1.6 million tons in

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[67] Based on their analysis of the information in the record, Chairman Newquist and Commissioner Rohr determine that there is a reasonable indication of material injury to this industry.

[68] The information used in this section is taken from Tables 10, 20, 76, 78, 79, and 88 of the Report.

[69] Id. at Table 10.

1989, 1.86 million tons in 1990, and 1.85 million tons in 1991. During those years, respectively, inventories as a ratio of total shipments also grew, from 6.9 percent to 7.7 percent to 8.8 percent, with an interim 1992 decline compared with interim 1991.

The number of production and related workers in the cold-rolled steel industry fell from 16,844 in 1989 to 13,548 in 1991, with an increase in the interim 1992 figures compared with interim 1991. Hours worked by production and related workers, total wages, and total compensation all fell from 1989 to 1991, but increased in the 1992 interim period over the 1991 interim period. Productivity declined between 1989 and 1991,[70] and increased in interim 1992 compared with interim 1991.

Total net sales declined over the period of investigation. Net sales accounted for $11.2 billion in 1989, $10.5 billion in 1990, and $9.0 billion in 1991, and showed an increase in interim 1992 compared with interim 1991. The industry incurred operating losses of $406 million, and net pre-tax losses of $901 million, in 1991. As a ratio to net sales, operating income and net pre-tax income were negative. The industry is also experiencing negative cash flow.[71]

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[70] 1989 and 1991 productivity was 668.8 and 729.4 tons per hour, respectively.

[71] Based on their analysis of the information in the record, Chairman Newquist and Commissioner Rohr determine that there is a reasonable indication of material injury or threat of material injury to this industry.

D. The Corrosion-resistant Steel Industry[72]

The industry's production declined each year during the period of investigation, from 10.8 million tons in 1989 to 10.4 million tons in 1990 to 9.3 million tons in 1991, and increased in the interim 1992 period relative to interim 1991. The industry's domestic shipments also declined, from 10.8 million tons in 1989 to 10.0 million tons in 1990 and 9.1 million tons in 1991, but showed an interim 1992 increase over interim 1991. Capacity increased throughout the investigation period; productive capacity was 11.7 million tons in 1989, 12.3 million tons in 1990, and 12.8 millions tons in 1991. Capacity utilization fell from 91.3 percent in 1989 to 83.7 percent in 1990 and to 71.6 percent in 1991. Apparent domestic consumption also declined, totalling 12.1 million tons in 1989, 11.9 million tons in 1990, and 10.8 million tons in 1991. The interim 1992 period showed an increase in consumption over interim 1991.

U.S. producers' inventories increased from 1.10 million tons in 1989 to 1.24 million tons in 1990, before retrenching to 1.16 million tons in 1991; interim 1991 and 1992 data were essentially identical to each other. Inventories as a ratio of total shipments also rose from 10.6 percent in 1989 to 12.3 percent in 1990 and to 12.7 percent in 1991. This ratio showed a decline in the interim 1992 period.

The number of production and related workers fell from

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[72] The information used in this section is taken from Tables 10, 22, 76, 78, 79, and 92 of the Report.

12,351 in 1989 to 11,861 in 1990 and to 10,823 in 1991; there was an increase in interim 1992 compared with interim 1991. Hours worked, wages paid, and total compensation to production and related workers all declined from 1989 to 1991 and increased in interim 1992 over interim 1991, while productivity was essentially unchanged over 1989-91 and increased in interim 1992 over interim 1991.

Net income before taxes fell over the period of investigation, showing a profit[73] in 1989 and a net loss of $171 million in 1991, with losses of $27 million in both the 1991 and 1992 interim periods. Net income as a ratio to net sales also declined, reaching a negative 3.4 percent in 1991. Operating income fell from $452 million in 1989 to $441 million in 1990 and to $61 million in 1991, and also declined as a ratio to net sales during the same period. Operating income was negative $79 million in the interim 1991 period, and $13 million in interim 1992. Cash flow fell over the investigation period from $611 million in 1989 to $584 million in 1990 and to $63 million in 1991. Interim 1992 cash flow increased over interim 1991.[74]

E. The Carbon Steel Plate Industry[75]

Domestic carbon steel plate production rose and then

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[73] These data are business proprietary.

[74] Based on their analysis of the information in the record, Chairman Newquist and Commissioner Rohr determine that there is a reasonable indication of material injury or threat of material injury to this industry.

[75] The information used in this section is taken from Tables 10, 16, 76, 78, 79, and 80 of the Report.

declined, moving from 4.8 million tons in 1989 to 5.2 million tons in 1990 and to 4.6 million tons in 1991. Interim 1992 production declined from the interim 1991 level. The domestic industry's shipments also increased and then declined; shipments totalled 4.7 million tons in 1989, 5.0 million tons in 1990, and 4.4 million tons in 1991. Interim 1992 shipments increased over interim 1991. Production capacity rose from 6.5 million tons in 1989 to 7.2 million tons in 1991. Capacity utilization declined from 74.4 percent in 1989 to 63.3 percent in 1991. Apparent consumption rose and then fell, from 5.6 million tons in 1989 to 5.9 million tons in 1990 and 5.1 million tons in 1991.

U.S. producers' inventories of carbon-steel plate increased overall, from 209 thousand tons in 1989 to 226 thousand tons in 1990 and 215 thousand tons in 1991; interim 1992 inventories also increased over interim 1991. Inventories as a ratio to total shipments remained constant at 4.4 percent in both 1989 and 1990 but increased to 4.7 percent in 1991. This ratio decreased marginally in interim 1992 compared with interim 1991.

The number of production and related workers in the plate industry grew from 6,005 in 1989 to 6,845 in 1990 before falling to 6,289 in 1991, and declined in the interim 1992 period compared with interim 1991. Hourly wages and hours worked increased from 1989 to 1991 and also showed a decline in interim 1992 compared with interim 1991. Total compensation grew from $292 million in 1989 to $334 million in 1991. Productivity declined between 1989 and 1991, but increased in interim 1992

compared with interim 1991.

Total net sales increased marginally and then fell, totalling about $2.07 billion in 1989, $2.12 billion in 1990, and $1.7 billion in 1991, and increasing in the interim 1992 period over interim 1991. Industry operating income declined over the investigation period, from $267 million in 1989 to $41 million in 1991. Operating income as a ratio to net sales also declined.[76] Net income also fell both in value and as a ratio to net sales.[77] [78]

V. CUMULATION FOR MATERIAL INJURY

In determining whether there is material injury by reason of allegedly subsidized and LTFV imports, the Commission is required to assess cumulatively the volume and effect of imports from two or more countries subject to investigation if such imports are reasonably coincident with one another and "compete with each other and with like products of the domestic industry in the United States market."[79] Cumulation is not required, however, when imports from a subject country are negligible and have no discernible adverse impact on the domestic industry.[80]

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[76] These data are business proprietary.

[77] These data are business proprietary.

[78] Based on their analysis of the information in the record, Chairman Newquist and Commissioner Rohr determine that there is a reasonable indication of material injury to this industry.

[79] 19 U.S.C. § 1677(7)(C)(iv)(I); Chaparral Steel Co. v. United States, 901 F.2d 1097, 1105 (Fed. Cir. 1990).

[80] 19 U.S.C. § 1677(7)(C)(v).

These preliminary investigations present two basic cumulation issues. First, many of the respondents have argued that imports from a number of countries in each of the four like product categories do not compete with either U.S.-produced flat-rolled products or flat-rolled products from the other countries under investigation. Further, a number of respondents also contend that cumulation is inappropriate because the imports from their countries are negligible in relation to production of each of the four domestic industries.

A. Applicable Legal Standards

1. Competition Requirements

In assessing whether imports compete with each other and with the domestic like product, the Commission generally has considered four factors.[81] While no single factor is

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[81] These four factors are:

> (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
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> (2) the presence of sales or offers to sell in the same geographic markets of imports from different countries and the domestic like product;
>
> (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and
>
> (4) whether the imports are simultaneously present in the market.

(continued...)

determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the imports compete with each other and with the domestic like product.[82] Only a "reasonable overlap" of competition is required.[83] Thus, the Commission has held that even if there is no identical domestic product that directly competes with a particular type of imported product, imports from a particular country will be cumulated if they "collectively do compete with the domestic like product (and with other imports)."[84]

Contrary to the assertions of many of the parties in these investigations, the Commission generally has cumulated imports even where there were alleged differences in quality between imports and domestic products.[85] The Commission has considered

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[81](...continued)
See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Invs. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), aff'd sub nom. Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (CIT), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

[82] See e.g., Granges Metallverken AB v. United States, 716 F. Supp. 17 (CIT 1989).

[83] See e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50, 52 (CIT 1989).

[84] See Torrington Co. v. United States, Slip Op. 92-49 at 17 (Court No. 91-05-00355, April 3, 1992) (DiCarlo, C.J).

[85] See e.g., Silicon Metal from the People's Republic of China, Inv. No. 731-TA-472 (Final), USITC Pub. 2385 at 22-24 (June 1991); Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom, Invs. Nos. 303-TA-19-20 and 731-TA-391-399 (Final), USITC Pub. 2185 at 64 (May 1989).

perceived quality differences (e.g., the degree of fungibility between the products) to be less important than other factors in determining whether a reasonable overlap in competition exists.[86]

The Court of International Trade has accepted the Commission's practice of finding a reasonable overlap of competition despite perceived differences in quality of the products that compete and despite one product commanding a premium price in the marketplace.[87] Nevertheless, the Commission has the authority to consider quality differences among products

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[86] For example, the Commission has emphasized common or similar channels of distribution. E.g., High Tenacity Rayon Filament from Germany and the Netherlands, Invs. Nos. 731-TA-530 & 531 (Preliminary), USITC Pub. 2444 at 14 (Oct. 1991) (Commission cumulated imports even though respondents claimed that their product was of a higher quality and that the domestic product did not meet the specs of certain end users -- Commission noted similar channels of distribution). The Commission has also stressed sales in a similar segment of the market or simultaneous presence in the market, PET Film, USITC Pub. 2383 at 26 (May 1991), and sales in a similar geographic market. Industrial Nitrocellulose from Brazil, Japan, the People's Republic of China, the Republic of Korea, the United Kingdom, and West Germany, Invs. Nos. 731-TA-439, USITC Pub. 2295 at 12-13 (June 1990) (Commission cumulated due to, among other things, sales in similar geographic market despite alleged quality differences).

[87] See Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 740 (CIT 1989) (de-emphasizing arguments that quality differences, and therefore prices differences, exist and stating that "'[c]ompetition' consists of rivalry in the marketplace, where goods will be bought from those who, in view of buyers, provide 'the most for the money'"); Wieland Werke, AG v. United States, 718 F. Supp. 50, 54 (CIT 1990) (cumulation proper because there was a reasonable overlap of competition even though West German product is of a higher quality); see also Granges Metallverken AB v. United States, 716 F. Supp. 17, 22 (CIT 1989) ("'[c]ompetition' consists of rivalry in the market place").

in determining whether or not to cumulate imports.[88] However, the quality distinction should be so pronounced as to provide evidence that the goods of different quality do not, in fact, compete with each other.[89] [90]

2. The Negligible Imports Exception

Section 771(7)(C)(v) of the Tariff Act of 1930 provides that the Commission is not required to cumulate those imports of the merchandise subject to investigation if they "are negligible and have no discernible adverse impact on the domestic industry."[91] In determining whether imports are negligible, the statute directs the Commission to consider all relevant economic factors including whether:

> (I) the volume and market share of the imports are negligible,
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> (II) sales transactions involving the imports are isolated and sporadic, and
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> (III) the domestic market for the like product is price sensitive by reason of the nature of the product, so that a small quantity of imports can result in price suppression or depression.[92]

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[88] See Torrington Co. v. United States, Slip Op. 92-49, at 19-20 (supporting Acting Chairman Brunsdale's conclusion not to cumulate Chinese ball bearings due to, inter alia, limits on fungibility caused by differences in quality).

[89] See Certain Cast-Iron Pipe Fittings from Brazil, the People's Republic of Korea, and Taiwan, Invs. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 at 8-9 & n. 30 (May 1986).

[90] Vice-Chairman Watson and Commissioners Brunsdale and Crawford consider quality to be an important element of fungibility.

[91] 19 U.S.C. § 1677(7)(C)(v).

[92] Id.

The "negligible imports" exception originated from the Omnibus Trade and Competitiveness Act of 1988. The legislative history indicates that the Commission is only to apply the exception where it determines that the facts "clearly justify" its application, and imports are "truly negligible and have no discernible adverse impact at all on the domestic industry."[93] The legislative history states that whether imports are "negligible" may differ from industry to industry and for that reason the statute does not provide a specific numerical definition of negligibility.[94] Additionally, the House Ways and Means Committee Report notes that:

> For an industry which is already suffering considerable injury and has long been battered by unfair import competition, very small additional quantities of unfair imports may be more than negligible. For another industry, not so deeply injured, small additional quantities of unfair imports may have no discernible effect at all.[95]

The legislative history also indicates this exception should be applied with "particular care in situations involving fungible products, where a small quantity of low-priced imports can have a very real effect on the market."[96]

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[93] See H.R. Rep. No. 40, 100th Cong., 1st Sess., pt. 1, at 131 (1987); H.R. Rep. No. 576, 100th Cong., 2d Sess. 621 (1988).

[94] H.R. Rep. No. 40, 100th Cong., 1st Sess., pt. 1, at 130, 131 (1987).

[95] H.R. Rep. No. 40, 100th Cong., 1st Sess., pt. 1, at 130 (1987) (emphasis supplied); see also Torrington Co. v. United States, Slip Op. 92-49 at 18 (April 3, 1992).

[96] H.R. Rep. No. 40, 100th Cong., 1st Sess., pt. 1, at 130 (1987); see also H.R. Rep. 576, 100th Cong., 2d Sess. 621 (1988).

The legislative history of the 1988 Act stresses that the Commission is to apply the exception sparingly and that it is not to be used to subvert the purpose and general application of the mandatory cumulation provision of the statute.[97]

In applying the statutory factor of "volume and market share of the imports" the Commission has never established a numerical percentage or value benchmark for application of the exception. In considering the second statutory factor of whether imports are continuous or sporadic in nature, the Commission generally has found that isolated and sporadic spot sales (as opposed to supply contract arrangements), which do not occur in many of the quarters or months of the period of investigation, are evidence supporting the application of the exception.[98] The third statutory factor that the Commission must evaluate is the price sensitivity of the market for the like product in question. The Commission generally has found that the more price sensitive the market, the greater the impact of even relatively small amounts

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[97] H.R. Rep. No. 40, 100th Cong., 1st Sess., pt. 1, at 131 (1987).

[98] Coated Groundwood Paper from Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom, Invs. Nos. 731-TA-486-494 (Preliminary), USITC Pub. 2359 at 34 (Feb. 1991) (Dutch imports found negligible inter alia, where sales occurred on spot basis to only one customer in a minority of quarters of the investigation period); Torrington, Slip Op. at 20 (application of the negligible import exception upheld even though most of the pertinent imports were not "sporadic.").

of imports.[99]

In addition to the statutory factors, the statute directs the Commission to evaluate "all relevant economic factors" in seeking to determine whether small amounts of imports have had a discernible adverse impact on the domestic industry. In this context, the Commission has considered upward trends in imports as a reason not to exercise its discretion to find imports are negligible.[100] The Commission has also examined the degree of competition between the imported product and the domestic product.[101]

B. Factors considered by Commission in these preliminary investigations concerning cumulation

We have found for the purposes of these preliminary investigations a reasonable overlap of competition between imports of all countries and with the domestic products of each of the four domestic industries.[102] A majority of the Commission has found that the imports from the following countries should

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[99] See e.g., Silicon Metal from the People's Republic of China, USITC Pub. 2385 at 25-26 (noting evidence that like product was price sensitive in declining to apply the exception).

[100] See Groundwood Paper, USITC Pub. 2359 at 31 (discussion of France and United Kingdom); PET Film (Preliminary), USITC Pub. 2292 at 20 n.69.

[101] In Groundwood Paper, although the Commission determined that "all imports from the subject countries compete with one another and with the domestic product," it found the "attenuated" nature of the competition of some of the imports a pertinent factor in determining those imports to be negligible. Id. at 24, 33-36.

[102] As set forth below, however, certain of our decisions to cumulate are based on the absence of sufficient information to determine competition issues, and were made on the basis of American Lamb principles.

not be cumulated because they are negligible and have no discernible adverse impact on the domestic industry: hot-rolled steel from Italy and New Zealand; cold-rolled steel from Australia, New Zealand, Taiwan, and the United Kingdom; corrosion-resistent steel from Taiwan; and cut-to-length plate from Japan.

In reaching our preliminary determination regarding the numerous negligibility issues presented by these investigations, we have specifically considered the factors discussed below within the framework of the legal standards outlined above.

We considered[103] whether the four flat-rolled steel industries at issue in these preliminary investigations are industries which have been "already suffering considerable injury and ha[ve] long been battered by unfair import competition."[104] The record in these preliminary investigations suggests that over the past decade these industries have suffered considerable injury in the form of numerous plant closings, worker layoffs,

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[103] Commissioner Brunsdale does not reach any conclusion on this issue and notes that there is no statutory requirement to do so.

[104] Commissioner Crawford does not join in the discussion contained in this paragraph. In her view, the financial health of a domestic industry is not relevant to the determination of whether the subject imports are currently having a discernable adverse impact on the domestic industry. Subject imports also may have a discernable adverse impact on a healthy domestic industry. Similar to her analysis of material injury, the appropriate question is whether the performance of the domestic industry would be discernibly improved if the subject imports were fairly traded.

substantial losses, and deferred capital improvements.[105] For purposes of these preliminary investigations, we have considered these allegations in assessing the impact on these domestic industries of relatively small amounts of imports from a number of different countries.

We also examined, as directed by the statute, the price sensitivity of the markets for each of the domestic industries.[106] In light of the legal standard in preliminary investigations, we have given petitioners the benefit of the doubt and found that each of the four industries is relatively price sensitive.[107] Certain niche sub-markets of the four domestic industries, however, appear to be characterized by less substitutability among competing products. In any final investigation, we will examine much more closely the price sensitivity issue, and expect the parties to provide detailed responses to the various price

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[105] Petitioners' Br. 160-168. The parties dispute the causes for such injury. Petitioners claim that each of these industries has long been battered by unfair imports. The respondents generally contend that the domestic industry has been injured as a result of excess capacity and intense price competition from lower cost U.S. producers, noting that domestic industry has been protected from imports by VRAs for a number of years.

[106] Commissioner Brunsdale does not find these domestic markets to be price sensitive, so that a small quantity of imports can result in price suppression or depression. See Dissenting Views of Commissioner Brunsdale.

[107] American Lamb, 785 F.2d 994. Petitioners claim that each of these industries is "extremely price sensitive," and that a small amount of unfairly traded imports can and does have a significant price suppressing effect on domestic prices. Petitioners stress that the price effects are particularly important "in markets, such as those under investigation, with high fixed costs, intense competitive pressures, and a high degree of product homogeneity . . . ." Petitioners' Br. 96-99.

sensitivity arguments raised in these preliminary investigations.[108]

In examining the volume and market share of imports, we stress that we used no numerical "bright line" cutoff for determining whether imports were negligible. We have looked at the market share of imports in terms of the total domestic market for the particular industry. Chairman Newquist, Vice Chairman Watson, and Commissioner Nuzum also considered the share of imports in the non-captive or open market.

In assessing the volume and import penetration, we have examined closely the trends of imports. Where import penetration has increased even by small amounts, we have looked much more carefully at the likelihood of an adverse impact from such imports. In examining volume and import penetration, we did not place great reliance on interim data for the first quarter of 1992.

In assessing the statutory element of "isolated and sporadic" sales, we considered the fact that most of the imports were sold in all quarters during the investigation. In addition, we examined the geographic scope of sales. The record indicates that there were four regions in which imports were sold -- East, Gulf, Great Lakes, and West. We further considered the number of importers or consignees through which imports were sold. We caution, however, that even where imports are sold through one

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[108] Chairman Newquist does not join the discussion in this paragraph.

importer, the sale may be to a steel service center which then sells the steel to a number of different end users.

In deciding whether imports from a particular country are negligible, we also considered the extent of competition between the particular imports and the domestic industry. We looked at the fungibility between imports and the domestic products in terms of any quality or technical differences, and whether the domestic industry had the capability and in fact produced certain types of products at a particular quality level.[109] We have also found price comparison data relevant to the issue of fungibility.[110] We looked at these factors in assessing both the degree of fungibility and the impact of a relatively small percentage share of imports on the domestic industry.[111]

We further considered competition and fungibility by

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[109] As is the Commission practice, it did not mail questionnaires to purchasers of imports and domestic like products. We intend, in the event of any final investigations, to reevaluate price comparison data.

[110] We note that in many cases the Commission did not receive responses from certain importers for data on several of the products chosen for price comparison purposes. We have, therefore, viewed with greater caution pricing data for those countries where complete data was not submitted. Due to the time constraints involved in these investigations, we do not draw any inferences from the lack of such data for the purposes of these preliminary investigations.

[111] Commissioners Brunsdale and Crawford believe that price comparisons can provide some evidence as to whether products are fungible, only if the margins of underselling and overselling are large and persistent. Particularly, they do not join any discussion in the specific-country cumulation section that characterizes large margins of underselling as evidence that products compete or small margins of overselling as evidence that competition is limited.

comparing the unit values of imports from a particular country with the unit values of domestic products.[112] Where these unit values were relatively similar, we treated this as suggesting that the bulk of the particular imports and the domestic products may be relatively fungible and competition, therefore, likely. On the other hand, where the imported unit values were significantly higher than the domestic unit values, we viewed this fact as indicating a possible lack of competition and fungibility between the bulk of imported and domestic products. We stress, however, that we viewed unit values with considerable caution because of the range of product differentiation and prices in all of the domestic industries.

Set forth below is our analysis of the various cumulation issues performed on a country-by-country basis, separately for

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[112] Commissioner Crawford does not join in the discussion of average unit values as a consideration or factor examined in determining negligibility or cumulation in this preliminary investigation. She notes that average unit value comparisons can provide meaningful information in assessing negligibility and the degree of competition between imports and domestic products in relatively homogeneous product markets. They are of little value, however, for broadly-defined nonhomogeneous like product markets, such as in this case, where there is substantial product differentiation within the four like products and between the domestic industries and foreign imports. Average unit value is calculated by dividing the total value of imports (or domestic shipments) by the total quantity of imports (or domestic shipments) for each broad like product category. The domestic industry may in fact produce a cold-rolled product that is a near or perfect substitute for the imported product and is priced similarly, but due to the averaging of values over all sales, a comparison of domestic and imported average unit values may mask this competition if the competing domestic product is a small percentage of overall sales.

each of the four domestic industries.[113]

1. Hot-rolled Carbon Steel Flat Products

Belgium[114]

The Belgian respondents, Sidmar NV and TradeARBED, Inc., do not make "competition" arguments, but assert that imports of hot-rolled products from Belgium are negligible and have declined since mid-1991.[115] The Belgian respondents state that their sales transactions have been sporadic and geographically isolated, noting that a substantial percentage of their sales in the first quarter of 1991 resulted from one large sale to a U.S. cold-rolled sheet and strip producer.[116] They also argue that the price effects of imports from Belgium are limited because most

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[113] In Vice-Chairman Watson's and Commissioner Crawford's consideration of the applicability of the negligibility exception in all investigations, they notes that where the record was incomplete or contested, such as on the issue of price sensitivity of the like product markets and on specific questions of substitutability between imports and the domestic like product, they gave the benefit of the doubt to petitioners. In any final investigation, the Commissioners expect the parties to brief and provide information for the record to support their positions.

[114] Commissioners Rohr, Brunsdale and Crawford do not join in this discussion regarding imports from Belgium. See Commissioner Rohr's and Commissioner Brunsdale's separate dissenting views.
After evaluating all relevant economic factors regarding hot-rolled steel from Belgium, Commissioner Crawford determines that imports of hot-rolled steel from Belgium are negligible and have no discernible adverse impact on the domestic hot-rolled steel industry. The Commissioner specifically notes Belgium's low market share and level of imports, in terms of both quantity and value, and the persistent and not insignificant margins of overselling, which indicate a lack of fungibility between Belgian imports and the domestic like product.

[115] Belgian Br. 10.

[116] Id. at 13, 15.

Belgian hot-rolled imports do not compete with the considerable majority of domestic products.[117] However, the Belgian respondents do not identify the particular characteristics or qualities of their steel which support such a conclusion.

In analyzing the Belgian respondents' negligibility arguments, we note that Belgium's percentage share of apparent domestic consumption[118] rose from 0.1 percent in 1989 and 1990 to 0.2 percent in 1991. The volume for imports from Belgium reached a high in 1991 of 78,699 tons worth $25.6 million.[119] Imports from Belgium were not isolated or sporadic. They were sold during every quarter of the period of investigation. In 1991, imports from Belgium were sold in every region of the United States to 18 different importers/consignees, who also sourced hot-rolled flat products from at least one other source.[120]

With respect to the impact of imports from Belgium on domestic prices, the available evidence suggests that imports from Belgium are relatively fungible with domestic product. The Commission obtained information indicating that Belgian commercial quality hot-rolled steel competed with comparable domestic product.[121] The comparable unit values of imports from

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[117] Id. at 14-18.

[118] Apparent U.S. consumption and market penetration data for hot-rolled imports are found in the Report at I-67.

[119] Value and quantity data for hot-rolled imports are found in the Report at I-60.

[120] Petitioners' Br. exhibit 8.

[121] Report I-153-160.

Belgium in 1991 ($325.25 per ton) and domestic unit values of hot rolled products in 1991 ($324 per ton) also support fungibility.[122]

On balance, and based on the evidence obtained in these preliminary investigations, we cumulate imports from Belgium, and decline to apply the negligibility exception.

Brazil[123]

The Brazilian respondents argue that their imports are negligible based exclusively on penetration figures of imports from Brazil.[124] Neither the Brazilians nor petitioners provide any specific information regarding the fungibility of imports from Brazil with domestic hot-rolled products.

Concerning negligibility, the Brazilian import's percentage share of apparent domestic consumption by volume of hot-rolled products were 0.4 in 1989 and, after falling to 0.2 percent in 1991, rose again to 0.4 percent in the first quarter of 1992. Imports from Brazil were at their highest volume in 1989 at 173,734 tons worth $65.1 million. Imports from Brazil were not

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[122] Id. at I-60, I-120.

[123] Commissioners Brunsdale and Crawford do not join in this discussion regarding imports from Brazil. See Commissioner Brunsdale's separate dissenting views.

After evaluating all relevant economic factors regarding hot-rolled steel imports from Brazil, Commissioner Crawford determines that such imports are negligible and have no discernible adverse impact on the domestic hot-rolled steel industry. Of particular importance in the Commissioner's decision were Brazil's low market share, the significant decline in the level of imports, in terms of both quantity and value, and the large degree of overselling by the imported product.

[124] Brazilian Br. 3-5.

automotive industry.[132] While the overwhelming percentage of imports from Canada were shipped to the Great Lakes area of the U.S., all of the other respondents subject to investigation, except Korea, also imported product into the Great Lakes region.[133]

Based on the foregoing, we find, for the purposes of these preliminary investigations, that there is a reasonable overlap in competition between domestic, Canadian, and other imports of hot-rolled products to cumulate imports from Canada.

France

The French respondents, Usinor Sacilor and Sollac, argue that a large percentage of imports of hot-rolled product from France do not compete with domestic hot-rolled flat products.[134] They make no such claims (or any references) with respect to the smaller percentage of imports from France. With respect to the larger French percentage of special products, the French respondents identify four categories: high-strength-low-alloy products; floor plates; pickled and oiled products; and 84 inch wide coil products.[135] The specialty nature of these products is

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[132] Id. at I-160.

[133] Petitioners' Br. exhibit 7.

[134] We find that French imports of hot-rolled products are not negligible. French import share of apparent domestic consumption was 0.8 percent in 1989, 0.9 percent in 1990, and 0.7 percent in 1991. French imports were not isolated or sporadic, and as indicated below, are fungible to a certain extent with domestic hot-rolled.

[135] French Br. at 9-12.

reflected, contend the French respondents, in average quarterly prices substantially higher than corresponding domestic prices for each quarter of the period of investigation.[136] No pricing data regarding the remaining smaller percentage of imports from France were obtained.

Petitioners' dispute the French claims that there are no comparable U.S. products to compete with the larger percentage of imports from France referenced above. U.S. Steel's representative stated that "U.S. Steel and other domestic producers can provide identical and/or fully substitutable hot-rolled steel products to domestic users."[137] Petitioners provided no specific information to demonstrate that U.S. producers were active competitors in the specialty products imported by the French respondents.

Assessing the competition issue, there appears to be no dispute that a significant minority of imports from France (consisting of non-specialty hot-rolled products) are fungible with U.S. hot-rolled flat products and, presumably, with other imports as well. The Commission obtained information indicating that two types of commercial grade imports from France competed simultaneously with similar imports and domestic products throughout the period of investigation.[138] Based on the available information, we believe that this evidence shows a sufficient

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[136] Id. at 14.

[137] Petitioners' Br. exhibit 2, Lawrence affidavit at 2, ¶ 2.

[138] Report I-153-160.

overlap of competition to justify cumulation of imports from France.[139]

Germany

The German respondents[140] argue only that the negligible imports exception should apply to German hot-rolled products. They base this on decreases in market share in 1991 and again in 1992; on sales which are isolated because they tend to be close to ports of entry; and on differences between German and domestic prices.[141] The German respondents identified no particular technical characteristics concerning their products which make them non-fungible with domestic products

In analyzing the German respondents' negligibility argument, we note that the German market share rose from 0.5 percent in 1989 to 0.6 percent in 1990 and 1991. In 1990, imports of hot-rolled products from Germany reached their highest volume during the period of investigation of 304,089 tons worth $111 million. Imports from Germany are not isolated or sporadic; they were sold in every quarter during the period of investigation; and in 1991 German hot-rolled flat products were marketed through 16

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[139] With respect to specialty (niche) French imports, we note that U.S. producer Inland is a producer of "floor plates" and that there are domestic producers of "light gauge, hot-rolled pickled and oiled, skin passed material," albeit with apparently some quality problems. French Br.at 10 There is no information on the record regarding U.S. production of high-strength low-alloy hot-rolled product or 84 inch wide coil products.

[140] Hoesch Ag. Hoesch Stahl AG, Hoesch Export AG and Hoesch America Inc., Preussag Stahl, Thyssen Stahl A.G. & Thyssen Inc., Krupp Stahl AG, and Klockner Stahl GmbH.

[141] German Br. 5-6.

different importers/consignees in every region of the country.[142] At least three different types of imports from Germany of commercial quality hot-rolled product investigated by the Commission are fungible with U.S. hot-rolled products.[143]

On balance, we determine to cumulate imports from Germany and not apply the negligibility exception.

Italy[144]

The Italian respondents, ILVA Spa and ILVA USA, Inc. argue against cumulation based on both a lack of competition and negligibility. With respect to competition issues, they maintain that considerably more than one-half of their imports are

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[142] Petitioners' Br. exhibits 7, 8. We note that only 150 tons of German hot-rolled flat products were sold in the West coast in 1991.

[143] Report I-153-160.

[144] Chairman Newquist and Commissioner Nuzum do not participate in this discussion regarding imports from Italy. See Chairman Newquist's separate dissenting views. Vice-Chairman Watson recused himself from participation.

Commissioner Nuzum dissents from the majority's determination on hot-rolled steel imports from Italy. In her view, these imports should be cumulated with hot-rolled steel imports from other subject countries. Although the Italian share of the market is small, the market share has been increasing during the period of investigation. Furthermore, prices of the Italian products have been declining, with the overall price decline for Italian product #4 exceeding the corresponding price decline for U.S. product #4. The unit value of the imports from Italy is very close to the unit value of domestic hot-rolled product, and this is a relatively price-sensitive product. There was also some evidence of underselling with respect to Italian product #5 (see Table 110 of the staff report). She therefore concludes that there are insufficient grounds to exclude Italian hot-rolled steel from the cumulation requirement in this preliminary investigation. Accordingly, she includes these products in her analysis of material injury by reason of the cumulated imports.

specialty products which do not compete with U.S. hot-rolled flat products.[145] The Italian respondents provide no information regarding the level of competition between the minority percentage of Italian hot-rolled imports and other imports or domestic products.

The Italian respondents base their negligibility argument on the percentage share of imports from Italy, while acknowledging that their imports are not sporadic or isolated.[146] Finally, they state that given the volume of specialized corresponding hot-rolled products which allegedly is not readily available from the domestic industry, the "statutory test of 'price sensitivity by reason of the nature of the product' is not met."[147]

We determine that imports from Italy are negligible and have no discernible effect on the domestic industry. Italy's percentage share of apparent domestic consumption of hot-rolled products rose only slightly from 0.1 percent in 1989 to 0.2 percent in 1990 and 1991. As admitted by the Italian respondents, imports from Italy were not sporadic or isolated, being present in the U.S. market every quarter of the investigation.

In addition to the low Italian import penetration level, application of the negligibility exception is further supported by the relative lack of fungibility between Italian and domestic

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[145] Italian Br. 5.

[146] Id. at 7 n.16.

[147] Id. at 7-8.

products. There is evidence in the record that a considerable percentage of specialized Italian hot-rolled imports described above do not compete with domestic hot-rolled products. Petitioners provided only limited general information concerning their ability to produce or compete with specialized hot-rolled imports from Italy. In addition, imports from Italy of commercial quality non-specialty steel oversold comparable domestic product in 17 out of 21 comparisons.[148]

In sum, even assuming for this preliminary investigation that imports from Italy are fungible with domestic product, we find that the low level of imports from Italy as well as the pricing and unit value information available for these imports, supports application of the negligible imports exception.

Japan[149]

The Japanese respondents argue that cumulation is not justified because of a lack of competition between Japanese and domestic hot-rolled products. They claim that imports from Japan

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[148] Id. at I-164.

[149] Vice-Chairman Watson and Commissioners Brunsdale and Crawford do not join in this discussion regarding imports from Japan. See Commissioner Brunsdale's separate dissenting views.

Vice Chairman Watson and Commissioner Crawford, upon evaluation of all relevant economic factors regarding hot-rolled steel imports from Japan, determine that imports of hot-rolled steel from Japan are negligible and have no discernible adverse impact on the domestic hot-rolled steel industry. An important consideration in their determinations was the strong evidence, including persistently high margins of overselling, supporting the lack of fungibility between the Japanese specialty steel imports and the domestic like product. Vice Chairman Watson also considered the significantly higher unit value of Japanese imports over the domestic product.

do not compete with domestic and other imports even in the commercial grade, commodity-type hot-rolled products. These Japanese commercial grade products[150] do not compete, according to the Japanese respondents, because of the far superior quality of the Japanese product which is reflected in price premiums.[151]

In addition, the Japanese respondents argue that domestic hot-rolled product does not compete with the remaining imports from Japan in so-called "specialty" or "niche" segments in the hot-rolled market.[152] The Japanese respondents also argue that there is very little competition between Japan and other countries for both the commercial quality and the special quality hot-rolled products as reflected by the fact that in 1991 imports from Japan were priced at least 15.5 percent higher than hot-rolled imports from other countries.[153]

In response to the Japanese respondents' argument regarding "specialty" hot-rolled products, the petitioners asserted:

> [R]espondents attempted to characterize foreign participation in the domestic hot rolled carbon steel market as "niche" dominated. Most of the witnesses made vague statements -- without offering facts -- that domestic

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[150] The commodity hot-rolled products are identified in the Report as Products 4-5. Report I-151. Over half of the Japanese imports of commodity product were in Product 5: Hot-rolled carbon steel sheet, in coils, commercial quality, pickled and oiled, trimmed edges, 40" to 60" width, 0.061" to 0.179" thick. Japanese Br. 18.

[151] Id. at 8, 17.

[152] Id. at 9. These products have the following characteristics: high carbon contents; low carbon contents; thin gauges; and high tensilities. Id. at 8.

[153] Id. at 22.

> producers could not compete with various foreign products. These conclusory statements are, in fact, wrong. U.S. Steel and other domestic producers can provide identical and/or fully substitutable hot rolled steel products to domestic users.[154]

Petitioners have provided no additional information concerning the Japanese arguments regarding high carbon, low carbon, thin gauge, and high tensile hot-rolled steels. The record contains statements from U.S. customers of Japanese producers indicating that U.S. production of such "specialty" products -- to the extent it even exists -- is not at a sufficient quality level to purchase.[155] Petitioners' comment indicates that the domestic industry "can" supply these products, but does not state that it does produce and market such products. We note that no U.S. producer has specifically addressed the technical product issues raised by the Japanese respondents.

In assessing the competition issues regarding commercial grade products representing the smaller percentage of the imports from Japan subject to investigation, there is no doubt that there is an overlap by product specification with both U.S. hot-rolled products and with other imports.[156] For example, the Japanese, the domestic industry and other importers all produce, market and

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[154] Petitioners' Br. exhibit 2, Lawrence affidavit at 2, ¶ 2.

[155] Japanese Br. exhibit 3.

[156] The Report contains pricing data on a series of hot-rolled commodity grade products produced by U.S. manufacturers and imported by the Japanese and other importers. These data indicates significant quantities of both imports and domestic production of the hot-rolled product being sold to both end users, on the spot market, and to steel service centers. Report I-153-160.

sell "hot-rolled carbon steel sheet, in coils, commercial quality, pickled and oiled, trimmed edges, 40 inches to 60 inches width, 0.061 to 0.179 inches thick."[157] Imported commercial quality products from most countries with common dimensions, tolerances, or coatings are generally substitutable with the domestic products.[158]

In addition, parties do not dispute that the Japanese commercial grade products are offered in the same geographic markets at the same time as lower priced domestic products.[159] Nor is there any question that Japanese, domestic products, and other imports move through common or similar channels of distribution, i.e., through steel service centers and directly to end users.[160] Thus, the only competition factor which the Japanese respondents argue supports exclusion of their commercial grade product is that the quality of their hot-rolled commercial grades is so much higher, as reflected in substantial price premiums which the market consistently bears, that there is no competition. For the purposes of assessing imports from Japan of hot-rolled steel in these preliminary investigations, we do not find that quality differences in products of identical

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[157] Id.

[158] Id. at I-147 (noting that certain importers, including the Japanese, report that their products are not substitutable based on quality differences).

[159] Petitioners' Br. 170, exhibit 7.

[160] See Japanese Br. exhibit 8, showing sales of commercial grade hot-rolled products to both end users and to service centers.

specification are sufficient to establish a lack of competition for cumulation purposes.[161] In the event of any final investigation, the Commission will seek additional information concerning the extent of any quality differences, as well as the substitutability among Japanese, domestic and other imports with the same specifications.

Accordingly, we find for the purposes of these preliminary investigations that a reasonable overlap of competition exists between Japanese, domestic, and other imports of hot-rolled steel to cumulate Japanese hot-rolled steel.[162]

Korea

The Korean respondents[163] argue that imports from Korea do not compete with domestic products and are negligible. They argue that a significant quantity of Korean hot-rolled imports are shipped directly to UPI, a cold-rolling joint venture between USX and a Korean respondent. The Korean respondents argue that these captively-consumed imports meet specific customer technical and quality requirements and, as such, are not fungible with other hot rolled bands produced in the United States. Using the

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[161] See discussion of quality issues in §III(A)(1) supra.

[162] The Japanese did not make a negligibility argument. We determine that imports from Japan are not negligible. Their imports' percentage share of apparent domestic consumption of hot-rolled products by volume reached their highest level at 0.6 in 1989. Hot-rolled imports from Japan reached their greatest level in 1989 at 293,116 tons worth $141.8 million.

[163] Korea Iron & Steel Association, Pohang Iron and Steel Co., Ltd., Pohang Coated Steel Co., Ltd., Pohang Steel Industries Ltd., and Union Steel Manufacturing Co.

same reasoning, they also assert that imports from Korea do not compete with either imports or domestic products in the same geographical market or in the same channels of distribution because the substantial majority of Korean hot-rolled imports are the captive UPI shipments on the west coast.[164]

The Korean respondents also assert that imports from Korea fall within the negligibility exception for cumulation. They argue that because imports from Korea to UPI are "captive" and thus, do not compete with other imports or domestic products, they should be disregarded for cumulation purposes.[165] As for the remainder of the Korean hot-rolled imports -- approximately 41,000 tons sold on the merchant market which they implicitly admit do compete -- the Korean respondents contend these imports are numerically insignificant.

Petitioners reject the Korean respondents' characterization of Korean hot bands sold to UPI as the captive supply of an integrated producer. Rather, they assert that UPI has entered into a long-term supply contract with the Korean joint venture partner for the input product it requires and that U.S. producers could have supplied UPI with hot bands in place of the Korean company.[166] They also refute the Korean respondents assertion

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[164] POSCO Br. 26.

[165] Id. at 28-34.

[166] See Petitioners' Br., exhibit 2, affidavit of Andy Ellwein, General Manager of Sales at Inland Steel Company, at 3.

that Korean products are of a higher quality.[167]

In analyzing the competition issue, there is conflicting evidence whether U.S. companies are willing and able technically to supply the particular hot-rolled bands to UPI currently supplied by the imports from Korea.[168] During the period of investigation, two U.S. producers (not including joint venture partner USX) sold hot-rolled product in the open market. We also note that a number of U.S. producers of hot-rolled product, including those located in the Great Lakes, are operating well below capacity. The record is unclear whether these hot-rolled producers would be willing and able to provide UPI with its specified hot-rolled steel.

In these preliminary investigations, we lack sufficient information to determine the extent of competition between the imports from Korea captured by UPI and domestic producers of hot-

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[167] See Petitioner's Br., exhibit 2, Roberts affidavit at 1 ("Indeed it is my understanding that most integrated steel companies have a continuous casting facility which allows them to produce high quality hot bands suitable for UPI").

[168] Petitioner produced affidavits from three U.S. producers stating that each can manufacture hot-rolled steel meeting the same specifications and quality as Korean hot-rolled steel. Id., at exhibit 2. However, the questionnaires of a number of major U.S. integrated producers, failed to provide information concerning their shipments of hot-rolled products meeting the UPI specifications. Only two U.S. producers indicated in the questionnaire that they produce the specified steel in relatively small amounts. In any final investigation, the Commission will obtain detailed information indicating whether U.S. producers actually produce and market steel of a similar quality and specification as the Korean hot-rolled steel shipped to UPI.

rolled product.[169] However, to the extent that domestic producers can manufacture such product (as they insist in affidavits attached to Petitioners' brief), we reject the Korean respondents' argument that the UPI joint venture somehow shields domestic producers of hot-rolled product from competition with imports from Korea. Giving petitioners the benefit of the doubt, it appears that although domestic producers other than USX (the U.S. joint venture partner) were never given an opportunity by UPI to supply hot-rolled product, "competition" still exists because U.S. producers could have supplied at least some portion of the UPI hot-rolled products.

Concerning negligibility, we note that the Korean market share grew steadily from 0.5 percent in 1989 to 1.3 percent in 1990, and further to 1.7 percent in 1991. Imports from Korea are not isolated or sporadic as they were sold in every quarter in the investigation, and in three regions of the United States. As discussed above, the Commission lacks sufficient information to determine the extent of fungibility between imports from Korea and domestic hot-rolled products.

Because of the factual dispute between the parties and the absence of information outlined concerning competition issues, we cumulate imports from Korea based on American Lamb, and decline to apply the negligibility exception.

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[169] Apparently, non-UPI Korean sales of commercial grade hot-rolled products were sold simultaneously and in the same channels of distribution with a number of other imports and U.S. commercial grade product. Report I-153-160.

The Netherlands[170]

The Dutch respondent, Hoogovens, argues against cumulation based on both the alleged lack of reasonable overlap of competition and negligible imports. With respect to competition, Hoogovens asserts that substantially more than one-half of its imports consist of specialty hot-rolled products which are ultra-clean, have a heavy coil, and/or exhibit better dimensional control than any domestic product.[171] Hoogovens also asserts (as do the Japanese respondents) that much of its hot-rolled product sells at a premium and thus, does not compete on a price basis with domestically produced hot-rolled steel.[172] Hoogovens provides no information regarding the remaining significant minority of its imports.

Hoogovens also argues that its relatively steady and low import penetration levels justify application of the negligible imports exception.[173] It also argues that the level of actual competition between its imports and the domestic product is limited because a large percentage of its specialty imports do not compete with any domestically produced hot-rolled products.[174]

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[170] Commissioner Brunsdale does not join in this discussion regarding imports from the Netherlands. See her dissenting views.

[171] Hoogovens Br. 5-10.

[172] Id. at 6.

[173] Id. at 10-11.

[174] Id. at 16. Petitioners have not provided a specific response to the Dutch respondent's arguments regarding their particular specialty products.

period of investigation. The volume and value of imports from New Zealand were lower than any other respondent. Imports from New Zealand were relatively isolated. Only two importers/consignees sold New Zealand hot-rolled products throughout 1991.[180] There were seven months during the investigation when no imports from New Zealand were sold.[181] There is evidence that imports of hot-rolled product from New Zealand are fungible with the domestic hot-rolled products, the unit value of imports from New Zealand was slightly higher than the unit value of domestic products.[182] The limited competition is reflected in the fact that imports from New Zealand oversold domestic product in 29 out of 31 observations throughout the period of investigation.[183]

Even assuming that imports from New Zealand are fungible and compete with comparable domestic and imported product of the same quality, we find that the very low market penetration as well as the isolated nature of these imports, supports application of the negligible imports exception.

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[180] Petitioners' Br. exhibit 8.

[181] Compiled from official statistics of the U.S. Department of Commerce.

[182] Report I-60, I-120.

[183] Id. at I-164.

2. Cold-rolled Carbon Steel Flat Products

Argentina[184]

The two Argentine respondents, Somisa and Propulsora, assert that imports from Argentina of cold-rolled products are negligible based on the size and decline in their market shares during the period of investigation.[185]

In determining negligibility, the trend of the Argentine percentage share of apparent domestic consumption for cold-rolled products[186] increased significantly from less than 0.05 percent in 1989 to 0.3 percent in 1991. The volume of these imports increased from 7,000 tons in 1989 to 70,000 tons worth $28 million in 1991.[187] Imports from Argentina were not isolated or sporadic. They were sold through a total of seven importers/consignees in all four regions of the U.S. during 1991.[188] Imports from Argentina also were present in the market in every quarter during the period of investigation with the exception of the third quarter of 1989 and the second quarter of 1990.[189]

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[184] Commissioners Rohr and Brunsdale do not join in this discussion regarding imports from Argentina. See their dissenting views.

[185] Argentine Br. 8.

[186] The apparent consumption and market penetration data for cold-rolled imports is found in the Report at I-101.

[187] Quantity and value data for cold-rolled imports is found in the Report at I-62.

[188] Petitioners' Br. exhibit 7, 8.

[189] Id. at 206.

The parties provided the Commission with no information concerning the fungibility of imports from Argentina with domestic cold-rolled products. The Commission obtained only limited information of reported sales of Argentine cold-rolled imports in only one commercial quality product category of the Commission's pricing series.[190] Imports from Argentina oversold one type of cold-rolled steel domestic product by relatively small margins in 7 out of 8 comparisons.[191] We also note that the unit values of imports from Argentina in 1991 were considerably below ($401.87) domestic unit values ($456).[192]

Based on the foregoing and on American Lamb, we determine to cumulate imports from Argentina, and not apply the negligible imports exception.

Australia

The Australian respondent, BHP, argues against cumulation based on both an alleged lack of competition and negligibility. With respect to competition issues, BHP claims that only foreign mills can produce the full-hard unannealed steel within the thin gauge range of up to .0190 inches. BHP states that such thin-gauge product constituted nearly all of the imports of cold-rolled product from Australia during the period of investigation.[193] The Australian producers also contend that

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[190] Report I-161-62.

[191] Id. at I-164.

[192] Id. at I-62, I-120.

[193] Australian Br. 34, Tab 10.

their imports were geographically isolated because they sold this full-hard steel to a U.S. producer (Pinole Point) in California and made only two other small sales, both to the West Coast.[194] The Australian respondents claim the cold-rolled steel market is not price sensitive because of quality requirements and an increasing demand for customer service.[195]

Petitioners disagree with BHP's assertions that U.S. companies do not produce full-hard steel.[196] Petitioners' also claim that several U.S. producers produce thin strip between 0.10 and 0.18 inches.[197] There is no information concerning the attempts of any U.S. producer to qualify or otherwise provide full-hard thin gauge steel of an acceptable quality to meet the Australian competition.

We find that imports of cold-rolled steel from Australia are negligible and have no discernible impact on the domestic industry. Australia's percentage share of apparent domestic consumption of cold-rolled products remained insignificant at 0.1 percent during the period of investigation. Imports from Australia were isolated geographically (to the West Coast) and

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[194] Id. at Tab 10 (Declaration of N. John Phillips).

[195] Id. at 35-37.

[196] With respect to imports of this product, J. Upton Hudson of U.S. Steel stated that "My company makes this product [full-hard cold-rolled sheet]," and "I am confident that the quality of domestic full-hard cold-rolled A446, grades D and E, meets the quality required by Pinole Point." Petitioners' Br. exhibit 2, Hudson affidavit at 4, ¶ 9.

[197] Id. ¶ 5.

were sold through only two importers/consignees during 1991.[198] The vast majority of the sales of the imports from Australia were made to only one customer who demanded the full-hard thin gauge Australian steel.[199]

Even assuming for the purposes of this preliminary investigation that the imports from Australia are fungible and compete with comparable domestic and imported product of the same quality,[200] we find that the very low level of imports from Australia, which have not increased during the period of investigation, as well as the isolated nature of the imports from Australia, supports application of the negligibility exception.

Austria[201]

The Austrian producers argue against cumulation on both competition and negligibility grounds. They maintain that imports from Austria do not compete because they are higher priced than domestic products.[202] They also assert that sales of imports from Austria are non-competitive because they are

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[198] Petitioners' Br. exhibit 7, 8.

[199] Id. at Tab 10 (Declaration of N. John Phillips). We note that the Commission's pricing series for cold-rolled products does not include thin-gauge (below 0.019 inch) products, and no imports from Australia were reported in thicknesses greater than 0.019.

[200] We note that Australian unit values in 1991 ($438.43) were lower than domestic unit values ($456) in the same period. Report I-62, I-120.

[201] Commissioners Rohr and Brunsdale do not join in this discussion regarding imports from Austria. See their dissenting views.

[202] Austrian Br. 24.

geographically isolated as all sales occur within 100 miles of the U.S. port of entry.[203] The Austrian respondents further contend that the negligibility exception should be applied, based on the alleged low level of their imports, the sporadic nature of their sales, and lack of a price-sensitive market which is due to the wide ranges in price combined with significant differences in quality, finish, and chemical composition.[204]

Petitioners provide no specific information in response to the Austrian's general allegations of lack of competition and negligibility.

In analyzing the competition arguments, the Commission collected no information on Austrian prices and competition between Austrian, domestic and other imports in the three selected cold-rolled products in the Commission's pricing series.[205] The respondents provided no specific information about the degree of fungibility (or lack thereof) of their products with other imports or domestic products or about the existence of common or similar channels of distribution.

In examining negligibility, the imports from Austria share of apparent domestic consumption increased from 0.1 percent in 1989 to 0.3 percent 1990, and stayed roughly the same in 1991. The value of imports from Austria between 1989 and 1991 was significant at $77 million. Moreover, imports from Austria were

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[203] Id. at 22.

[204] Id. at 30.

[205] See Report I-161-62.

not isolated or sporadic, as they were sold in three regions of the U.S. during 1991,[206] and were present in the market every quarter during the period of investigation.[207] As noted above, the Commission lacks information concerning the fungibility of imports from Austria and domestic cold-rolled products. The Austrian unit values were significantly lower in 1991 ($392.30) than domestic unit values ($456).[208] This tends to contradict the Austrian respondents' suggestion that their cold-rolled products are higher priced than domestic product (and hence have no impact on U.S. prices).

Because of the lack of information regarding the extent of competition between Austrian, domestic, and other imported cold-rolled products, and the impact of imports from Austria on domestic prices, we determine, based on American Lamb, to cumulate imports from Austria and not exercise the negligibility exception.

Belgium[209]

The Belgian respondent, Sidmar, argues against cumulation based on both a lack of competition and negligibility. It maintains that slightly more than half of its imports do not compete with domestic products because they are specialty niche

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[206] Petitioners' Br. exhibit 7, 8.

[207] Id. at 206.

[208] Report I-62, I-120.

[209] Commissioner Brunsdale does not join in this discussion regarding imports from Belgium. See her dissenting views.

products not produced by U.S. producers. Sidmar also asserts that imports from Belgium do not compete nationally with domestic steel because a significant percentage is shipped to the Great Lakes region in contrast to other imports.[210] The Belgian respondent also argues that its imports are negligible based on market share, sporadic spot sales to service centers, and lack of price sensitivity to imports based on quality requirements and an increasing demand for customer service.[211]

Regarding competition, neither Sidmar nor the petitioners have provided any information concerning competition between the remaining significant minority of Belgium cold-rolled products with domestic product and other imports. In fact, Belgian imported commercial quality cold-rolled products competed simultaneously throughout the period of investigation with domestic and other imports of the same products.[212] In addition, petitioners indicate that the domestic industry can compete in at least one of the alleged niche markets, black sheet.[213] Even if the Commission had sufficient information to confirm Sidmar's niche product arguments, we nevertheless find a reasonable

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[210] Belgian Br. exhibit 2.

[211] Id. at 24.

[212] Report I-153-160.

[213] Petitioners contest the Belgian respondents' assertion that black sheet is a niche product which domestic producers are unable to make. With respect to this product, Mr. J. Upton Hudson of U.S. Steel stated that "[E]xtra thin uniform [gauged tin mill black] sheet is made by several domestic producers, including . . . National Rolling Mills in Malvern, Pennsylvania." See Petitioners' Br. exhibit 2.

overlap of competition between imports of commercial quality cold-rolled steel from Belgium, domestic product, and other imported products.

With respect to negligibility, the Belgian import share of apparent domestic consumption increased steadily from 0.3 percent in 1989 to 0.5 percent in 1991. The value of imports from Belgium is significant ($149 million from 1989 to 1991). Imports from Belgium were neither isolated nor sporadic as they were sold through a total of twenty-eight importers/consignees in all four regions of the U.S. during 1991,[214] and were present in the market every quarter during the period of investigation.[215] Finally, as discussed above, there are indications that a substantial portion of imports from Belgium are fungible with domestic cold-rolled products.

Based on the foregoing, we cumulate imports from Belgium and do not apply the negligible imports exception.

Brazil

The Brazilian respondents argue that their imports are negligible based strictly on the low levels of Brazilian share of apparent domestic consumption.[216]

Brazil's percentage share of apparent domestic consumption of cold-rolled products for the period of investigation was 0.8

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[214] Petitioners' Br. exhibit 7, 8.

[215] Id. at 206.

[216] Brazilian Br. at 3-5. The Brazilian respondents do not claim that their imports do not compete with comparable domestic or other imports of cold-rolled steel.

percent in 1989, 0.5 percent in 1990, and 0.6 percent in 1991. The value of the cold-rolled products shipped from Brazil was significant ($227 million between 1989 and 1990). Imports from Brazil were not sporadic or isolated; they were sold through a total of eighteen importers/consignees in all regions of the U.S. during 1991.[217] Imports from Brazil also were present in the market every quarter during the period of investigation.[218]

The available evidence suggests that imports from Brazil are fungible with the domestic cold-rolled product. Unit values of imports from Brazil were roughly equivalent with domestic unit values during 1989-1991.[219] In pricing comparisons with commercial grade U.S. products, there was mixed underselling and overselling by imports from Brazil.[220] There were two confirmed domestic lost sales or lost revenues of cold-rolled product due to imports from Brazil or pricing.[221] [222]

The record supports a finding of a reasonable overlap of competition between imports from Brazil of cold-rolled commercial

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[217] Petitioners' Br. exhibit 7, 8.

[218] Id. at 206.

[219] Report I-120.

[220] Id. at I-164.

[221] Id. at I-169.

[222] Commissioner Crawford does not rely on anecdotal evidence showing that competition from the imports caused domestic producers to lose particular sales or forced them to reduce their prices on other sales in reaching their determinations.

quality, domestic products, and similar imports.[223] Accordingly, we cumulate imports of cold-rolled steel products from Brazil and decline to apply the negligible imports exception.

Canada

The Canadian respondents assert that Canadian cold-rolled sales do not compete with the imports of other countries. They argue that their cold-rolled imports, which are sold primarily to the automotive and appliance sectors, do not compete in the same channels of distribution as similar imports from offshore sources.[224] They contend that fierce price competition among domestic producers pushes prices down and Canadian exporters are price followers.[225] The Canadians also contend that U.S. customers purchase Canadian cold-rolled steel because of unique qualities not found in the domestic product and service problems with domestic steel, rather than price.[226]

Petitioners dispute Canadian respondents' contentions that price is not a factor. J. Upton Hudson of U.S. Steel states that "USS has recently lost up to 1,000 tons a month of cold-rolled sheet to [Canadian producer] Stelco at prices $15 to $20 below our previous prices. For that reason, USS has been forced to reduce its price on the remaining cold-rolled tonnage that it

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[223] Report I-153-160.

[224] Canadian Br. 22.

[225] Id. at 26.

[226] Id. at 25-29.

sells to those customers."[227] In addition, petitioners also dispute Canadian claims of superior quality, noting that the U.S. industry produces cold rolled sheet "of a quality that meets or exceeds that of imported cold rolled sheet."[228]

In resolving the issue of competition, there is no dispute that both Canadian and U.S. producers supply U.S. automakers with cold-rolled sheet in significant quantities. As such there is "competition" between them. Thus, while there may be a factual dispute regarding the degree of fungibility of Canadian cold-rolled sheet with domestic sheet based on alleged superior quality, such alleged quality differences do not, for the purposes of these preliminary investigations, refute the existence of a reasonable overlap of competition between Canadian and U.S. cold-rolled products.

Similarly, we believe that there is a reasonable overlap of competition between Canadian and other imports of cold-rolled steel. In 1991, Canadian and fourteen other importers under investigation shipped cold-rolled products into the Great Lakes area.[229] The U.S. automotive industry is located primarily in the Great Lakes area and consumes 17.3 percent of cold-rolled products.[230] There is evidence in the record to suggest that

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[227] Petitioners' Br. exhibit 2, Hudson affidavit at 5-6, ¶ 13. The Commission has not confirmed Mr. Hudson's assertion of lost revenue from imports. Report Table 141.

[228] Petitioners' Br. 5, ¶ 11.

[229] Id. exhibit 7.

[230] Report I-38.

these imports from several countries, not just Canada, are sold to the U.S. automotive industry. Indeed, the German respondent, Thyssen, claims that a significant percentage of their cold-rolled imports were sold during the period of investigation to the U.S. automotive industry.[231] Thus, imports from Canada moved in the same channels of distribution at the same time as other imports, and domestic product. In addition, imports from Canada, like imports from Germany, were imported in the market every quarter during the period of investigation.[232] For the foregoing reasons, we cumulate imports from Canada of cold-rolled steel products.[233]

France

The French producer, Sollac, argues that its cold-rolled imports do not "significantly" compete with domestic products. It makes no negligibility arguments. Sollac claims that in 1991, more than half of imports from France constituted niche market products that require premium quality or special characteristics the domestic producers cannot provide, including: steel with superior drawability and gauge control, bright finish steel, and special cold-rolled sheet with excellent formability and

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[231] Thyssen Br. 11.

[232] Petitioners' Br. 206.

[233] Canadian Br. 22. Canada's cold-rolled imports are not negligible. Canada's percentage share of apparent domestic consumption of cold-rolled products for the period of investigation was 0.6 in 1989, 0.4 in 1990, and 0.5 in 1991.

paintability for external panels and tops of steel furniture.[234] Sollac also states a lack of competition is reflected by the fact that its prices have been consistently above those of the domestic mills.[235]

Petitioners only provide specific information about domestic production of the bright steel, which constitutes a small percentage of the niche market in which these imports from France are sold. They state that "U.S. Steel produces bright steel that meets the requirements for the vast majority of bright steel uses. In addition, companies such as Greer Steel, . . . make cold-rolled sheet for the small portion of the market that requires steel even brighter than that produced by U.S. Steel."[236]

In assessing the French respondents' competition argument, we note that they do not address the issue of the fungibility of at least a substantial portion of imports from France with U.S. and other imports of cold-rolled products. The record indicates that at least some imports from France of commercial quality cold-rolled products competed simultaneously with similar domestic and imported product throughout the period of investigation.[237] As noted above, domestic suppliers claim to produce one of the French niche products, bright steel, which represents another much smaller portion of imports from France.

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[234] French Br. 27-30.

[235] Id. at 30.

[236] Petitioner's Br. exhibit 2, Hudson affidavit at 3, ¶ 7.

[237] Report I-153-160.

For the foregoing reasons, we cumulate imports from France of cold-rolled steel.[238]

Germany

The German respondent Thyssen claims that a significant percentage of imports of cold-rolled steel from Germany do not compete with domestic products. It makes no negligibility argument. Thyssen asserts that domestic sources cannot produce commercial bright as well as class one automotive steel used in automotive roofs to the same quality levels as imports from Germany.[239] It contends that customers are willing to pay a premium for higher quality Thyssen commercial bright.[240] It also argues that cold-rolled imports from Germany compete only in areas close to the port of entry for those imports because of transportation costs.[241]

Regarding the question of competition, we note that Thyssen has not addressed this issue with respect to a considerable portion of its cold-rolled imports. In fact, imports from Germany of commercial quality cold-rolled steel products

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[238] Imports from France of cold-rolled product are not negligible. France's percentage share of apparent domestic consumption of cold-rolled products for the period of investigation was 0.5 total in 1989 and 1990, and 0.6 in 1991. French imports were not isolated or sporadic, and French unit values were only somewhat higher than domestic unit values. Report I-62, I-120. The available evidence indicates that French and domestic product is reasonably fungible.

[239] Thyssen Br. 11.

[240] Id. at 12.

[241] Id. at 14.

identified in the Commission's pricing series competed directly with comparable domestic and other imports throughout the period of investigation.[242] Moreover, both domestic and French producers manufacture "bright" cold-rolled steel.[243]

Finally, in assessing Thyssen's argument that its imports do not compete because they are sold only to purchasers located within 100 miles of any port, we note that in 1991, imports from Germany were shipped in every region of the country, including the Great Lakes region.[244] The majority of U.S. producers who manufacture and ship cold-rolled steel are located within 100 miles of U.S. coasts, and thus, compete with the imports from Germany and any other imports.[245]

For the foregoing reasons, we cumulate imports from Germany of cold-rolled steel products.[246]

Italy[247]

The Italian respondent, ILVA, argues against cumulation on both competition and negligibility grounds. It claims that it

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[242] Report I-153-160.

[243] Petitioners' Br. exhibit 2, Hudson affidavit at 3, ¶ 7.

[244] Id. exhibit 7.

[245] Report I-46.

[246] Imports of cold-rolled steel from Germany are not negligible. Germany's percentage share of domestic consumption of cold-rolled products was 1.0 in 1989, 1.2 in 1990, and 1.1 in 1991.

[247] Commissioners Rohr and Brunsdale do not join in this discussion regarding imports from Italy. See their separate dissenting views. Commissioner Watson recused himself from participation.

cannot compete with the domestic industry's low prices, and that it sells specialized, high value added merchandise not produced by the domestic industry.[248] With respect to their negligibility arguments, ILVA argues that the Italian market share is within the range of import penetration levels found to be negligible in other investigations.[249] It also claims that imports from Italy are isolated in market niches in which the domestic producers do not compete and that their steel products are not fungible and, thus, they do not sell to a price sensitive segment of the market.[250]

In resolving the competition issue, we have taken note that ILVA makes no competition arguments concerning nearly half of its cold-rolled imports. At least some of this non-specialized portion of imports from Italy (consisting of commercial quality cold-rolled steel) competed with similar domestic and imported product during the period of investigation.[251] Even with respect to the "specialty" imports from Italy for which ILVA claims there is no domestic production, it admits that there is one domestic producer of such a high quality product.[252] Based on the foregoing, we believe that a reasonable overlap of competition exists between Italian, domestic and other cold-rolled imports.

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[248] Italian Br. 13.

[249] Id.

[250] Id. at 15.

[251] Report I-153-160.

[252] ILVA Br. 14 n.31

In deciding whether to apply the negligible imports exception, we note that the volume of imports from Italy of cold-rolled steel increased somewhat from 39,000 tons in 1989 to 44,000 tons in 1991. The Italian market share of apparent domestic consumption stayed approximately the same at 0.2 percent between 1989 and 1991. Sales of imports from Italy were not isolated or sporadic; they were conducted through a total of five importers/consignees in all four regions of the U.S. during 1991,[253] and were sold in the market every quarter during the period of investigation.[254]

The record indicates that imports from Italy were relatively fungible with the domestic product; unit values of imports from Italy were slightly lower than domestic unit values during the period of investigation.[255] There was mixed overselling and underselling with small margins by imports from Italy of one commercial grade cold-rolled product.[256] There was also one confirmed lost sale/revenue allegation made by petitioners resulting from imports from Italy or Italian prices of cold-rolled products confirmed by the Commission.[257]

Based on the foregoing, we cumulate cold-rolled imports from

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[253] Petitioners' Br. exhibit 7, 8.

[254] Id. at 206.

[255] Report I-62, I-120. Italian sales of commercial grade cold-rolled product oversold the U.S. product in 19 instances, while underselling the U.S. product on 18 occasions. Id. at I-164.

[256] Id. at I-160.

[257] Id. at I-169.

from Japan were sold through a large number (twenty-six) of importers/consignees in all four regions of the U.S. during 1991.[268] Many of these same importers and consignees simultaneously sold cold-rolled product from many of the countries in which the Japanese were directly competing for sales of the commercial grade products discussed above. Japanese and other imports were present in the market every quarter during the period of investigation.[269]

All of the foregoing factors strongly suggest that there is at least a reasonable overlap of competition between imports from Japan and imports from most of the other countries under investigation for cold-rolled product. Thus, the only remaining competition factor which the Japanese argue supports exclusion of their commercial grade product is that the quality for cold-rolled commercial grades is so much higher, as reflected in substantial price premiums which the market allegedly bears, that there is no competition with imports. For the purposes of assessing imports from Japan of cold-rolled steel in these preliminary investigations, we do not find that quality differences alone of identical specification, commercial grade products are sufficient to establish a lack of competition for cumulation purposes.[270] In any event, the Commission lacks information concerning the extent of any quality differences, as

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[268] Id. exhibits 7, 8.

[269] Id. at 206.

[270] See discussion concerning quality in §IV(A)(1) supra.

well as the substitutability between Japanese and other imports which have the same specifications.

For the foregoing reasons, and based on American Lamb, we determine to cumulate imports from Japan of cold-rolled products.[271]

Korea

The Korean respondents argue against cumulation based on both competition and negligibility. They assert a lack of competition with domestic cold-rolled products based on the fact that more than half of one Korean respondent's imports are manufactured for specialized market segments requiring "dead flat" cold-rolled sheet.[272] The lack of competition with the domestic product is established, they claim, by the fact that their imports command premium prices.[273] The Korean respondents also argue their imports are negligible based on allegedly small import volumes.[274]

Addressing competition, we note that petitioners claim domestic producers can manufacture dead flat steel for most applications.[275] As discussed above with respect to Japan, the Commission's data detail active competition both between

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[271] Japanese imports are not negligible. The Japanese percentage share of apparent domestic consumption of cold-rolled products was 2.1 total in 1989, 1.7 in 1990, and 1.6 in 1991.

[272] Korean Br. 3.

[273] Id. at 4.

[274] Id. at 2.

[275] Petitioners' Br. exhibit 2.

importers, including Korea, and with the domestic industry for commercial grade cold-rolled product throughout the period of investigation.[276] In addition, imports of cold-rolled product from Korea were sold in the same channels of distribution as the domestic product and imports from other countries.[277] Finally, regarding the Korean respondents' argument that there was no competition because of higher Korean prices, we note that imports from Korea oversold commercial domestic product in 71 out of 82 observations.[278]

In assessing negligibility, imports from Korea increased throughout the period of investigation from 0.3 in 1989, to 0.5 in 1990 and 1991, to 0.6 in the first quarter of 1992. The value of the cold-rolled products shipped from the Korean respondents was substantial at $146 million between 1989 and 1991. Imports from Korea were neither sporadic nor isolated; they were sold through a total of six importers/consignees in all four regions of the U.S. during 1991,[279] and were also imported in the market during every quarter of the period of investigation.[280]

As discussed above, there is evidence indicating that imports from Korea are relatively fungible with domestic cold-rolled products. Korean unit values for cold-rolled imports were

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[276] Report I-153-160.

[277] Id. at I-164.

[278] Id.

[279] Petitioners' Br. exhibit 7, 8.

[280] Id. at 206.

somewhat lower than domestic unit values for every year after 1989.[281]

Based on the foregoing, we determine to cumulate imports from Korea of cold-rolled steel, and decline to exercise the negligible imports exception.

The Netherlands

The Dutch respondent, Hoogovens, argues that its cold-rolled products do not compete with domestic steel producers and that imports from the Netherlands are negligible.[282] It contends that, based on affidavits from customers, more than half of the Dutch cold-rolled steel imports from the Netherlands in 1991 did not compete directly with domestic products because of quality differences and customer requirements.[283] Hoogovens also asserts that the lack of competition between their imports and domestic products is demonstrated by the price premium that some of their customers will pay.[284] Finally, it asserts that imports from the Netherlands do not compete with the domestic products in the West Coast market.[285]

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[281] Report I-62, I-120.

[282] Dutch Br. 5.

[283] Id. at 7-9. The Dutch niche products break down as follows: less than half of their exports are the full-hard strip which the Australians and Taiwanese sell for hot-dip galvanizing, and the remainder for cold-rolled blackplate, low-carbon cold-rolled steel with one-half standard tolerance, for a bright finished cold-rolled steel product for use in furniture making, for semi-bright, and plating quality steel for furniture.

[284] Id.

[285] Id. at 7-8.

Hoogovens' negligibility argument is based on its market shares, the long-term relationships with its customers, and its assertion that the cold-rolled steel industry is not price sensitive because it is composed of niche markets and specialized suppliers.[286]

As discussed above with respect to Japan and Korea, Dutch products competed in the same commercial grade cold-rolled products with the domestic industry.[287] Contrary to Hoogovens' argument that its products sold at a premium, the Commission's pricing analysis data indicates that Dutch cold-rolled imports undersold comparable domestic products in 46 out of 61 observations during the period of investigation.[288] In addition, imports from the Netherlands competed with domestic products in every quarter during the period of investigation, and in 1991, in every region of the country.[289]

With respect to negligibility, cold-rolled imports from the Netherlands increased steadily from 0.5 percent in 1989 to 0.6 percent in 1990, and 0.7 percent in 1991. The value of imports from the Netherlands in 1990 alone reached $70.3 million. As noted above, Dutch sales were not isolated or sporadic; they were sold through a total of nine importers/consignees in all regions

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[286] Id. at 14.

[287] Report I-153-160.

[288] Id. at I-164.

[289] Petitioners' Br. exhibit 7.

of the U.S. during 1991.[290] Imports of cold-rolled steel from the Netherlands also were sold in the market in every quarter during the period of investigation.[291] Finally, imports from the Netherlands are relatively fungible with domestic products. Dutch unit values for cold-rolled steel dropped significantly below U.S. unit values in 1991.[292] As noted, imports from the Netherlands consistently undersold (46 out of 61 instances) comparable domestic commercial grade cold-rolled product during the period of investigation.[293]

Based on these factors, we cannot conclude that imports from the Netherlands have had no discernible adverse impact on the domestic industry. Accordingly, we cumulate imports from the Netherlands, and decline to apply the negligible imports exception.

New Zealand

The New Zealand respondent, New Zealand Steel Limited ("NZS") asserts that its imports are negligible and should not be cumulated. NZS argues that New Zealand's sales of cold-rolled sheet are isolated and sporadic because New Zealand did not export to the United States for nearly a year in 1991, during the first quarter of 1992, and for 15 out of the 39 months of the

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[290] Id. exhibits 7, 8.

[291] Id. at 206.

[292] Report I-153-160.

[293] Id. at I-164.

period of investigation.[294] NZS also asserts that cold-rolled carbon sheet steel is not a price sensitive commodity because it is a value-added, differentiated product for which quality and service are central.[295]

We find that imports from New Zealand of cold-rolled steel are negligible and have no discernible adverse impact on the domestic industry. Imports from New Zealand stayed constant between 1989 and 1991 at a very low percentage of the total market (0.1 percent), before falling to zero in the first quarter of 1992. Imports from New Zealand were relatively isolated; they were sold through one importer/consignee in three of the four regions of the United States during 1991.[296] Imports from New Zealand also were not sold in the third quarter of 1989, the second quarter of 1990, or in 13 months during the 39 month period of investigation.[297] There is no evidence that imports from New Zealand had an adverse impact on U.S. prices; indeed, New Zealand cold-rolled products oversold comparable domestic products in 29 out of 40 instances of quarterly observations.[298]

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[294] NZS Br. 34.

[295] Id. at 35.

[296] Petitioners' Br. exhibit 7, 8.

[297] Id. at 206.

[298] Report I-164. Finally, we have considered the fact that a substantial portion of NZS is owned by an Australian steel producer of cold-rolled steel products. Because we have also found that Australian imports are negligible, there is no basis to find that Australian control over New Zealand imports of cold-rolled steel has any discernible adverse impact on the domestic industry.

In those instances where the imports from New Zealand undersold domestic product, the margins were relatively low.[299]

Based on the foregoing, we apply the negligible imports exception to imports from New Zealand of cold-rolled steel.

Spain[300]

The Spanish respondents do not directly address competition issues, but argue that their imports should not be cumulated under the negligible imports exception.[301] They state that the price effects of imports from Spain are limited because producers do not keep inventories in the United States.[302] The Spanish respondents also argue that because the unit value of imports has remained relatively constant, while volume and market share for imports have been declining, imports from Spain are not price leaders in the U.S. market.[303]

Considering negligibility, Spain's share of apparent domestic consumption of cold-rolled products for the period of

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[299] Id.

[300] Commissioners Rohr, Brunsdale and Crawford do not join in this discussion regarding imports from Spain. See Commissioner Rohr's and Commissioner Brunsdale's separate dissenting views.

Commissioner Crawford, upon evaluation of all relevant economic factors regarding cold-rolled steel imports from Spain, determines that imports of cold-rolled steel from Spain are negligible and have no discernible adverse impact on the domestic cold-rolled steel industry. The Commissioner specifically notes Spain's low market share and significantly low and declining level of imports, in terms of both quantity and value.

[301] Ensidesa and AHV Br. (Spanish Br.) 4-10.

[302] Id. at 12.

[303] Id. at 17.

investigation was 0.2 percent in 1989 and 0.1 percent for the rest of the years during the period of investigation. The value of cold-rolled products shipped from 1989 to 1991 was $52 million. Imports from Spain were not sporadic; they were sold through a total of five importers/consignees in all four regions of the U.S. during 1991,[304] and were sold in the market every quarter during the period of investigation.[305]

The Commission did not obtain information from importers, petitioners, or the Spanish respondents concerning the fungibility of imports from Spain and domestic products.[306] Given the lack of this information which would shed light on the impact of Spanish steel on the U.S. domestic industry, we cannot determine that there is clear and convincing evidence that imports from Spain "have no discernible adverse impact on the domestic industry."[307] Accordingly, based on American Lamb, we cumulate imports from Spain and do not apply the negligibility exception.

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[304] Petitioners' Br. exhibits 7, 8, and official U.S. Commerce Department statistics.

[305] Petitioners' Br. 206.

[306] Similarly, with respect to competition, the Commission collected little information on the extent of competition among the Spanish imports, the domestic products, and other imports.

[307] 19 U.S.C. § 1677(&)(C)(v).

Taiwan[308]

The Taiwan respondents contend cumulation is not appropriate because a "significant" minority of their cold-rolled steel sheet and strip imports do not compete with domestic products.[309] The Taiwan respondents also argue that their imports are negligible, noting that their market share and import volumes have decreased over the period of investigation to the point they have "virtually disappeared" in 1992.[310]

We find that imports from Taiwan of cold-rolled steel are negligible and have no discernible adverse effect on the U.S. industry. Although these imports were not sporadic or isolated (they were sold through a total of fifteen importers/consignees in all four regions of the U.S. during 1991),[311] they remained at very low levels through the period of investigation. Imports from Taiwan stayed roughly the same at 0.2 percent of apparent domestic consumption between 1989 and 1990, and then decreased to 0.1 percent of apparent domestic consumption in 1991, and to practically zero (only 127 tons) in the first quarter of 1992.

With respect to the fungibility of cold-rolled imports from Taiwan, the Taiwan respondents claim that a certain portion of their imports are a niche product which does not compete with

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[308] Chairman Newquist does not join in this discussion regarding imports from Taiwan. See his dissenting views. Commissioner Crawford recused herself from participation.

[309] Taiwan Br. 13.

[310] Id. at 4.

[311] Petitioners' Br. exhibits 7, 8.

U.S. producers for these sales because domestic producers could not supply either a sufficient quantity or quality to satisfy a particular U.S. purchaser's requirements.[312] Petitioners assert that the U.S. quality of the niche product produced by the Taiwanese is comparable, and that the U.S. industry has the capacity to supply the needs of the U.S. purchaser of Taiwan steel.[313]

Even assuming that the majority of imports from Taiwan are fungible with the U.S. product, we note that the Taiwan import unit values were consistently higher than U.S. unit values, with the exception of 1990.[314] In addition, imports of cold-rolled steel from Taiwan oversold the domestic product in 14 out of 25 pricing comparisons.[315]

Based on the very small and declining Taiwan market share, and the evidence that imports from Taiwan had no discernible adverse impact on the domestic industry, we have determined to apply the negligibility exception and not cumulate imports of cold-rolled steel from Taiwan.

The United Kingdom[316]

The United Kingdom (U.K.) respondents assert their imports

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[312] Taiwan Br. 13-14.

[313] Petitioners' Br. exhibit 2, Hudson affidavit at 4, ¶¶ 9-10.

[314] Report I-62, I-120.

[315] Id. at I-164.

[316] Chairman Newquist does not join in this discussion regarding imports from the United Kingdom. See his dissenting views.

are negligible and should not be cumulated.[317] They argue that there were fewer cold-rolled imports from the U.K. than any other country besides Australia and New Zealand. They contend that there is a higher unit value for imports from the U.K. than for any other country, and that imports from the U.K. oversold the domestic product the majority of the time.[318] The U.K. producers also assert that their cold-rolled imports are isolated and sporadic because their imports are sold almost exclusively on the spot market.[319] They maintain that the market is not as price sensitive as petitioners claim because non-price factors[320] play an important role in a customer's purchasing decision.

We find that imports of plate from the U.K. are negligible and have no discernible adverse impact on the domestic industry. Although these imports were sold in the market in every quarter during the period of investigation,[321] the highest import volume for the U.K was 40,392 tons in 1990. The U.K. market share never exceeded 0.2 percent share of apparent domestic consumption.

In assessing the impact of such small amounts of imports, we

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[317] United Kingdom Br. Exhibit 4 (Declaration of Glenn Breitzig).

[318] Id. at 1.

[319] Id. at 13.

[320] Id. at Exhibit 4 (Declaration of Glenn Breitzig) (Listing the non-price factors which influence the purchasing decisions of customers) "Consistency in the quality of the product supplied, ability to meet demanding and unique product specifications, delivery time, technical assistance and customer service are frequently as important or more important considerations to customers as is the price of the product." Id.

[321] Id. at 206.

also considered the fact that unit values of U.K imports were substantially higher than domestic unit values throughout the period of investigation. In addition, U.K products oversold the domestic product in 26 instances out of 35 during quarterly observations.[322] Margins of underselling by imports from the U.K. were very small.

Thus, even assuming that U.K. cold-rolled imports were fungible with domestic product, we find that there is clear and convincing evidence that such a small and declining share of generally higher priced imports had no discernible adverse impact on the domestic industry. Accordingly, we apply the negligible imports exception and determine not to cumulate imports of cold-rolled steel from the U.K.

3. Certain Corrosion-resistant Carbon Steel Flat Products

Australia

The Australian respondents argue that their imports are negligible.[323] They assert that 82 percent of imports of corrosion-resistant products from Australia are unique products such as "Zincalume" which are sold into "isolated markets," which they define as "specialized markets where there is little or no

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[322] Report I-164.

[323] They argue in their brief that approximately two-thirds of their imports do not compete with U.S. products. Australian Br. 1. The Australian respondents assert that another 17 percent of their imports -- painted products -- are not fungible with comparable U.S. products because of geographic distances, significantly lower number of color selections, long lead delivery times, and large minimum order requirements. Id. at 16-18.

competition with domestic producers" (not including the U.S. automobile market or the markets for special alloys).[324] They state that the domestic market for corrosion-resistant steel is not highly price sensitive because of the significant degree of product differentiation within the U.S. corrosion-resistant steel industry and between the U.S. industry and imports.[325]

Petitioners' dispute the Australian respondents' assertions that imports from Australia of "Zincalume" do not compete with the domestic product "Galvalume." They indicate that Zincalume and Galvalume are interchangeable, identical in gauge, surface quality, and coating consistency, some end uses, and that four U.S. producers manufacture Galvalume.[326] Petitioners also state that U.S. producers produce close gauge tolerances equal to or better than Australian respondents.[327]

The record supports a finding of a reasonable overlap of competition between U.S. and Australian corrosion-resistant products. Even if we assume that the Australian Zincalume

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[324] Id. at 21.

[325] Id. at 22.

[326] Petitioners' Br. exhibit 2, John D. Ewing Affidavit ¶¶ 14, 17.

[327] Id. ¶ 15. Petitioners acknowledge that there is only limited U.S. production of thin gauge galvanized steel because many U.S. producers used to make it but "were forced out of the market by unfairly traded imports;" however, they note that one U.S. producer, NEXTECH, does produce such thin gauge steel. Petitioners also state that U.S. painted corrosion-resistant steel (painted off-shore or by a third party) competes with similar Australian imports, with U.S. producers retaining ownership of the steel when it is painted off-site and sell it as their product to the customer on one invoice. Id. ¶ 18.

product is not competitive with the U.S. produced Galvalume product, and that there is only limited U.S. production of wide and thin gauge product, there appears to be a reasonable overlap of competition between approximately one-third of the imports from Australia with U.S. and other imports of painted product, as well as the remainder of the Australian product not addressed by the Australian respondents in their brief.[328]

With respect to negligibility, the Australian percentage share of apparent domestic consumption for corrosion-resistant imports[329] increased from 1.2 percent to 1.4 percent in 1991. The value[330] of corrosion-resistant products shipped from Australia was substantial -- $279 million between 1989 and 1991. The volume and percentage share of the imports from Australia is one of the highest among all importers. Sales of Australian corrosion-resistant product were not isolated or sporadic; it was sold in every quarter of the investigation period, to end users, steel service centers, as well as on the spot market[331] and in three out of the four regions of the United States.

The record supports a finding that Australian Zincalume, the

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[328] Report I-159-160 (showing Australian imports of hot-dipped galvanized carbon steel -- Product 10 of Commission's pricing series -- competing with a number of other imports of the same product as well as similar domestic product).

[329] Apparent U.S. consumption and market penetration data for corrosion-resistant imports are found in the Report at I-73.

[330] Quantity and value data for corrosion-resistant imports are found at Report I-63.

[331] Id. at I-159-160.

painted Australian products, and the Australian commercial quality grade products investigated in the Commission's pricing investigation are fungible with U.S. Galvalume, painted, and commercial quality products.

Accordingly, we cumulate imports from Australia and decline to apply the negligibility exception.

Brazil[332]

The Brazilian respondent Usiminas argues that the Brazilian imports' market share of corrosion-resistant steel is negligible, has decreased since 1990, and that the absolute value of imports from Brazil remained "very small" even at its highest value, $12 million in 1990.[333]

In deciding negligibility, the Brazilian percentage share of apparent domestic consumption of corrosion-resistant products for the period of investigation by volume was 0.1 percent in 1989 rising to 0.2 percent in 1990 and 1991. Brazilian corrosion-resistant imports generally were not isolated or sporadic; in 1991, they were sold through 7 different importers/consignees in

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[332] Chairman Newquist and Commissioners Rohr, Brunsdale, and Crawford do not join in this discussion regarding imports from Brazil. See Chairman Newquist's and Commissioner Brunsdale's separate dissenting views, and Commissioner Rohr's additional views.

Commissioner Crawford, upon evaluation of all relevant economic factors regarding corrosion-resistant steel from Brazil, determines that imports of Brazilian corrosion-resistant steel are negligible and have no discernible adverse impact on the domestic corrosion-resistant steel industry. Of particular importance in her determination was the low market share and level of sales, in terms of both value and quantity, particularly in the interim 1992 period.

[333] Brazilian Br. 5.

essentially two out of the four regions of the United States.[334] Imports from Brazil were not shipped to the United States in the third quarter of 1991.[335]

At least some imports from Brazil of commercial quality corrosion-resistant steel appear to be relatively fungible with domestic products.[336] In assessing potential impacts on domestic prices, we note that Brazilian unit values in 1991 ($562.03 per ton) were lower than domestic unit values in 1991 ($592 per ton).[337] Further, Brazilian corrosion-resistant product undersold domestic product in 5 out of 7 possible price comparisons.[338]

Based on the foregoing, we find that there is sufficient evidence in these preliminary investigations to support a reasonable overlap of competition between Brazilian, domestic and other imported corrosion-resistant steel. Accordingly, we cumulate imports from Brazil, and do not apply the negligible imports exception.

Canada

The Canadian respondents raise only competition arguments, not negligibility. They contend that their imports of corrosion-resistant steel -- of which the majority are sold to the U.S. automotive industry -- do not compete in the same channels of

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[334] Petitioners' Br. exhibits 7, 10.

[335] Id. at 237; Official U.S. Dept. of Commerce statistics.

[336] Report I-160.

[337] Id. at I-63, I-120.

[338] Id. at I-164.

distribution as similar imports from offshore sources.[339] They assert that offshore imports of galvanized sheet destined for the automotive market are limited to those items not manufactured in commercial quantities by Canadian and U.S. producers. The Canadians also assert that a large percentage of Canadian steel is sold directly to the users, not to steel service centers, the alleged destination of other imports.[340] In addition, the Canadian respondents again state that their steel is trucked (to facilitate just-in-time deliveries), not shipped by boat as other imports which are destined for steel service centers. Finally, the Canadians argue that beginning in mid-1991, Stelco shipped quantities of "high-quality" non-fungible galvanized sheet to the United States which cannot be produced by the domestic industry.[341]

Petitioners hotly dispute the Canadian respondents' claim that there is no domestic production of "high-quality" galvanized sheet. They state that U.S. Steel has been Chrysler's number one quality supplier of galvannealed corrosion-resistant steel and is the only North American steel producer to have received Chrysler's QE quality Award.[342] With respect to the Canadian channels of distribution argument, petitioners state that "across all product lines, approximately 75 percent of the product is

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[339] Canadian Br. 33.

[340] Id. at 34.

[341] Id. at 20, 35.

[342] Petitioners' Br. exhibit 2, ¶ 10.

shipped directly to manufacturers, and approximately 25 percent through service centers."[343]

We find that the Canadian respondents' argument that other imports do not compete or move in the same channels of distribution as Canadian product is contradicted by information collected by the Commission. The record indicates that imports from Canada of a commercial grade product (hot-dipped galvanized carbon steel sheet, G-90) competed simultaneously with the identical product from a number of different countries.[344] A number of other respondents, including Canada, sold identical products in the same geographic areas (Great Lakes), and in the same channels of distribution to end users such as the U.S. automotive industry.[345]

In sum, we cumulate imports from Canada based on finding a reasonable overlap of competition between Canadian, U.S. and other imports of corrosion-resistant product, and cumulate

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[343] Id. ¶ 7.

[344] Report I-153-160.

[345] Id.; Petitioners' Br. exhibit 7. The Canadian respondents' argument that their imports do not compete with other imports because they truck their steel (for just-in-time delivery) does not appear to have precluded the competition between Canadian and other imports outlined above. Moreover, Canadian imports consistently undersold U.S. products (in 23 out of 26) quarterly pricing comparisons. Report I-164. These U.S. products presumably were also trucked to end users in the same geographic area of competition with Canadian respondents. Thus, any competitive advantage which the Canadians assert over imports may well be based on factors other than the means of transportation.

imports from Canada.[346]

France and Germany

Neither the French nor German respondents argue that their imports should not be cumulated. We find that there is evidence to support the conclusion that imports from these two countries are fungible with both domestic and other imports of corrosion-resistant products. Imports from both countries were shipped into the United States during every quarter of the investigation.[347] Such imports moved through the same channels of distribution to end users and to steel service centers as did domestic product and other imports. Neither the import shares nor other negligibility factors support application of the negligible imports exception.[348] Accordingly, we cumulate French and imports from Germany of corrosion-resistant steel with the other subject imports.

Japan

The Japanese respondents[349] argue that their imports of corrosion-resistant steel do not compete with either the domestic

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[346] We determine that Canadian corrosion-resistant imports are not negligible. The Canadian percentage share of apparent domestic consumption of corrosion-resistent products for the period of investigation was 1.7 percent in 1989 and 1990, and 2.5 percent in 1991.

[347] Petitioners' Br. 237.

[348] For example, in 1991, the import shares of apparent domestic consumption for France were 1.3 and for Germany were 1.2 percent.

[349] Kawasaki Steel Corporation, Kobe Steel Ltd., Nippon Steel Corporation, NKK Corporation, Nisshin Steel Co., Ltd., and Sumitomo Metal Industries, Ltd. (Japanese respondents).

industry or other imports. They argue that in the automotive segment of the corrosion-resistant market (consisting of zinc nickel and zinc iron alloys, aluminum alloy, and thin galvanized sheets), there is only "very limited" competition with U.S. producers and no competition with imports.[350] These automotive imports constitute the majority of Japanese corrosion-resistant imports. In the non-automotive segment of the market, the Japanese respondents maintain that while imports from Japan "may compete with imports from one or more countries," they do not compete with the U.S. industry, particularly for thin gauge steels between 0.013 and 0.009 inches.[351]

Petitioners dispute the Japanese respondents' assertions regarding both the automobile and non-automotive segments of the corrosion-resistant market. They state that "[t]here are numerous products that are electrolytically coated or made by the hot-dip process that are sold to the automotive industry."[352] Among the "substantial quantities" of such products manufactured and sold by the U.S. industry to U.S. automakers include "iron-zinc alloys, electrolytically coated pure zinc, and some hot-dipped products [which] go into automobile body panels such as hoods, quarter panels, doors, floor panels, trunk inners and outers."[353]

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[350] Japanese Br. 41.

[351] Id. at 28-32.

[352] Petitioners' Br. exhibit 2, Ewing affidavit at 3, ¶ 3.

[353] Id. ¶¶ 6, 8.

In assessing the competition arguments raised by the Japanese respondents, we are confronted by conflicting evidence regarding the extent of competition between Japanese and U.S. producers. As noted above, the U.S. producers claim that they can and do supply substantial quantities of the same types of alloy coated steel, including zinc-iron steel, manufactured by the Japanese to automobile manufacturers. This assertion conflicts with the Japanese respondents' assertion that "U.S. industry was unable to supply [zinc-nickel and zinc-iron] alloy coated sheets for the increasing [Japanese auto] transplant production."[354] There is also a conflict regarding the quality of U.S. producers of alloy coated steel. The Japanese respondents indicate that the quality of U.S. produced steel is not adequate to meet the quality standards of the Japanese automobile transplants.[355] Petitioners claim that U.S. Steel is the major supplier to Chrysler of galvannealed corrosion-resistent steel and has been rated as its number 1 quality supplier for two years.[356]

We have also considered the Japanese respondents' argument that there is little competition in automotive products because imports from Japan are sold primarily to Japanese automobile transplant companies -- purchasers who have not yet qualified

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[354] Japanese Br. 10.

[355] Id. at 22.

[356] Id. ¶ 10.

most U.S. corrosion-resistant producers.[357] The fact that few U.S. producers have completed the rigorous qualification process to supply Japanese automotive transplants, does not necessarily indicate the absence of competition between Japanese and U.S. corrosion-resistant products. To the extent that both U.S. and Japanese producers supply particular specified products, of comparable quality, for the same end uses, in the same channels of distribution, and at the same time, then "competition" exists. Even though there may not be a large number of overlapping customers between Japanese and U.S. producers does not mean that there is not overlapping competition. In any event, we note that in at least one example provided by the Japanese respondents, a U.S. automaker obtained similar corrosion-resistant product from both U.S. and Japanese sources.[358]

The record does indicate limited U.S. capacity to produce the thin-gauge galvanized steel imported by the Japanese respondents for use in the non-automotive sectors. Petitioners have identified only one very small U.S. producer of such steel.[359] They insist that U.S. mills used to make such steels, but were forced out of the market by unfairly traded imports.[360] The record does not support the Japanese respondents' argument that no other imports compete in the automotive sector. A

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[357] Id. at 9-12.

[358] Id. at 11-12.

[359] Petitioners' Br. exhibit 2, Ewing affidavit, at 8 ¶19.

[360] Id.

significant majority of imports from Canada of corrosion-resistant products from Canada's major mills are used in connection with automobile manufacturing.[361] Similarly, in the non-automotive sector, both the Australian and Korean producers claim that a substantial portion of their imports are thin-gauge corrosion steel also imported by the Japanese.[362] We find that this evidence is sufficient to support a reasonable overlap of competition between imports.

There is no dispute that domestically-produced, Japanese, and other imports of corrosion-resistant steel are distributed in the same channels of distribution (to end users), at the same time (imports from Japan were sold in each of the 39 months of the investigation), and used for the same end uses (automotive body parts). In addition, questionnaire responses indicated that Japanese hot-dipped galvanized carbon steel sheet of commercial or lock forming quality G-90, competed directly with domestic and imports from Germany and Taiwan.[363]

In sum, we determine to cumulate imports from Japan of

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[361] Report I-26-27. Indeed, the Canadian imports result from a joint venture between a Canadian producer Stelco and Mitsubishi of Japan.

[362] See discussion of the Australian and Korean corrosion-resistant products herein.

[363] Report Table 135. We note that the unit values of Japanese corrosion-resistent imports ($689 per ton) are higher than both U.S. ($592 per ton), as well as German ($635), Korea ($664), and Australia ($638). This tends to suggest the existence of some quality premiums for Japanese imports, but we view these figures with caution given the extent of product differentiation in the corrosion-resistant industry.

corrosion-resistant steel based on the record in these preliminary investigations, and on the American Lamb doctrine.[364]

Korea

The Korean respondents argue against cumulation based on a lack of competition between two imported products from Korea -- extra-thin gauge galvanized sheet and coil and prepainted galvanized sheets -- and the products of the U.S. domestic corrosion-resistant industry. These two products represent approximately 40 percent of the imports from Korean of corrosion-resistant product. The Koreans acknowledge that the remaining 60 percent of their imports compete in the "apparently commoditized market for 'bare' galvanized sheet . . . "[365] However, they assert that even these commodity type imports do not compete geographically with U.S. producers located more than 500 miles from any U.S. coastal area.[366]

As with similar arguments raised by other respondents, the petitioners argue that U.S. firms can and do produce prepainted galvanized sheets which compete, inter alia, with similar painted imports from Korea.[367] With respect to certain thin galvanized sheet imported by the Koreans, petitioners state that a number of petitioners who produced such product were forced out of the

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[364] Japanese imports are not negligible. Japanese import share of apparent domestic consumption in 1991 was 6.3 percent representing 685,000 tons worth $473 million.

[365] Korean Br. 5.

[366] Id.

[367] Petitioners' Br. exhibit 2, Ewing Affidavit ¶ 18.

business by unfairly traded imports; however, they note that one U.S. producer, NEXTECH, does produce such thin-gauge products.[368]

Even if we accept the Korean respondents arguments that 40 percent of their extra-thin steel and painted steel does not compete with U.S. product (which has been denied by petitioners), we find that there is evidence to support a finding that the remaining 60 percent of the imports from Korea is fungible and does compete with both domestic and other imports of corrosion-resistant steel. For example, imports from Korea of galvanized sheet competed directly with identical domestic and imported products.[369] This product is shipped by U.S. producers, the Koreans, and other importers throughout the United States through the same channels of distribution (end users and steel service centers).[370]

For the foregoing reasons, we find that there is a reasonable overlap of competition between Korean, domestic and other imports

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[368] Id. ¶ 19.

[369] Report Tables 133-137.

[370] Id.; Petitioners' Br. exhibit 7. We reject the Korean respondents' argument that their imports do not compete with domestic industry except within 500 miles of any coast. Such an argument is baseless for several reasons. First, there are U.S. producers of corrosion-resistant steel who compete with the Koreans who are located within 500 miles of the coast. In addition, there is evidence that U.S. producers, including USX in its joint venture with a Korean importer, ship other steel products by rail from the Great Lakes area to California. This suggests that transportation costs are not prohibitive. Moreover, U.S. producers in the Great Lakes area can ship steel to the Gulf area (where Korean imports were also present in 1991) relatively cheaply by barge down the Mississippi.

of corrosion-resistant steel, and cumulate imports from Korea.[371]

Mexico

The Mexican respondents argue against cumulation on both competition and negligibility grounds. They assert that one-third of imports from Mexico -- consisting of painted and thin galvanized sheet -- allegedly do not compete with domestic production of corrosion-resistant products. However, they admit that a large percentage of their exports to the United States do compete with U.S. products.[372] The Mexicans also claim (without any citation to the record or any fact), that their imports "do not compete with the other subject countries . . ."[373] We note, however, that both the Koreans and the Australian respondents also import both painted and thin galvanized sheet, two of the chief imports of the Mexican respondents.[374] The Mexican respondents also assert that competition is limited because most of the Mexican exports are sold in the southeast and southwest regions, areas which are "not typically supplied by the petitioners."[375]

The Mexican respondents also argue that their imports of

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[371] Korean Br. 1-5. The Korean respondents make no arguments regarding negligibility. We determine that Korean corrosive resistant imports are not negligible. The Korean imports' percentage share of apparent domestic consumption for corrosion-resistant products was 0.7 in 1989, 1.0 in 1990, and 1.2 in 1991.

[372] Mexican Br. exhibit 8.

[373] Id. at 18 n.6.

[374] Id. at 13-15.

[375] Id. at 16.

corrosion-resistant steel are negligible. They assert that their market share is below one percent, has not increased during the period of investigation, and is falling.[376]

In analyzing the competition issue, we note that the Mexican respondents acknowledge that there is a substantial overlap of competition between their imports and corrosion-resistant products manufactured by the petitioners.[377] With respect to the Mexican respondents' argument that there is no geographic competition with U.S.-produced product, the record indicates that there are three U.S. manufacturers of corrosion-resistant steel within approximately 100 miles of the Mexican/U.S. border.[378] In addition, a number of other U.S. producers can cheaply ship steel by barge from either the Great Lakes area or the Gulf region to areas relatively close to the Mexican-U.S. border. Moreover, imports from all thirteen countries subject to investigation ship corrosion-resistant steel into, inter alia, the Gulf region. Thus, there is considerable evidence of an overlap of competition between Mexican, domestic, and other imported corrosion-resistant steel.

Finally, with respect to negligibility, the Mexican import share of apparent domestic consumption of corrosion-resistant

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[376] Id. at 5.

[377] However, the Commission has not obtained information concerning the competition between Mexican, U.S. and other imported products. Cf. Report Tables 133-137.

[378] Id. at Table 7; California Steel Industries, Pinole Point, and USS-Posco are all located in the general Los Angeles area.

products for the period of investigation rose from 0.8 percent in 1989 to 0.9 percent in 1990, and then declined to 0.7 percent in 1991. While limited to only one entry point in the Gulf region of the United States, Mexican import sales were not sporadic as imports from Mexico were shipped to the U.S. during all periods of the investigation.[379] Finally, as discussed above, the majority of Mexican and domestic corrosion-resistant products are fungible.[380]

Based on the foregoing, we cumulate imports from Mexico and decline to apply the negligibility exception.

New Zealand[381]

New Zealand Steel (NZS), the only New Zealand respondent, argues that its imports are negligible, and have declined beginning in the second quarter of 1991.[382] NZS also states that its sales were sporadic, noting that it decided to drop out of

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[379] Petitioners' Br. 237.

[380] We note that the Mexican respondents also argue that approximately 50 percent of Mexican imports of corrosion-resistant steel are painted steel owned by U.S. producers which are shipped to Mexico for painting and then shipped back to Mexico. Mexican Br. at 10-12. We intend to investigate these allegations in any final investigations. We note that the Commission has not obtained any response from petitioners concerning the Mexican respondents' allegations. Accordingly, based on American Lamb, we have decided to cumulate Mexican imports, but will examine the allegation, and the issue of competition in the thin-gauge corrosive market in any final investigation.

[381] Chairman Newquist, Commissioner Rohr, and Commissioner Brunsdale do not join in this discussion of imports from New Zealand. See their separate dissenting views.

[382] NZS Br. 21-22.

the U.S. market in late 1990, and that there were no sales in 11 of the 39 months during the period of investigation.[383] New Zealand Steel argues that corrosion-resistant steels are not price sensitive because there is a diverse range of such steels, and even physically identical products are not fungible because suppliers are judged by their quality, reliability, technical expertise, and availability of just-in-time delivery.[384]

Petitioners respond by stating that the corrosion-resistant market is a commodity market, noting that the existence of multiple sourcing for corrosion-resistant products illustrates that these products are substitutes. In particular, petitioners note that one U.S. purchaser imported corrosion-resistant products from New Zealand, Sweden, Japan, and Canada.[385]

In assessing the negligibility issue, the New Zealand imports' share of apparent domestic consumption of corrosion-resistant products for the period of investigation was 0.2 percent in 1989 and 1990, and rose to 0.3 percent in 1991. There is mixed evidence regarding the isolated or sporadic nature of imports from New Zealand. They were not sold in 9 months of the investigation. However, such imports were shipped to the U.S. in each of the quarters during the period under investigation, and in 1991, they were sold in three different regions of the United

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[383] Id. at 22-23.

[384] Id. at 25-26.

[385] Petitioners' Br. 238.

States.[386]

The Commission lacks specific information concerning the fungibility of New Zealand's imports with domestic corrosion-resistant product. Such fungibility is supported by the fact that unit values of imports from New Zealand and U.S. corrosion-resistant steel were relatively close in 1991.[387] However, the Commission obtained no information concerning any underselling or overselling by imports from New Zealand.

In sum, based on the present record and American Lamb, we cumulate imports from New Zealand, and decline to apply the negligibility exception. We will revisit both the competition and negligibility issues in any final investigation.

Sweden[388]

SSAB argues that its imports of corrosion-resistant steel are negligible. It asserts that the significant increase in its market share in the first quarter of 1992 reflected the expiration of a licensing agreement with Bethlehem Steel which permitted SSAB to import Galvalume (which it calls "Aluzink").[389] SSAB also argues that its increased shipments in 1991 of galvanized sheet were to the west coast and to the Gulf region,

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[386] Id. at 237, exhibit 7.

[387] Report I-63, I-120. However, in 1989 and 1990, unit values of imports of corrosion-resistant steel from New Zealand were significantly higher than domestic unit values.

[388] Chairman Newquist, Commissioner Rohr, and Commissioner Brunsdale do not join in this discussion regarding imports from Sweden. See their separate dissenting views.

[389] Swedish Br. 4.

"where petitioners have little or no presence and where imports regularly account for 40 percent or more of consumption."[390]

In addressing the negligibility argument, we note that Sweden's market share, while low, has increased steadily from less than 0.05 percent in 1989, to 0.1 percent in 1990, to 0.2 percent in 1991. Imports from Sweden were not isolated or sporadic; in 1991 they were sold through six different importers/consignees in every region of the United States in 1991, and were present in every quarter during the period of investigation.[391] With respect to the impact of imports from Sweden on domestic prices, we note that SSAB indicated the increased imports were a result of an expiration of a license which permitted SSAB to now import a Galvalume type product into the United States. This product is fungible with and directly competes with domestic Galvalume. In addition, unit values of imports from Sweden after it started exporting the Galvalume product to the United States in 1991 ($495 per ton) were significantly lower than domestic unit values in 1991 ($592 per ton).[392] The Commission obtained no information regarding any overselling or underselling by imports from Sweden.

Based on the foregoing, we determine to cumulate imports of corrosion-resistant steel from Sweden, and decline to apply the negligibility exception.

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[390] Id. at 5.

[391] Petitioners' Br. 237, exhibits 7, 11.

[392] Report I-63, I-120.

Taiwan[393]

The Taiwanese respondents argue that the volume and percentage share of their imports are negligible, and have declined since 1991.[394] They assert that there is little price effect on the domestic industry because a considerable percentage of their exports to the U.S. was in thin-gauged galvanized sheet not produced in the United States.[395]

We find that imports from Taiwan are negligible and have no discernible adverse impact on the domestic industry. The Taiwan imports' share of apparent domestic consumption of corrosion-resistant products was less than 0.05 percent of total market in 1989, rose to 0.3 percent in 1990, and declined to 0.2 percent in 1991 and the first quarter of 1992. The evidence regarding whether Taiwan's import sales were isolated or sporadic indicates that in 1991, imports from Taiwan of corrosion-resistant steel were sold in three out of four regions of the United States.[396] However, imports from Taiwan were not shipped to any locations in the U.S. for six months of 1989 and one month of 1991.[397]

Regarding the fungibility of imports from Taiwan, we note that there is limited competition between at least a portion of

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[393] Commissioner Crawford recused herself from participation.

[394] Taiwan Board of Foreign Trade Br. at 8-9.

[395] Id. at 11-12.

[396] Petitioners' Br. exhibits 7, 10.

[397] Compiled from official statistics of the U.S. Department of Commerce.

imports from Taiwan and the domestic industry because only one U.S. producer makes the thin-gauge galvanized sheet imported by Taiwan.[398] Even commodity grade (non-thin galvanized sheet) products sold by Taiwan do not appear to compete at least on price with domestic product; imports from Taiwan oversold the domestic product in all of the 13 available pricing comparisons.[399] In addition, unit values for Taiwan corrosion-resistant imports ($649.86 per ton) were higher than domestic product in 1991 ($592 per ton) as well as in 1989 and 1990.[400]

Even assuming that there is competition between a significant portion of Taiwan, domestic, and other corrosion-resistant imports, we find that the clear and convincing evidence set forth above indicates that imports from Taiwan are negligible and have no adverse impact on the domestic industry. Accordingly, we do not cumulate corrosion-resistant imports from Taiwan.

4. Cut-to-length Plate

Belgium, Brazil, Germany, Romania, and Sweden

None of the respondents from Belgium, Brazil, Germany, Romania, or Sweden argued against cumulation of imports from their countries based on either a lack of reasonable overlap of competition or the negligible imports exception. We find that the record supports cumulation of imports of plate from all five

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[398] Petitioners' Br. exhibit 2, Ewing affidavit, ¶19.

[399] Report Table 138.

[400] Id. at I-63, I-120.

regions, but were overwhelmingly concentrated in the Great Lakes region.[411] Seven other countries, however, also had imports of approximately 10,000 tons or more of plate in the same Great Lakes region during 1991, clearly reflecting competition within the area of Canadian import concentration.[412] Nor are we persuaded that Canadian plate moves in distinct channels of distribution, i.e., directly to end users such as automobile companies, and not through service centers. A number of other respondents also sold imports of plate to end users.[413]

For the foregoing reasons, we find that there is a reasonable overlap of competition between Canadian, U.S. and other imports of plate and cumulate imports from Canada.[414]

Finland

The Finnish respondent, Rautaruukki Oy ("Rautaruukki"), presents no competition arguments, but asserts that the volume of imports from Finland have declined, are negligible, and should not be cumulated.[415] Rautaruukki provides no information regarding the price sensitivity of plate, except to state that the U.S. industry has driven down the price during the period of

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[411] Petitioners' Br. exhibit 7.

[412] Id.

[413] Report Tables 101-108.

[414] We determine that Canadian plate imports are not negligible. Canadian percentage shares of apparent consumption reached 1.9 in 1989, 1.6 in 1990, and 1.5 in 1991; Canadian imports were not sporadic or isolated, and Canadian imports are fungible with domestic plate.

[415] Rautaruukki Oy Br. 14-19.

investigation.[416]

With respect to negligibility, the Finnish imports' share of total apparent domestic consumption of plate for the period of investigation rose from 1.3 percent in 1989 to 1.4 percent in 1990, and then declined to 1.1 percent in 1991, before rising to 1.2 percent in the first quarter of 1992. Imports from Finland were not sporadic or isolated. In 1991, seventeen importers/consignees sold Finnish plate imports in three of the four regions of the U.S.[417] Imports from Finland were also sold during every quarter of the period of investigation.[418] There is no evidence to suggest that Finnish plate imports are not fungible with domestic products or other imports, or distributed in different channels of distribution. Moreover, unit values for Finnish plate were substantially below unit values for domestic plate. In price comparisons for fungible commercial grade plate, there was mixed overselling and underselling by imports from Finland which support the existence of competition between the imports and domestic plate.[419]

Based on the foregoing, we cumulate imports from Finland, finding that there is a reasonable overlap of competition between Finnish, U.S. and other imports of plate, and decline to apply the negligibility exception.

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[416] Id. at 7-8.

[417] Petitioners' Br. exhibits 7, 11.

[418] Id. at 264, exhibit 7.

[419] Report Tables 101-108.

France[420]

The French respondents Sollac and Usinor Sacilor (French respondents) argue their imports do not compete with domestic plate because the French plate is high-strength, low-alloy and pressure vessel quality in the 150 inch to 170 inch widths categories.[421] They state that only two U.S. producers make such product, and the domestic quality is "so much lower than that of Sollac that it is not fungible or interchangeable with the French product."[422] In addition, the French assert that a number of U.S. producers do not make plate of 1/4 inch gauge by 120 inch wide, one of the plate sizes most frequently used by the oil and gas industry.[423] Finally, the French respondents also contend that the volume and market share of their imports are negligible, and the trends of their imports between 1991 and 1992 are down considerably.[424]

Petitioners do not specifically dispute the French respondents' claims which apparently were raised for the first time in their post-conference submissions.[425] However, they state

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[420] Commissioner Brunsdale does not join in this discussion regarding imports from France. See her dissenting views.

[421] French Br. 20.

[422] Id.

[423] Id. at 21.

[424] Id. at 17-19. We note that data obtained by the Commission regarding import trends does not support this contention.

[425] See Petitioners' Br. exhibit 2, Foster Affidavit at 3 footnote.

that "with rare exceptions, the domestic producers, such as U.S. Steel, are well suited to meet customer needs if permitted to compete on a level playing field."[426] A representative from domestic producer Lukens Steel Company reports that it produces alloy plate products (apparently comparable to the imports from France) up to 198 inches wide.[427]

Concerning competition, the French respondents are silent about the extent of overlap in competition between domestic plate and imports from France of non-specialty plate. Commission price data comparisons indicate that there was competition between French commercial grade plate and the domestic producers, with the French plate underselling domestic plate in 19 of the 20 possible comparisons.[428] In addition, in 1991, French plate was imported through 9 importers/consignees (who also imported from other countries) and was sold in every region of the United States.[429] French plate moved in the same channels of distribution as domestic and other imported plate.[430]

With respect to negligibility, the imports from France' share of apparent domestic consumption increased slightly from 0.2 percent in 1989 and 1990 to 0.3 percent in 1991. As discussed above, imports from France were not sporadic or

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[426] Id. at ¶ 4.

[427] Id., Mattia Affidavit at 2, ¶¶ 3-4.

[428] Report Table 138.

[429] Petitioners' Br. exhibit 7, 11.

[430] Report Tables 101-108.

isolated. There is evidence in these preliminary investigations that French plate is fungible with domestic plate. This conclusion is supported by the fact that the unit value of imports from France was higher than U.S. unit values of plate[431], and the fact that imports from France of plate consistently undersold commercial grade U.S. plate throughout the period of investigation.[432]

Accordingly, we cumulate imports from France based on a reasonable overlap in competition between imports from France and the domestic industry and other imports, and decline to apply the negligibility exception.

Italy[433]

ILVA SpA and ILVA USA, Inc. (Italian respondents) argue that imports from Italy are negligible. They state that although the volume and percentage share of Italian plate imports increased between 1989 and 1991, sales were sporadic and isolated because they were sold to only one customer who manufactures large diameter pipe.[434] In addition, the Italian respondents assert that at least a portion of the imports from Italy is not price sensitive because allegedly no U.S. producer makes the

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[431] Id. at I-59, I-120.

[432] Id. at Table 138.

[433] Commissioner Brunsdale does not join in this discussion regarding imports from Italy. See her dissenting views. Vice-Chairman Watson recused himself from participation.

[434] Italian Br. 8-9.

specialized grade plate which the Italian respondents export.[435]

Petitioners provided no information regarding the specialized plate identified by the Italian respondents. The Italian respondents are silent regarding the fungibility of the remaining imports of Italian plate with either domestic or other imports. Pricing data obtained by the Commission indicates that at least some imports of Italian commercial quality plate competed with similar domestic and imported plate.[436] Imports of plate from Italy were distributed in the same channels of distribution as domestic and other imported plate.[437] Based on the evidence above, we find in these preliminary investigations that there is a reasonable overlap of competition between Italian, domestic and other imported plate to satisfy the cumulation provision.

Regarding negligibility, the imports from Italy' share of apparent domestic consumption of plate for the period of

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[435] Id. at 9-10. The Italian respondents also assert that "th[is] product was in 'short supply' during the period of investigation and the Department of Commerce granted the customer's short supply requests. Id. at 10. Petitioners provided an affidavit from Donald Foster of U.S. Steel who stated that after making an inquiry with Commerce, "I confirmed . . . that no short supply request involving plate steel from an Italian producer had been filed during the POI." Petitioners' Br. exhibit 2, Foster Affidavit ¶ 5. We note that the Italian respondents stated that the "customer" not the "Italian producer" made a short supply request. Furthermore, Mr. Foster's affidavit does not appear to dispute the Italian producers' claim that there is no U.S. production of the specialized cut-plate products imported by the Italian respondents.

[436] Report I-160.

[437] Id. Tables 101-108.

investigation rose from 0.2 percent in 1989 and 1990 to 0.3 percent in 1991. The volume of Italian plate also increased steadily from 9,000 tons in 1989 to 17,000 tons in 1991. While there is evidence that approximately one-third of Italian sales were an isolated sale to one customer, other evidence indicates that Italian sales were not sporadic or isolated; imports from Italy were imported in every quarter of the period of investigation, and, in 1991, to three out of four regions of the United States.[438] As noted above, there is evidence that Italian plate is fungible with domestic plate.[439] Unit values of Italian plate were significantly lower than domestic plate,[440] and there was mixed over- and underselling by imports from Italy of commercial quality plate for 15 pricing comparisons.[441]

Based on the foregoing, we decline to apply the negligibility exception and determine to cumulate imports of plate from Italy.

Japan

The Japanese respondents[442] argue that cumulation of their imports is inappropriate based on both a lack of competition and

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[438] Petitioners' Br. 264, exhibit 7.

[439] Report I-160.

[440] Id. at I-59, I-120.

[441] Id. at Table 138.

[442] Kawasaki Steel Corporation, Kobe Steel LTD., Nippon Steel Corporation, Nisshin Steel Co., LTD., NKK corporation, and Sumitomo Metal industries, Ltd. collectively filed a Post Conference Brief ("Japanese Br.").

the negligible volume of imports from Japan. They assert that a very high percentage of imports from Japan of specialty plate does not compete with any U.S. products. They state that such specialty plate increasingly constituted the vast majority of their imports during the period of investigation.[443] The fact that prices for imports from Japan averaged 20 percent higher than similar plate imports from any other country, argue the Japanese respondents, is strong evidence of the specialty niche nature of imports from Japan.[444]

Specifically, the Japanese assert that, in 1991, a substantial percentage of their imports consisted of special plate for offshore oil platforms, a dual phase steel, not available from any U.S. mill, and hydrogen-induced-cracking resistant steel with low sulphur content, produced by only one U.S. producer, Lukens Steel.[445] The Japanese respondents also argue that none of these specialty imports from Japan competes with any other imports.[446]

The Japanese respondents also argue that their percentage of apparent domestic consumption of plate is negligible. They maintain that more than half of imports from Japan in 1991 were made by one Japanese respondent under a single contract.[447] They

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[443] Japanese Br. 7.

[444] Id.

[445] Id. at 9-10.

[446] Id. at 16.

[447] Id. at 15.

assert that a "large portion of the other shipments in the investigation period were similarly isolated and sporadic."[448] Finally, the Japanese respondents argue that their imports had little or no effect on domestic producers' prices because of the high degree of product differentiation between Japanese and domestic plate as reflected in the considerably higher prices for Japanese plate.[449]

Petitioners disagree with the Japanese respondents' assertions that U.S. companies do not and cannot produce "specialty" cut-length flat products. With respect to the most significant portion of 1991 Japanese specialty steel imports used on offshore oil platforms and petrochemical vessels, Donald Foster of U.S. Steel stated that "U.S. Steel routinely make plate steel for use in offshore oil platforms, including special hydrogen induced, cracking resistant and dual-phase microstructure steel."[450] Petitioners also indicate that U.S. producer Lukens Steel also produces wide carbon plates for pressure vessel heads for oil refinery applications.[451] In addition, petitioners state that imports from Japan were sold in

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[448] Id.

[449] Id. at 15-16.

[450] Petitioners' Br. exhibit 2, Foster affidavit at 3-4, ¶ 5. However, the record indicates that no U.S. producer of plate was qualified to provide plate for oil platforms at the time of the largest sale of plate in 1991.

[451] Id., Mattia affidavit at 2, ¶ 5.

the U.S. in every quarter of the period of investigation.[452]

In analyzing competition, the Commission did not obtain any evidence regarding sales of commercial quality plate by Japanese respondents.[453] This appears to confirm the Japanese respondents' claims that almost all of their plate imports were specialty products shipped to end users.

With respect to competition between imports, a minor percentage of the imports from Germany are high-strength, low alloy steel used for oil platform caissons.[454] However, the precise extent of overlap of such competition between Japanese and German imports of "special" plate both used in oil platform construction and the petrochemical area, is not clear based on the present record.

In assessing negligibility, we have considered the evidence discussed above which reflects that imports from Japan of plate are overwhelmingly of a special quality at the high end of the price and technological plate spectrum. The specialized nature of the imports from Japan is reflected in unit values of $606.81 per ton in 1991 which were significantly higher than domestic unit values at $447 per ton in 1991, or average unit values for all imports at $405.22 per ton.[455] Based on evidence developed by the Japanese respondents (to which petitioners have not

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[452] Id. at 264.

[453] Report Tables 101-108.

[454] German Br. 23.

[455] Report I-59.

responded), there is substantial evidence that imports from Japan of "specialty" plate sold at a considerable premium over any other imports, as well as domestic plate. This evidence suggests limited fungibility between the substantial majority of U.S. plate and imports from Japan of plate.

Moreover, the Japanese market share of apparent domestic consumption by volume rose only slightly from 7,946 tons in 1989 to 12,240 tons in 1991 -- a tonnage figure which was the lowest of the 15 countries under investigation for imports of plate. The value of total imports from Japan, even with the highest unit value of any imports, was the second lowest among the countries under investigation. The percentage share of imports from Japan in 1991 never exceeded 0.2 percent of apparent domestic consumption. In addition, we note that in 1991, a majority of imports from Japan were isolated in one major sale.

Given the small import share of Japanese plate, and the limited fungibility between Japanese plate and the majority of domestic plate, we find there is clear and convincing evidence that imports from Japan are negligible and have no discernible adverse impact on the domestic industry.[456] Accordingly, we do not cumulate plate imports from Japan.

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[456] Even assuming that there are several U.S. producers of the specialty plate products whose quality can duplicate that of the Japanese plate (evidence not established in these preliminary investigations), we conclude that the very low market share of the Japanese imports, and the relatively isolated nature of Japanese sales (particularly in 1991), support a finding that these imports have no discernible adverse impact on the domestic industry.

Korea[457]

The Korean respondents argue that imports from Korea are negligible, have declined, and are isolated and sporadic as they are sold primarily along the west coast.[458] The Korean respondents also assert that their imports have no impact on the domestic industry because their imports are of a higher quality than U.S. products, can be supplied in wider widths than U.S. product, and are consistently higher priced than comparable U.S. product.[459]

In assessing the negligibility issue, the import share of Korean plate was 0.6 percent in 1989, 0.4 percent in 1990, and 0.3 percent in 1991. Imports from Korea were not sporadic or isolated; contrary to the Korean respondents' assertions, imports from Korea of plate in 1991 were marketed through 5 importers/consignees in relatively equal amounts in three of the four U.S. regions.[460] Imports from Korea were sold in every

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[457] Commissioners Brunsdale, Watson, and Crawford do not join in this discussion regarding imports from Korea. See the separate dissenting view of Commissioner Brunsdale.

Vice Chairman Watson and Commissioner Crawford, upon evaluation of all relevant economic factors regarding cut-to-length plate from Korea, determine that imports of Korean cut-to-length plate are negligible and have no discernible adverse impact on the domestic cut-to-length plate industry. Of particular importance in their determination was Korea's low market share, the significantly low and rapidly declining level of imports, in terms of both quantity and value, and the significant pattern of overselling evidenced by contract sales comparisons.

[458] Korean Br. 5-8.

[459] Id. at 6,8.

[460] Petitioners' Br. exhibit 7, 11.

quarter during the period of investigation.[461]

There is evidence that at least some imports from Korea of commercial quality plate are relatively fungible with U.S. plate. The Commission obtained price comparisons which indicated, contrary to the Korean respondents' assertions of overselling, that imports from Korea of commercial grade plate undersold domestic plate in 17 out of 35 price comparisons.[462] In addition, the unit value of Korean plate at $366.95 per ton in 1991 was considerably lower than the unit value of domestic plate at $442 per ton.[463]

Based on the foregoing, we cumulate imports from Korea of plate and decline to apply the negligibility exception.

Mexico

A Mexican producer of plate, Altos Hornos de Mexico (Altos), argues that imports from Mexico are negligible and should not be cumulated. Altos contends that the net trade between the U.S. and Mexico in plate reflects substantially greater amounts of U.S. plate being exported into Mexico. Thus, it argues that the Mexican market share is not only negligible, it is "negative."[464] Altos also states that imports from Mexico are isolated

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[461] Id. at 264.

[462] Report I-164.

[463] Id. at I-65, I-120.

[464] Altos' Br. at 5. We know of nothing in Title VII, any Commission or court decision, or any other source, which would justify "netting out" allegedly unfairly traded Mexican plate imports with fairly traded domestic imports. Accordingly, we reject this aspect of Altos' negligibility argument.

geographically and only sold to end users along the U.S.-Mexican border.[465] Altos notes that its plant is much closer to its U.S. customers than any U.S. producer and that is "this geographic reality, and not any unfair pricing, that explains [Altos'] U.S. sales."[466]

Altos acknowledges that it sells fungible plate products, so there is no dispute regarding an overlap of competition vis-a-vis the specifications of the products. We reject Altos' argument that identical Mexican and domestic plate products (and presumably other imports as well) do not compete geographically. The record indicates that Mexican, U.S., and other imports of plate compete in the same general geographic area. In fact, there are two U.S. producers of plate within several hundred miles of the U.S.-Mexican border, and another producer within 600 miles of the border.[467] Moreover, there are a number of U.S. producers who ship steel by barge from the Great Lakes and Gulf region to the coast of Texas. Based on the current record, we believe that there is sufficient evidence of an overlap between Mexican, domestic, and other imports of plate to justify cumulation of imports from Mexico of plate.

Nor do we find that imports from Mexico are negligible. The

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[465] Id. at 6.

[466] Id.

[467] California Steel Industries, Fontana, California and Marathon le Tourneau, Longview, Texas are located within several hundred miles of the Mexican/U.S. border. Geneva Steel, Vineyard, Utah is located approximately 600 miles from the Mexican/U.S. border.

volume share of imports from Mexico as a percentage of apparent domestic consumption is not negligible; Mexican import share increased from 0.4 percent in 1989 to 0.7 percent in 1990, before declining to 0.4 percent in 1991. Sales of imports from Mexico of plate were not sporadic as they took place in every quarter of the period of investigation. Finally, we note that unit values of imports from Mexico were substantially lower than domestic unit values, supporting an inference of competition between imports from Mexico and domestic plate.

Based on the foregoing, we cumulate imports of plate from Mexico and decline to apply the negligibility exception.

Poland

The Polish respondents Stalexport and Huta Czestochowa (Polish respondents) argue that their imports are negligible.[468] The Polish respondents state that their sales of plate were limited to three importers in a few small and sporadic transactions.[469]

Polish import share of apparent domestic consumption increased from 0.5 percent in 1989 to 0.7 percent in 1991. Imports from Poland in 1991 were sold through six importers/consignees in three out of four regions of the United States.[470] Imports of plate from Poland also were sold in every

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[468] Polish Br. 2.

[469] Id.

[470] Petitioners' Br. exhibits 7, 11.

quarter during the period of investigation.[471] In analyzing the extent of competition between imports of plate from Poland and U.S. plate, the limited pricing and sales information obtained by the Commission indicates that imports from Poland of commercial quality plate are fungible with domestic plate.[472] The unit value of Polish plate ($346.97 in 1991) was much lower than domestic unit values of plate ($442 in 1991).[473] In addition, imports from Poland of commercial quality plate undersold similar domestic product in all of the 17 possible quarterly comparisons.[474]

Based on the available information indicating a reasonable overlap of competition between Polish, domestic, and other imports, we cumulate imports of plate from Poland, and decline to apply the negligibility exception.

Spain

The Spanish respondents Empresa Nacional Siderurgica, S.A. and Altos Hornos de Vizcaya, S.A. (Spanish respondents) argue that alleged low levels of imports from Spain are negligible and should not be cumulated. The Spanish respondents contend that the fact that all of their sales are made to steel service centers and are not isolated or sporadic is irrelevant; what is important, they insist, is that all Spanish steel plate was "pre-sold outside the United States and before it entered the domestic

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[471] Id. at 264, exhibit 7.

[472] Report I-164.

[473] Id. at I-59, I-120.

[474] Id. at I-164.

market."[475] Thus, according to the Spanish respondents, "pre-sold" steel does not disrupt prices in the U.S. market. Finally, the Spanish respondents argue that their imports of plate are too small to have had a discernible effect on prices in the U.S. market.[477]

With respect to competition issues, neither the Spanish respondents nor petitioners have discussed the fungibility of imports from Spain with domestic plate.[478] The fact that 100 percent of the Spanish plate is sold to steel service centers and not to particular end users, strongly suggests that the imports from Spain are commodity type products. A considerable percentage of other imports and domestic production is sold through steel service centers, so Spanish steel moves in common channels of distribution.[479] Finally, the fact that such steel is "pre-sold" is irrelevant. Spanish plate sold to steel service centers competes with domestic plate of a comparable specification and quality sold to steel service centers, irrespective of the timing of payment or contract terms.

With respect to negligibility issues, we note that imports from Spain increased steadily from 1.0 percent in 1989 to 1.4

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[475] Spanish Br. 28.

[476] Id. at 29.

[477] Id.

[478] Importers contacted by the Commission did not report any price series for sales of Spanish plate products investigated by the Commission. Report I-160-161.

[479] Id. at I-153-160.

percent in 1991, one of the highest market shares of any importers of plate. Spanish sales are not sporadic or isolated; they were sold in three out of four regions of the United States in 1991, and in every quarter of the period of investigation.[480] In addition, imports from Spain had a unit value ($386.30) in 1991 that was considerably lower than the domestic unit value for that year ($442).[481] The Commission obtained no information concerning any under- or overselling by imports from Spain.

Based on the foregoing, we determine to cumulate imports from Spain and decline to apply the negligibility exception.

United Kingdom

British Steel argues that import levels of plate from the United Kingdom are negligible and have no discernible adverse effect on the domestic industry.[482] It also argues that 10-15 percent of its plate sales are of universal mill plate, a product which it alleges is not manufactured in the United States.[483] Finally, it asserts that, based on the respondents' Economic Post-Conference Brief, the market for plate is not price sensitive.

The U.K. import market share percentage rose from 0.5 percent in 1989 to 0.7 percent in 1990 and 1991. Imports from the U.K. were not sporadic or isolated; in 1991, imports of plate

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[480] Petitioners' Br. 264, exhibit 7.

[481] Report I-59, I-120.

[482] United Kingdom Br. 18.

[483] Id.

from the U.K. were sold through 13 importers/consignees in all four regions of the United States.[484] With respect to the fungibility of imports from the U.K., petitioners dispute British Steel's assertion that there are no U.S. manufacturers of universal mill plate, pointing out that U.S. producers manufacture "shear mill plates" which are complete substitutes for universal mill plate.[485] In addition, imports from the U.K. of commercial grade plate competed with domestic and other imports of plate throughout the period of investigation, underselling domestic plate in 19 out of 20 possible quarterly comparisons.[486] Such underselling may well be reflected in the substantially lower U.K. unit values ($379 per ton) than domestic plate in 1991 ($442 per ton).[487]

Based on the foregoing, we cumulate imports of plate from the U.K. and decline to apply the negligibility exception.

VI. REASONABLE INDICATION OF MATERIAL INJURY BY REASON OF ALLEGEDLY SUBSIDIZED AND LTFV IMPORTS

In determining whether there is a reasonable indication that the domestic industry is materially injured by reason of the imports under investigation, the statute directs the Commission to consider:

> (I) the volume of imports of the merchandise which is the subject of the investigation;

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[484] Petitioners' Br. exhibits 7, 11.

[485] Petitioners Br. exhibit 2, Foster affidavit at 4, ¶ 6.

[486] Report I-164.

[487] Id. at I-59, I-120.

(II) the effect of imports of that merchandise on prices in the United States for like products; and

(III) the impact of imports of such merchandise on domestic producers of like products, but only in the context of production operations within the United States.[488]

In making this determination, the Commission may consider "such other economic factors as are relevant to the determination . . . ."[489] Although we may consider information that indicates that injury to the industry is caused by factors other than the allegedly subsidized and LTFV imports, we do not weigh causes.[490] [491] [492]

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[488] 19 U.S.C. § 1677(7)(B)(i).

[489] 19 U.S.C. § 1677(7)(B)(ii).

[490] Chairman Newquist, Commissioner Rohr, and Commissioner Nuzum note that the Commission need not determine that imports are "the principal, a substantial or a significant cause of material injury." S. Rep. No. 249, 96th Cong., 1st Sess. 57 and 74 (1979). Rather, a finding that imports are a cause of material injury is sufficient. See e.g., Metallverken Nederland, B.V. v. United States, 728 F. Supp. 730, 741 (CIT 1989); Citrosuco Paulista S.A. v. United States, 704 F. Supp. 1075, 1101 (CIT 1988).

[491] Vice Chairman Watson notes that the courts have interpreted the statutory requirement that the Commission consider whether there is material injury "by reason of" the subject imports in a number of different ways. Compare, e.g., United Engineering and Forging v. United States, 779 F. Supp. 1375, 1391 (Ct. Int'l Trade 1991) ("rather it must determine whether unfairly-traded imports are contributing to such injury to the domestic industry. Such imports, therefore, need not be the only cause of harm to the domestic industry." (citations omitted)) with Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741 (Ct. Int'l Trade 1989) (affirming a determination by two Commissioners that "the imports were a cause of material injury") and USX Corporation v. United States, 682 F. Supp. 60, 67 (Ct. Int'l Trade 1988) ("any causation analysis must have at its core, the issue of whether the imports at issue cause, in a non de minimis

(continued...)

A. The Hot-rolled Carbon Steel Industry

Cumulated imports[493] of hot-rolled carbon steel products showed a volume increase over the period of investigation,[494]

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[491] (...continued)
manner, the material injury to the industry. . ."). Accordingly, Vice Chairman Watson has decided to adhere to the standard articulated by Congress in the legislative history of the pertinent provisions, which states that the Commission must satisfy itself that, in light of all the information presented, there is a "sufficient causal link between the subsidization and the requisite injury." S. Rep. No. 96-249 at 58.

[492] Commissioner Crawford notes that the statute requires that the Commission determine whether a domestic industry is "materially injured by reason of the LTFV and subsidized imports. Many, if not most, domestic industries are subject to injury from more than one economic factor. Of these factors, there may be more than one that independently is causing material injury to the domestic industry. It is assumed in the legislative history that the "ITC will consider information which indicates that harm is caused by factors other than the subsidized imports." S. Rep. No. 249 at 58. However, the legislative history makes it clear that the Commission is not to weigh or prioritize the factors that are independently causing material injury. Id. at 57; H. R. Rep. No. 317 at 47. The Commission is not to determine if the subsidized imports are "the principal, a substantial or a significant cause of material injury." S. Rep. No. 249 at 57. Rather, it is to determine whether any injury "by reason of" the subsidized imports is material. That is, the Commission must determine if the subject imports are causing material injury to the domestic industry. "When determining the effect of imports on the domestic industry, the Commission must consider all relevant factors that can demonstrate if unfairly traded imports are materially injuring the domestic industry." S. Rep. No. 71, 100th Cong., 1st Sess. 116 (1987).

[493] Cumulated imports include imports from Belgium, Brazil, Canada, France, Germany, Japan, Korea, and the Netherlands. See Section IV above. Although each Commissioner has cumulated different countries for purposes of his or her analysis, each Commissioner notes that his or her determinations of reasonable indication of material injury in these preliminary investigations would not have been different if they had cumulated only imports from those countries noted herein.

[494] Imports increased between 1989 and 1990 and then fell from 1990 to 1991. Report at Table 13.

although their value declined during that period.[495] Imports in the interim 1992 period rose in both import volume and value compared with interim 1991.[496] The overall increase in import volume occurred in tandem with a decline in apparent U.S. consumption of hot-rolled products.[497] As a result, the cumulated subject imports increased their share of apparent U.S. consumption from 4.9 percent in 1989 to 5.8 percent in 1991.[498] There was a decline in interim 1992 import penetration compared with interim 1991.[499] The subject imports also increased their penetration of the U.S. market by value, rising from 5.6 percent in 1989 to 6.9 percent in 1991.[500]

The Commission requested U.S. producers and importers to provide quarterly total quantity and f.o.b. value data for each firm's sales on a quarterly and on a spot basis, to distributors and to end users, for specific representative hot-rolled products covering the period January 1989-March 1992.[501] We note that there were incomplete responses to the requests for pricing information, particularly among importers.

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[495] Id.

[496] Id.

[497] Between 1989 and 1991, consumption declined by approximately 10 percent. Report Table 10.

[498] Id. at Table 18.

[499] Vice Chairman Watson declines to draw any conclusion regarding the entire year based on interim data.

[500] Report Table 18.

[501] Id. at Table 100, I-150.

Prices for the U.S. products fell throughout the period of investigation.[502] Virtually all import prices also declined during this period.[503] Available price comparisons for contract sales generally show overselling,[504] while spot price comparisons show mixed patterns of over- and underselling for Brazil, Canada, and Germany and overselling for the remaining countries.[505] The subject imports may have had an effect on prices and the volume of the domestic industry's sales. Falling prices and volume may be reflected in the domestic industry's financial performance.

Accordingly, Chairman Newquist, Commissioner Rohr, and Commissioner Nuzum determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject cumulated imports of hot-rolled carbon steel products from Belgium, Brazil, Canada, France, Germany, Japan, the Republic of Korea, and the Netherlands.

Vice Chairman Watson and Commissioners Brunsdale and Crawford note that the records in these investigations are bereft of or contain contradictory information regarding certain fundamental issues which is necessary to a consideration of the volume of imports, the effects of subject imports on domestic prices, and the impact of imports on the domestic hot-rolled steel flat product industry. Specifically, the records lack

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[502] Id. at I-161.

[503] Id.

[504] Id. at I-163.

[505] Id.

sufficient information regarding the nonprice factors affecting the degree of substitutability between the subject imports and the domestic like products -- such as customer perceptions, multiple sourcing, delivery advantages, quality differences, and long term supply contracts -- niche product claims, and the relative values of imported and domestic products. With respect to the ability of subject imports to affect pricing, they find that the available information on the record regarding the restructuring of the domestic steel industries and the effects of this restructuring on pricing to be incomplete and contradictory, specifically with respect to the role of NUCOR, other minimills and so-called reconstituted mills. In addition, inadequate information is present concerning certain factors that weigh heavily in interpreting evidence regarding price depression and suppression, namely the role of the recession that occurred during the period of investigation and the nature and significance of fixed costs in the domestic industry. Vice Chairman Watson and Commissioner Crawford further note that an understanding of the price sensitivity of the like product markets is critical to our decisions. Neither party submitted consistent, much less convincing, evidence to enable us to reach a conclusion on this key issue.

On all of the issues noted, Vice Chairman Brunsdale and Commissioners Brunsdale and Crawford are compelled to give the benefit of the doubt to Petitioner in a preliminary investigation. They will not be compelled to do so in any final

investigations. The parties are requested to address these matters in detail in any final investigations in a manner responsive to the Act and prior Commission decisions.

After weighing the available evidence and in view of the deficiencies in the record noted above, in their determinations regarding the hot-rolled carbon steel industry Vice Chairman Watson and Commissioners Brunsdale and Crawford do not find that (1) the record as a whole contains clear and convincing evidence that there is no material injury; and (2) no likelihood exists that any contrary evidence will arise in a final investigation. For all the reasons set forth above, they individually determine that there is a reasonable indication that the domestic industry producing hot-rolled steel is materially injured by reason of the subject imports from the countries which they each cumulated.

We determine that there is no reasonable indication that an industry in the United States is materially injured by reason of subject non-cumulated imports of hot-rolled carbon steel products from Italy and New Zealand. Imports from Italy were insignificant in absolute volume and as a share of domestic consumption, and the record contains no evidence that imports had a significant effect on prices for the domestic like product. Similarly, imports from New Zealand had insignificant volume and price effects on the domestic like product. In light of these conclusions and our previous determination that imports from Italy and New Zealand had no discernible adverse impact on the

domestic industry,[506] we determine that there is no reasonable indication that an industry in the United States is materially injured by reason of imports from Italy and New Zealand.

B. The Cold-rolled Carbon Steel Industry

Cumulated cold-rolled imports[507] declined in absolute volume and value between 1989 and 1991, as well as in the interim 1992 period.[508] Import penetration increased in the 1989-1991 period, from 6.5 percent to 7.1 percent.[509] This increase occurred because apparent U.S. consumption declined at a faster rate than import volume.[510] The subject imports also increased their penetration of the U.S. market by value, rising from 7.4 percent in 1989 to 7.7 percent in 1991.[511]

The Commission requested U.S. producers and importers to

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[506] See discussion at pages 63-65 and 75-76, supra.

[507] Cumulated imports include imports from Argentina, Austria, Belgium, Brazil, Canada, France, Germany, Italy, Japan, the Republic of Korea, the Netherlands, and Spain. Although each Commissioner has cumulated different countries for purposes of his or her analysis, each Commissioner notes that his or her determinations of reasonable indication of material injury in these preliminary investigations would not have been different if he or she had cumulated only imports from those countries noted herein.

[508] Imports increased between 1989 and 1990 and then fell from 1990 to 1991. Report Table 13.

[509] Id. at Table 20. We note import penetration declined in interim 1992 to 6.1 percent, but cannot determine whether the interim decline marked a temporary occurrence or the beginning of a longer-term trend. We will seek further information on this question in any final investigation.

[510] Id. at Table 10.

[511] Id.

provide quarterly total quantity and f.o.b. value data for each firm's sales on a quarterly and on a spot basis, to distributors and to end users, for specific representative cold-rolled products covering the period January 1989-March 1992.[512] We note that there were incomplete responses to the requests for pricing information, particularly among importers.

There were price declines for most of the domestic products for which the Commission sought information.[513] The majority of reported import prices also declined during this period, on both a contract and a spot basis.[514] Available price comparisons for contract and spot sales generally showed either mixed over- and underselling or overselling.[515] The subject imports may have had an effect on prices and the volume of the domestic industry's sales. Falling prices and sales may be reflected in the domestic industry's financial performance.

Accordingly, Chairman Newquist, Commissioner Rohr, and Commissioner Nuzum determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury[516] by reason of subject cumulated imports of cold-rolled steel products from Argentina,

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[512] Id. at Table 100, I-150.

[513] Id. at I-161.

[514] Id. at I-161-162.

[515] Id. at I-163, 165.

[516] See the Views of Commissioner Rohr regarding threat of material injury by reason of imports from Argentina and Austria.

Austria, Belgium, Brazil, Canada, France, Germany, Italy, Japan, the Republic of Korea, the Netherlands, and Spain.

After weighing the available evidence and in view of the deficiencies in the record noted above, in their determinations regarding the cold-rolled carbon steel industry Vice Chairman Watson and Commissioners Brunsdale and Crawford do not find that (1) the record as a whole contains clear and convincing evidence that there is no material injury; and (2) no likelihood exists that any contrary evidence will arise in a final investigation. For all the reasons set forth above, they individually determine that there is a reasonable indication that the domestic industry producing cold-rolled steel is materially injured by reason of the subject imports from the countries which they each cumulated.

We determine that there is no reasonable indication that an industry in the United States is materially injured by reason of subject non-cumulated imports of cold-rolled steel products from Australia, New Zealand, Taiwan, and the United Kingdom. On an individual basis, the volume and market share of imports from Australia, New Zealand, Taiwan, and the United Kingdom were insignificant, and those imports had an insignificant effect on prices for the domestic like product. In light of these conclusions and our previous determination that imports from Australia, New Zealand, Taiwan, and the United Kingdom had no discernible adverse impact on the domestic industry[517], we determine that there is no reasonable indication that an industry

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[517] See discussion at pages 78-80, 101-103, 105-108, supra.

in the United States is materially injured by reason of imports from Australia, New Zealand, Taiwan, and the United Kingdom.

C. The Corrosion-resistant Carbon Steel Industry

Cumulated corrosion-resistant imports[518] declined in absolute volume and value between 1989 and 1991, as well as in the interim 1992 period.[519] However, import penetration increased from 14.4 percent in 1989 to 14.7 percent in 1991.[520] This increase occurred because, although import volume was declining, U.S. consumption was declining at a faster rate.[521] The subject imports as a percentage of U.S. consumption remained constant at 15.8 percent between 1989 and 1991 and was 16.3 percent in interim 1992.[522]

The Commission requested U.S. producers and importers to provide quarterly total quantity and f.o.b. value data for each firm's sales on a quarterly and on a spot basis, to distributors and to end users, for specific representative corrosion-resistant

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[518] Cumulated imports include imports from Australia, Brazil, Canada, France, Germany, Japan, Korea, Mexico, New Zealand, and Sweden. Although each Commissioner has cumulated different countries for purposes of his or her analysis, each Commissioner notes that his or her determinations of reasonable indication of material injury in these preliminary investigations would not have been different if he or she had cumulated only imports from those countries noted herein.

[519] Report Table 15.

[520] Id. at Table 22.

[521] Id. at Table 10.

[522] Id.

products covering the period January 1989-March 1992.[523] We note that there were incomplete responses to the requests for pricing information, particularly among importers.

There were price declines over the period of investigation for most of the domestic products for which the Commission sought information.[524] Although both contract and spot prices showed some increases in 1989, they declined through the remainder of the period of investigation.[525] Most reported import prices also declined during this period, on both a contract and a spot basis.[526] Available price comparisons for contract and spot sales generally showed either mixed over- and underselling or overselling.[527] The subject imports may have had an effect on prices and the volume of the domestic industry's sales. Falling prices and sales may be reflected in the domestic industry's financial performance.

Accordingly, Chairman Newquist, Commissioner Rohr, and Commissioner Nuzum determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury[528] by reason of subject

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[523] Id. at Table 100, I-150.

[524] Id. at I-162.

[525] Id.

[526] Id. at I-162-163.

[527] Id. at I-164-165.

[528] See the Views of Commissioner Rohr regarding threat of material injury by reason of imports from Brazil, New Zealand, and Sweden.

cumulated imports of corrosion-resistant carbon steel products from Australia, Brazil, Canada, France, Germany, Japan, Korea, and Mexico. Commissioner Rohr and Commissioner Nuzum determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of subject cumulated imports of corrosion-resistant carbon steel products from New Zealand and Sweden.

After weighing the available evidence and in view of the deficiencies in the record noted above, in their determination regarding the corrosion-resistant carbon steel industry Vice Chairman Watson and Commissioners Brunsdale and Crawford do not find that (1) the record as a whole contains clear and convincing evidence that there is no material injury; and (2) no likelihood exists that any contrary evidence will arise in a final investigation. For all the reasons set forth above, they individually determine that there is a reasonable indication that the domestic industry producing corrosion-resistant steel is materially injured by reason of the subject imports from the countries which they each cumulated.

We determine that there is no reasonable indication that an industry in the United States is materially injured by reason of subject non-cumulated imports of corrosion-resistant carbon steel products from Taiwan. Imports from Taiwan were insignificant in absolute volume and as a share of domestic consumption, and had no significant effect on prices for the domestic like product. In light of these conclusions and our previous determination that

imports from Taiwan had no discernible adverse impact on the domestic industry[529], we determine that there is no reasonable indication that an industry in the United States is materially injured by reason of imports from Taiwan.

D. The Carbon Steel Plate Industry

Cumulated carbon-steel plate imports[530] declined in absolute volume and value between 1989 and 1991, as well as in the interim 1992 period.[531] Import penetration also declined, from 13.4 percent in 1989 to 12.5 percent in 1991.[532]

The Commission requested U.S. producers and importers to provide quarterly total quantity and f.o.b. value data for each firm's sales on a quarterly and on a spot basis, to distributors and to end-users, for specific representative carbon steel plate products covering the period January 1989-March 1992.[533] We note that there were again incomplete responses to the requests for pricing information, particularly among importers.

Although prices for domestic plate tended to increase during

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[529] See discussion at pages 128-129, supra.

[530] Cumulated imports include imports from Belgium, Brazil, Canada, Finland, France, Germany, Italy, Korea, Mexico, Poland, Romania, Spain, Sweden and the United Kingdom. Although each Commissioner has cumulated different countries for purposes of his or her analysis, each Commissioner notes that his or her determinations of reasonable indication of material injury in these preliminary investigations would not have been different if he or she had cumulated only imports from those countries noted herein.

[531] Report Table 12.

[532] Id. at Table 16.

[533] Id. at Table 100, I-150.

1989 and part of 1990, they declined during the remainder of the period of investigation.[534] Both contract and spot prices followed this pattern.[535] Most reported import prices also declined during this period.[536] Available price comparisons for contract and spot sales generally showed either mixed over- and underselling or consistent underselling.[537] The subject imports may have had an effect on prices and the volume of the domestic industry's sales. Falling prices and sales may be reflected in the domestic industry's financial performance.

Accordingly, Chairman Newquist, Commissioner Rohr, and Commissioner Nuzum determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject cumulated imports of carbon steel plate from Belgium, Brazil, Canada, Finland, France, Germany, Italy, the Republic of Korea, Mexico, Poland, Romania, Spain, Sweden and the United Kingdom.

After weighing the available evidence and in view of the deficiencies in the record noted above, in their determination regarding the carbon steel plate industry Vice Chairman Watson and Commissioners Brunsdale and Crawford do not find that (1) the record as a whole contains clear and convincing evidence that there is no material injury; and (2) no likelihood exists that

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[534] Id. at I-160.

[535] Id.

[536] Id. at I-160-161.

[537] Id. at I-163, I-164.

any contrary evidence will arise in a final investigation. For all the reasons set forth above, they individually determine that there is a reasonable indication that the domestic industry producing carbon steel plate is materially injured by reason of the subject imports from the countries which they each cumulated.

We determine that there is no reasonable indication that an industry in the United States is materially injured by reason of subject non-cumulated imports of carbon steel plate from Japan. Imports from Japan were insignificant in absolute volume and as a share of domestic consumption, and had no significant effect on prices for the domestic like product. In light of these conclusions and our previous determination that imports from Japan had no discernible adverse impact on the domestic industry[538], we determine that there is no reasonable indication that an industry in the United States is materially injured by reason of imports from Japan.

VII. REASONABLE INDICATION OF THREAT OF MATERIAL INJURY

A. Legal Standard

Section 771(7)(F) of the Act directs the Commission to consider whether there is a reasonable indication that a U.S. industry is threatened with material injury by reason of the subject imports "on the basis of evidence that the threat of material injury is real and that actual injury is imminent."[539] While an analysis of the statutory threat factors necessarily

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[538] See discussion at pages 138-142, supra.

[539] 19 U.S.C. §§ 1673b(a) and 1677(7)(F)(ii).

involves projection of future events, "[s]uch a determination may not be made on the basis of mere conjecture or supposition."[540] The Court of International Trade has recently upheld the Commission's consideration of the present condition of the industry in assessing the issue of threat, stating that such consideration "is supported by the language of the statute and the legislative history. Such consideration, however, only establishes the background against which the Commission considers the likely effect of future imports, based on consideration of the factors set forth in the statute."[541]

The Commission must consider the following factors in its threat analysis:[542]

> (I) if a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement)[543],

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[540] 19 U.S.C. § 1677(7)(F)(ii). See e.g., S. Rep. No. 249, 96th Cong., 1st Sess. 88-89 (1979); see also Metallverken Nederland B.V. v. United States, 744 F. Supp. 281, 287 (CIT 1990).

[541] Calabrian Corp. v. United States, Slip Op. 92-69 at 25 (CIT May 18, 1992) (citing, H.R. Rep. No. 1156, 98th Cong., 2d Sess. 174 (1984)) (Congress acknowledged that "a determination of threat will require a careful assessment of identifiable current trends and competitive conditions in the market place.") Id. at 24.

[542] See 19 U.S.C. § 1677(7)(F)(iii).

[543] We have considered the petitioners' subsidy allegations with respect to Italy, New Zealand, Taiwan and the United Kingdom in our threat analysis. We note, however, that Commerce has not made any determinations with respect to any of the alleged subsidies. We note as well that, apart from Italy, petitioners have not alleged any export subsidies for these products and countries. Based on the information available in these

(continued...)

(II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,

(III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,

(IV) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise,

(V) any substantial increase in inventories of the merchandise in the United States,

(VI) the presence of underutilized capacity for producing the merchandise in the exporting country,

(VII) any other demonstrable adverse trends that indicate the probability that importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury,

(VIII) the potential for product shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 1671 or 1673 of this title or to final orders under section 1671e or 1673e of this title, are also used to produce the merchandise under investigation,

(IX) in any investigation under this title which involves imports of both raw agricultural product (within the meaning of paragraph (4)(E)(iv) and any product processed from such raw agricultural product, the likelihood there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both), and

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[543](...continued)
preliminary investigations, we conclude that, with respect to the particular countries and flat-rolled steel product industries discussed below, the alleged subsidies do not change our findings of no reasonable indication of a threat of material injury.

in capacity utilization is projected for 1992-93.[550] Margins of underselling did not grow during the investigation period, and the imports from Italy and New Zealand exhibited dissimilar pricing trends.[551] Accordingly, we decline to cumulate these imports for our analysis of threat of material injury by reason of hot-rolled sheet from Italy and New Zealand.

We find no reasonable indication that a domestic industry is threatened with material injury by reason of imports of hot-rolled sheet from Italy.[552] Italian capacity is stable and capacity utilization has stayed consistently high during the period of investigation. U.S. market penetration by imports of hot-rolled sheet from Italy increased in 1990 but declined in 1991, and imports are projected to decline even further in 1992-93. The probability is low that imports of hot-rolled sheet will sell at prices depressing or suppressing domestic prices, since margins of underselling have not grown during the period of investigation.[553] Inventories have remained stable during the investigation period. No allegation has been made that imports from Italy of hot-rolled sheet have impeded or may impede existing development and production efforts of the domestic

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[550] Id. at Tables 49, 63.

[551] Id. at Tables 109, 110, 114.

[552] Commissioner Nuzum does not join the discussion concerning imports of hot-rolled products from Italy because, as discussed above, she cumulated imports from Italy with other subject imports and found a reasonable indication of present material injury by reason of the subject imports.

[553] Id. at Tables 114, 115.

industry, including efforts to develop derivative or more advanced versions of hot-rolled flat products. No other adverse trends have been demonstrated indicating any probability that imports of hot-rolled sheet from Italy are a real threat of material injury and that actual injury is imminent.

We find no reasonable indication that a domestic industry is threatened with material injury by reason of imports of hot-rolled sheet from New Zealand. New Zealand capacity is stable and capacity utilization has stayed consistently high during the period of investigation. U.S. market penetration by imports of hot-rolled sheet from New Zealand stayed consistently low during the period of investigation. Margins of underselling did not grow during the period of investigation, indicating no reasonable probability that imports will enter the United States at prices depressing or suppressing domestic prices. Inventories grew in 1990 but dropped again in 1991 and are projected to decline further in 1992-93.[554] No allegation has been made that imports from New Zealand of hot-rolled sheet have impeded or may impede existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of hot-rolled flat products. No other adverse trends have been demonstrated indicating a probability that imports of hot-rolled sheet from New Zealand are a real threat of material injury and that actual injury is imminent.

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[554] Id. at Table 63.

2. Cold-Rolled Sheet

We discussed earlier the factors that led us to conclude that imports of cold-rolled sheet from Australia, New Zealand, Taiwan and the United Kingdom were negligible and had no discernible adverse impact on the domestic industry. We further note that market penetration by these imports was consistently low during the period of investigation.[555]

There is no reason to believe that imports from these countries will increase significantly, since capacity for these countries is constant and capacity utilization has stayed consistently high during the period of investigation. No significant changes in capacity and capacity utilization are projected.[556] Margins of underselling fluctuated for New Zealand,[557] decreased for Taiwan,[558] and fluctuated for the United Kingdom, increasing only slightly during the period of investigation.[559] [560] Moreover, margins of underselling among these imports showed dissimilar trends. Accordingly, we decline to cumulate these imports for our analysis of threat of material injury by reason of cold-rolled sheet from Australia, New

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[555] Id. at Table 20.

[556] Id. at Tables 26, 64, 72, 75.

[557] Id. at Tables 126, 127, 129.

[558] Id. at Tables 120, 121, 123.

[559] Id. at Tables 126-128.

[560] No margin of underselling data were available from Australia. See generally Report I-161-162.

Zealand, Taiwan and the United Kingdom.

We find no reasonable indication that a domestic industry is threatened with material injury by reason of imports of cold-rolled sheet from Australia. Australian capacity is stable and capacity utilization has stayed consistently high during the period of investigation. U.S. market penetration by imports of cold-rolled sheet from Australia stayed consistently low during the period of investigation. Inventories have remained stable during the period of investigation, decreasing slightly.[561] No allegation has been made that imports from Australia have impeded or may impede existing development and production efforts of the domestic industry, including efforts to develop derivative or more advanced versions of cold-rolled flat products. No other adverse trends have been demonstrated indicating a probability that imports of cold-rolled sheet from Australia are a real threat of material injury and that actual injury is imminent.

We find no reasonable indication that a domestic industry is threatened with material injury by reason of imports of cold-rolled sheet from New Zealand. New Zealand capacity is stable and capacity utilization has stayed consistently high during the period of investigation. U.S. market penetration by imports of cold-rolled sheet from New Zealand stayed consistently low during the period of investigation. Because margins of underselling for New Zealand fluctuated and exhibited no general downward trends, there is no reasonable probability that imports will enter the

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[561] Id. at Table 26.

United States at prices depressing or suppressing domestic prices. Inventories grew slightly in 1990 but dropped again in 1991 and are projected to decline further in 1992-93.[562] No allegation has been made that imports of cold-rolled sheet from New Zealand have impeded or may impede existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of cold-rolled flat products. No other adverse trends have been demonstrated indicating a probability that imports of cold-rolled sheet from New Zealand are a real threat of material injury and that actual injury is imminent.

We find no reasonable indication that a domestic industry is threatened with material injury by reason of imports of cold-rolled sheet from Taiwan. Taiwanese capacity is stable and capacity utilization has stayed high during the period of investigation. U.S. market penetration by imports of cold-rolled sheet from Taiwan stayed consistently low during the period of investigation. Because margins of underselling for Taiwan decreased during the investigatory period, there is no reasonable probability that imports will enter the United States at prices depressing or suppressing domestic prices. Inventories declined during the period of investigation.[563] No allegation has been made that imports from Taiwan of cold-rolled sheet have impeded or may impede existing development and production efforts of the

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[562] Id. at Table 64.

[563] Id. at Table 72.

domestic industry, including efforts to develop a derivative or more advanced version of cold-rolled flat products. No other adverse trends have been demonstrated indicating a probability that imports of cold-rolled sheet from Taiwan are a real threat of material injury and that actual injury is imminent.

We find no reasonable indication that a domestic industry is threatened with material injury by reason of imports of cold-rolled sheet from the United Kingdom. United Kingdom capacity is stable and capacity utilization stayed consistently high during the period of investigation. U.S. market penetration by imports of cold-rolled sheet from the United Kingdom stayed consistently low during the period of investigation. Because margins of underselling increased only slightly over the investigation period, there is no reasonable probability that imports from the United Kingdom will enter the United States at prices depressing or suppressing domestic prices. Inventories were stable during the period of investigation.[564] No allegation has been made that imports from the United Kingdom of cold-rolled sheet have impeded or may impede existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of cold-rolled flat products. No other adverse trends have been demonstrated indicating a probability that imports of cold-rolled sheet from the United Kingdom are a real threat of material injury and that actual injury is imminent.

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[564] Id. at Table 75.

3. Corrosion-Resistant Carbon Steel Products

We find no reasonable indication that a domestic industry is threatened with material injury by reason of imports of corrosion-resistant carbon steel products from Taiwan. Taiwanese capacity is stable and capacity utilization has stayed high during the period of investigation.[565] U.S. market penetration by imports of corrosion-resistant carbon steel products from Taiwan stayed consistently low during the period of investigation.[566] Because margins of underselling for Taiwan decreased during the investigation period, there is no reasonable probability that imports will enter the United States at prices depressing or suppressing domestic prices. Inventories stayed constant during the period of investigation.[567] No allegation has been made that imports from Taiwan of corrosion-resistant carbon steel products have impeded or may impede existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of corrosion-resistant products. No other adverse trends have been demonstrated indicating a probability that imports of corrosion-resistant carbon steel products from Taiwan are a real threat of material injury and that actual injury is imminent.

4. Cut-to-Length Carbon Steel Plate

We find no reasonable indication that a domestic industry is

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[565] Id. at Table 73.

[566] Id. at Table 22.

[567] Id. at Table 73.

threatened with material injury by reason of imports of carbon steel plate from Japan. Japanese capacity is stable and capacity utilization has stayed high during the period of investigation.[568] U.S. market penetration by imports of carbon steel plate from Japan stayed consistently low during the period of investigation.[569] There is no reasonable probability that imports will enter the United States at prices depressing or suppressing domestic prices. Inventories stayed constant during the period of investigation.[570] No allegation has been made that imports from Japan of carbon steel plate have impeded or may impede existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of carbon steel plate. No other adverse trends have been demonstrated indicating a probability that imports of carbon steel plate from Japan are a real threat of material injury and that actual injury is imminent.

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[568] Id. at Table 51.

[569] Id. at Table 16.

[570] Id. at Table 51.

DISSENTING VIEWS OF CHAIRMAN NEWQUIST

I concur with the analysis in the majority opinion regarding the appropriateness of cumulation in these investigations. However, in some instances I dissent from my colleagues' application of the statutory negligibility exception to cumulation. In making my findings, I am mindful of the legislative history of the act which instructs that this exception should be applied "with particular care in situations involving fungible products, where a small quantity of low-priced imports can have a very real effect on the market."[1] The House Ways and Means Committee Report also notes that "[f]or an industry which is already suffering considerable injury and has long been battered by unfair import competition, very small additional quantities of unfair imports may be more than negligible".[2] In applying the negligibility exception, I take into account the history of competition for these industries which includes persistent unfair competition from a number of foreign suppliers.

I have also included as part of my analysis: the fungibility of the subject steel products and available information that indicates price sensitivity; the volume, value, and market share percentage of apparent U.S. consumption of the subject imports (both total and open market); trends in import volume and market penetration; and whether the imports are continuous

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[1] See H.R. Rep. No. 40, 100th Cong., 1st Sess. 130, 131 (Part I 1987).
[2] Id.

or sporadic in nature.[3] In assessing the import data[4], I note the legislative history which provides that whether imports are negligible may differ from industry to industry and for that reason, the statute does not provide a specific numerical definition of negligibility.[5]

Specifically, I find that the hot-rolled carbon steel imports from Italy are not negligible and should be cumulated. I also find that the cold-rolled carbon steel imports from Taiwan and the United Kingdom are not negligible and should be cumulated. For corrosion-resistant imports, I find that the imports from New Zealand and Sweden are negligible and should not be cumulated. Finally, I find that corrosion-resistant imports from Brazil are negligible in the antidumping investigation and should not be cumulated.

HOT-ROLLED CARBON STEEL PRODUCTS

In particular, as part of my analysis of the imported hot-rolled products, I recognize the fundamental role of hot-rolled sheet in the steel industry, namely that hot-rolled steel is the feedstock for other steel products covered by these investigations, and as such, is considered more fungible than higher value-added products. Hot-rolled sheet is by far the highest volume imported product covered in these investigations.

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[3] See 19 U.S.C. § 1677(7)(C)(v)(I-III); Coated Groundwood Paper from Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom, Invs. Nos. 731-TA-486-494 (Preliminary), USITC Pub. 2359 (Feb. 1991); Polyethylene Terephtalate Film, Sheet and Strip from Japan, the Republic of Korea, and Taiwan, Invs. Nos. 731-TA-458-460 (Preliminary) USITC Pub. 2292 (June 1990).

[4] Unless otherwise provided, information in these views is contained in the Commission report for these investigations.

[5] H.R. Rep. No. 40, 100th Cong., 1st Sess. 130, 131 (Part I 1987).

ITALY

Imports from Italy, as a share of total apparent domestic hot-rolled consumption, rose from 0.1 percent in 1989 to 0.2 percent in 1990 and 1991. This increasing import trend is more marked in open market consumption in terms of both volume and value, with Italy's imports increasing from 0.4 percent in 1989 to 0.6 percent in 1991. In addition to the increasing import penetration, the Italian respondents admit that their imports were not isolated and sporadic;[6] the imports were in the U.S. market during every quarter of the investigation and were sold in three of the four regions in the United States. In light of these factors I find that the Italian imports are not negligible and have a discernible adverse impact on the domestic industry. Therefore, the alleged LTFV imports from Italy should be cumulated with the imports from Belgium, Brazil, Canada, France, Germany, Japan, Korea, and the Netherlands.

COLD-ROLLED CARBON STEEL PRODUCTS

As part of my analysis of the imported cold-rolled products I recognize the role played by cold-rolled sheet in the steel industry; it too is a feedstock for other steel products covered by these investigations, and as such, is considered more fungible than higher value-added products.

TAIWAN

The share of apparent domestic consumption held by imports from Taiwan of cold-rolled sheet remained relatively steady during the POI at 0.2 percent for 1989 and 1990. Open market consumption, however, in terms of both volume

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[6] Italian respondents' post-conference brief at 7 n. 16.

and value, increased from 0.3 percent in 1989 to 0.4 percent in 1990. The value of these imports reached as high as $28 million during the POI. Importantly, the imports were sold through a total of fifteen importer/consignees in all four regions of the United States during 1991 indicating that these imports did not reflect isolated or sporadic sales. In light of these factors I find that the Taiwanese imports are not negligible and have a discernible adverse impact on the domestic industry. Therefore, the imports of cold-rolled sheet from Taiwan should be cumulated with the imports from Argentina, Austria, Belgium, Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Spain.

UNITED KINGDOM

The share of apparent domestic consumption held by imports from the United Kingdom of cold-rolled sheet increased from 0.1 percent in 1989 to 0.2 percent in 1990. Similarly, open market volume of cold-rolled imports from the United Kingdom increased from 0.2 percent in 1989 to 0.3 percent in 1990, while the percentage of open market value increased from 0.3 percent in 1989 to 0.4 percent in 1990. The highest dollar amount of these imports reached almost $24 million in 1990. Importantly, these imports were sold through a total of seven importer/consignees in every region of the United States in 1991, and in every quarter of the POI. In light of these factors I find that the United Kingdom imports are not negligible and have a discernible adverse impact on the domestic industry. Therefore, the imports of cold-rolled sheet from the United Kingdom should be cumulated with the imports from Argentina, Austria, Belgium, Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Spain.

CORROSION-RESISTANT CARBON STEEL PRODUCTS

As part of my analysis of the imported corrosion-resistant products, I recognize that these steel products are a higher value-added item. As such, corrosion-resistant steel products tend to be less fungible than steel products that are used as feedstock, such as hot-rolled and cold-rolled sheet.

NEW ZEALAND

The percentage share of apparent domestic consumption held by imports from New Zealand for corrosion-resistant products was only 0.3 percent at its highest level in 1991. Although New Zealand's imports increased gradually from 1989 to 1991, its market share dropped substantially in the last three quarters of 1991 and fell below 0.1 percent in the first quarter of 1992. In addition, the total market share of imports was similar to the open market share indicating less likelihood of differing impact on the relevant captive and open market segments. Importantly, New Zealand did not export any product in nine of the thirty-nine months during the period of investigation. Furthermore, the total value of New Zealand's imports was among the lowest of the subject countries from 1989 to 1991. In light of these factors, I find that the New Zealand imports are negligible, have no discernible adverse impact on the domestic industry and, therefore, should not be cumulated with the imports from Australia, Canada, France, Germany, Japan, Korea, and Mexico.

SWEDEN

The total market share of imports from Sweden was similar to the open market share from 1989 to 1991 indicating less likelihood of differing impact on the relevant captive and open market segments. Although Swedish imports

increased during the POI, the highest percentage reached in both volume and value was only 0.2 percent in 1991 and was as low as 0.05 percent in 1989. The actual dollar value of the imports at their peak was less than $10 million in 1991 and as low as five hundred thousand dollars in 1989. Such value levels are insignificant, especially when viewed over the three-year period of the investigation. In light of these factors, I find that the Swedish imports are negligible, have no discernible adverse impact on the domestic industry and, therefore, should not be cumulated with the imports from Australia, Canada, France, Germany, Japan, Korea, and Mexico.

BRAZIL

In finding that imports of corrosion-resistant steel from Brazil are not negligible in the countervailing duty investigation, I considered the prior subsidization of the Brazilian steel industry, some of which consisted of export subsidies. This long-standing history does not allow me to conclude that there is no likelihood of contrary information being developed in a final investigation regarding the nature of these programs which may, in turn, have a bearing on the application of the negligibility exception with regard to the impact of these imports. That information is also required for the threat analysis and may be a "relevant economic factor" when appropriate. Therefore, in my view, it is inappropriate to find an exception to cumulation for allegedly subsidized imports based on negligibility in this preliminary investigation.

The total market share of alleged LTFV imports from Brazil was similar to the open market share from 1989 to 1991 indicating less likelihood of differing impact on the relevant captive and open market segments. The highest level that these imports reached during this period was only 0.2 percent in

1990 and 1991. As a percent of value, the highest the imports ever reached was only 0.2 percent in 1990. The value percentage level in 1989 and 1991 was only 0.1 for both the total and open market. In addition, the imports were basically sold in only half of the regions in the United States. Moreover, there were no imports from Brazil in the third quarter in 1991. The actual dollar values of these imports averaged only $10 million from 1989 to 1991. In light of these factors, I find that alleged LTFV Brazilian imports are negligible, and have no discernible adverse impact on the domestic industry. Therefore, these imports should not be cumulated with the imports from Australia, Canada, France, Germany, Japan, Korea, and Mexico.

REASONABLE INDICATION OF MATERIAL INJURY BY REASON OF UNFAIR IMPORTS OF CORROSION-RESISTANT STEEL PRODUCTS.

The statutory standard for determining whether there is a reasonable indication that the domestic industry is materially injured by reason of the imports under investigation is set out in the majority opinion. In my discussion, supra, of the negligible imports exception I have outlined the small volume and market share of subject imports from New Zealand, Sweden, and Brazil, as well as my conclusion regarding the lack of a discernible adverse impact from the imports from each country on the domestic industry. Given that analysis, further discussion regarding the lack of causal connection between such imports and the condition of the domestic industry would be redundant.[7] Accordingly, I determine that, regarding imports for which I made negative determinations, there is no reasonable indication that, when viewed

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[7] See Coated Groundwood Paper from Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom, Invs. Nos. 731-TA-486-494 (Preliminary), USITC Pub. 2359 at 38 n.131 (Feb. 1991).

individually, these imports are a cause of material injury to the domestic industry or are a threat of material injury. Similarly, I further find that these imports, including imports from Taiwan, should not be cumulated for purposes of a threat determination. I find no likelihood that these imports will increase to an injurious level, or will enter the United States in the near future at prices that will have a suppressing or depressing effect on domestic prices. Therefore, I find no reasonable indication that subject imports from New Zealand, Sweden, Brazil, and Taiwan pose a threat of material injury to the domestic industry.

ADDITIONAL VIEWS OF VICE CHAIRMAN PETER S. WATSON
AND COMMISSIONER JANET A. NUZUM

Our determinations in these preliminary investigations and the reasons therefor are set forth in the Views of the Commission. We offer these additional views to highlight issues that we have identified as needing more persuasive or specific evidence in any final investigation. Some of these issues were, in our view, glossed over or not addressed with sufficient specificity by the parties. Some of these issues were addressed by means of legal argument without significant factual documentation to substantiate the claim. Finally, some of these issues involve information that was never asked of the parties by the Commission, due to the short time period and the lack of a Commission hearing in preliminary investigations.

In light of the vast number of issues and parties likely to be involved in any final investigation, we take the opportunity now to flag these issues and urge the parties to be prepared to address them in any final investigation.

Like Product

The petitioners request that four like products be found, each coextensive with a class or kind of imported merchandise. However, the inclusion of certain imported products within a particular class or kind definition raises certain questions about the appropriateness of a single, coextensive domestic like product definition. In particular, there appears to be some basis for considering separate like product determinations with respect to imports of tin mill black plate, cold-rolled motor lamination steel, and "stainless" clad sheet.

Tin mill black plate is an extra thin product manufactured on dedicated lines and used specifically in the production of tinplate and tin-free steel. Although we have included it for purposes of these preliminary determinations in the cold-rolled steel like product category, we invite comment on whether it should be part of a separate like product -- perhaps ultra-thin steel.

Cold-rolled motor lamination steel is an electrical steel product that competes with certain alloy electrical steels. We have included it for purposes of these preliminary investigations in the cold-rolled steel like product category; we invite comment on whether it should be part of a separate like product such as electrical steel.

"Stainless" clad sheet is a carbon steel product that is clad on both sides by stainless steel. It is used specifically for the manufacture of cookware, and competes in that market with pure stainless steel sheet and stainless clad copper sheet. For purposes of these preliminary investigations we have included stainless clad sheet in the corrosion-resistant steel like product category; we invite comment on whether it should be a separate like product consisting, for example, of stainless clad sheet, pure stainless steel and stainless clad copper sheet.

We note that, if the Department of Commerce decides to exclude these imported products from the scope of these investigations, we will not need to address these like product issues in any final investigation.

Conditions of competition

The conditions of competition in a particular product market

provide a backdrop for assessing the impact of the subject imports on the domestic industry. Few parties addressed in sufficient detail the particular conditions of competition facing the steel industry, including the impact of the VRA program and the increasing globalization of production. Respondents, it appears, have simply blamed the condition of the domestic industry entirely on the decline in demand -- without fully explaining substantial price declines or losses in domestic market share.

The parties have generally treated the issue of captively consumed shipments versus merchant shipments as one relating to the size of the domestic industry (at least for purposes of measuring import penetration). We view captive consumption as a condition of competition. Clearly imports do not compete with captive shipments in the same way and to the same extent that they compete with merchant shipments.[1] Because two-thirds of total production is destined for captive consumption and thus is largely isolated from import competition, measuring the imports against total domestic apparent consumption may understate any injurious impact of the imports. On the other hand, the captive segment may be performing so strongly that the industry can, at least partially, isolate itself from the impact of unfair import

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[1] Presumably there is some degree of indirect competition between imports and captive production; that is, if market prices fall far enough below production costs, captive production may be shut down and reliance shifted to the merchant market. However, we do not suggest, nor do petitioners allege, that this has occurred or is about to occur. In fact, it appears that there are substantial benefits to reliance on captive inputs that go beyond market price levels. See Report of the Commission at I-12.

competition. For example, if demand (and prices) for cold-rolled or corrosion-resistant steel are strong enough, hot-rolled facilities may be operating at highly efficient production rates regardless of import volumes, prices, or market share for hot-rolled steel. Under such circumstances, measuring the imports against only the merchant market would significantly overstate their effect.

We have considered import penetration into both the total market and the merchant market for purposes of both our cumulation (i.e., negligibility) and causation analyses.[2] We find that each set of numbers sheds light on a different dimension of competition in the market. Together, they provide a more complete measure of the significance of import penetration. We invite the parties' comments on these issues in any final investigation.

Cumulation

A large number of respondents have made arguments regarding cumulation -- beginning with why it is not mandated (with respect to imports from a particular country) on grounds of "noncompetition" and then, failing that, why those imports should be excluded from cumulation under the negligible imports

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[2] We note that the Commission has previously considered these two calculations of import market penetration. Polyethylene Terephthalate Film, Sheet, and Strip from Japan, the Republic of Korea, and Taiwan, Invs. Nos. 731-TA-458-460 (Preliminary), USITC Pub. 2292 (June 1990); Electrolytic Manganese Dioxide from Greece and Japan, Invs. Nos. 731-TA-406 and 408 (Final), USITC Pub. 2177 (April 1989); Industrial Phosphoric Acid from Belgium and Israel, Invs. Nos. 701-TA-285-286 and 731-TA-365-366 (Final), USITC Pub. 2000 (August 1987); 64K Dynamic Random Access Memory Components from Japan, Inv. No. 731-TA-270 (Final), USITC Pub. 1862 (June 1986); and Chlorine from Canada, Inv. No. 731-TA-90 (Preliminary), USITC Pub. 1249 (May 1982).

exception. Few respondents addressed fully the statutory provisions. Eligibility for exemption depends not only on assessing whether the imports are negligible in amount, but also on whether they have no discernible adverse impact on the domestic industry. The second part of the requirement was largely ignored in many respondent briefs. Those parties that did address both elements generally failed to provide clear and convincing evidence to support their position.

The statute mandates cumulation of subject imports from two or more countries that "compete" with each other and with the domestic like product.[3] We note that only a reasonable overlap in competition is required for cumulation.[4] A number of parties argued that, because a portion -- indeed, sometimes a large majority -- of the imports from a particular country served niche markets in which U.S. producers did not compete, a reasonable overlap of competition did not exist. These arguments generally failed to persuade us as described below.

Information regarding the so-called niche markets was superficial and undocumented. Rarely were the niche products, markets, production processes, and other relevant information described in detail. Affidavits tended to state that a

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[3] 19 U.S.C. § 1677(7)(C)(iv)(I). In applying this provision, the Commission has considered the degree of fungibility between the imports and the like product, the presence of sales or offers within the same geographic markets, commonality of channels of distribution, and whether imports are simultaneously present in the market. See, e.g., Thermostatically Controlled Appliance Plugs and Probe Thermostats from Canada, Hong Kong, Japan, Malaysia, and Taiwan, Invs. Nos. 701-TA-290-292 and 731-TA-400-404 (Preliminary), USITC Pub. 2552 (June 1984).

[4] See, e.g., Wieland Werke, AG v. United States, 718 F.Supp. 50 (Court Int'l Trade 1989).

particular customer felt there is no qualified U.S. producer, but generally did not provide such specifics as whether domestic products had actually failed purchasers' qualification procedures or if comparable domestic products are used by other purchasers.

Respondents often claimed that there was no "reasonable overlap" of competition when less than a majority of the imports from that country directly competed with domestic production. As with the term negligibility, there is no strict numerical threshold for what constitutes a reasonable overlap. However, even if we agree with respondents' assertions that significant portions of the imports are noncompeting products, that does not eliminate the fact that the remaining imports are competing products, sufficient to find a reasonable overlap of competition.

The arguments made by respondents were generally contested by petitioners. However, arguments raised by respondents for the first time in postconference briefs were understandably not addressed by petitioners. Again, absent convincing documentation by respondents, we gave the benefit of the doubt to petitioners where, in our individual judgments, there appeared to be a conflict or question on the record.

We intend to revisit at least one noncompetition argument, that for Korean hot-rolled products, in any final investigation on that product.[5] We request the parties to consider the role of

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[5] With one exception, none of the other noncompetition arguments presented in these preliminary investigations seemed particularly persuasive. We will of course consider any arguments and evidence raised in a final investigation.

With regard to plate from Japan, however, Commissioner Nuzum notes that the decision to cumulate in the first place was very close. Owing in part to the limited degree of competition that was shown to exist, she subsequently determined that these

multinational joint ventures in the U.S. steel industry, and address whether and how such entities should be viewed as somehow different or unique. Specifically, we would like information on (1) the contractual obligations linking the joint venture to its parent companies and the parents to each other, (2) the specific hot-band requirements of the joint venture plant, (3) the contractual arrangement regarding hot-band supplies to UPI, and (4) actual production and shipments of domestic products meeting these requirements.

Several other examples drawn from a submission on Korean hot-rolled steel illustrate the nature of our general concerns with regard to the sufficiency of arguments. For example, respondent USS-POSCO, Inc., (UPI) stated that it "cannot procure reliable, long-term supplies of hot band from unaffiliated integrated hot band producers...."[6] While we can accept this as a judgment by UPI, there are no facts presented to allow us independently to reach this same conclusion. Such facts should at least include a discussion of failed attempts to develop alternative supplies. In addition, we require further evidence regarding the barriers to sourcing hot-band from nonintegrated U.S. mills. Also, UPI asserted that "every domestic producer of cold-rolled flat products has a captive or dedicated source of supply [of hot band]...."[7] More convincing would have been a

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imports were negligible and had no discernible adverse impact on the domestic industry.

[6] UPI postconference brief at 6. Conference testimony was cited.

[7] UPI postconference brief at 5. Again, conference testimony was cited.

list of these producers and the percentage of hot-band sourced from captive, dedicated, and merchant production.

Petitioners, on the other hand, have asserted that they "can" make a vast array of products; however, there is no proof of a meaningful level of competition between imported and domestic flat-rolled steel of particular types and specifications. We urge domestic producers to review the various niche product claims and compile data on production and shipments of competitive U.S. products. Documentation of marketing efforts -- sales visits, or bids, for example -- would also show competition even in the absence of actual production.

Negligible imports exception

The statute provides that the Commission may exclude from cumulation the imports of any country that are negligible and have no discernible impact on the U.S. industry.[8] In making such a determination, the Commission is required to consider (1) the volume and market share of the imports, (2) whether import shipments are isolated and sporadic, (3) and whether the domestic market is price sensitive. The Commission may consider other relevant factors as well. Such factors have included: (1) whether the domestic industry "is already suffering considerable injury and has long been battered by import competition;"[9] (2) import penetration trends;[10] (3) cross-

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[8] 19 U.S.C. § 1677(7)(C)(v).

[9] Coated Groundwood Paper from Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom, Invs. Nos. 731-TA-486-494 (Preliminary), USITC Pub. 2359 at 33 (Feb. 1991) (Groundwood Paper preliminary), citing H.R. Rep. No. 40, 100th Cong., 1st Sess., pt. 1, at 130 (1987).

[10] Groundwood Paper preliminary at 31.

ownership of foreign producers;[11] and (4) degree of competition between imported and domestic products.[12] Not all of the respondents addressed all of the mandatory statutory factors. Very few addressed these additional factors. Indeed, our individual decisions on exemption from cumulation did not rely so much on parties' arguments as on the data compiled from questionnaire responses and other sources.

Application of the negligible imports exception is discretionary ("[t]he Commission is not required to cumulate...."),[13] and Congress has indicated that the exception is to be applied carefully and sparingly.[14] In these investigations, we have, therefore, required a high level of confidence that the criteria specified for exemption were satisfied before choosing to exclude any country. This level of certainty, in turn, required a sufficient basis in fact, a basis that cannot be founded merely on legal arguments.

The briefs presented considerable discussion of the term "negligible." The Commission has in past cases identified certain levels of import penetration as negligible. Respondents have gone to great lengths to inform us of these previously identified levels. Focusing on simply the import penetration

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[11] Id. at 28-29.

[12] Id. at 24, 33-36.

[13] Id. Emphasis added.

[14] H.R. Rep. No. 40, 100th Cong., 1st Sess., pt. 1, at 131 (1987). See also H.R. Rep. No. 576, 100th Cong., 2d Sess. 621 (1988). The legislative history specifically indicates that the exception should be applied with "particular care in situations involving fungible products...." H.R. Rep. No. 40, 100th Cong., 1st Sess., pt. 1, at 130 (1987); again, see also H.R. Rep. No. 576, 100th Cong., 2d Sess. 621 (1988).

number, however, falls short of the analysis required by the law. First of all, Congress intentionally did not specify in the statute a numerical equivalent for negligibility.[15] Any import penetration number associated with a prior Commission determination on negligibility must be viewed in the context of the particular circumstances of that individual investigation and that product market. These circumstances include the other statutory criteria of the price sensitivity of the market and the sporadic or isolated nature of shipments. Secondly, in a number of the cited cases, the decision not to cumulate was made in the context of a threat determination. Cumulation is explicitly not required for purposes of analyzing threat of material injury, and is often more complex in those circumstances.[16] Furthermore, the court has provided additional guidance regarding cumulation in a threat determination.[17] Considering negligibility for present injury by referencing negligibility in a threat determination is therefore inappropriate.

There are a number of investigations in which we intend to revisit our individual determinations on exclusion under the negligible imports exception in any final investigation. These investigations include hot-rolled sheet from Belgium and corrosion-resistant sheet from Brazil, New Zealand, and Sweden. Commissioner Nuzum intends to reconsider the exclusion of hot-

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[15] H.R. Rep. No. 40, 100th Cong., 1st Sess., pt. 1, at 130, 131 (1987).

[16] See 19 U.S.C. § 1677(7)(F)(i)(III).

[17] E.g., Asociacion Colombiana de Exportadores de Flores, et al. v. United States, 704 F.Supp. 1068, 1072 (Court Int'l Trade 1988).

rolled sheet from Japan. Vice Chairman Watson intends to reconsider the exclusion of hot-rolled sheet from the Netherlands.

Injury by reason of the subject imports[18]

The volumes of the subject imports generally declined during the period of investigation.[19] U.S. producers maintained substantial shares of apparent consumption for each product, with only very small losses, if any, of market share to the subject imports.[20] The petitioner has alleged that steel producers face very high fixed costs. In such an industry, break-even production levels occur at relatively high capacity utilization rates, and the difference between break-even and profitable operations falls within a relatively narrow range of output levels. Even relatively small losses in volume could have a significant effect on financial performance. In any final investigation, we would ask the petitioners to provide more specific evidence of the effects that declining volumes of imports and marginally increasing import market shares had on the domestic industry.

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[18] Vice Chairman Watson excluded imports of hot-rolled sheet from Japan and plate from Korea from the respective cumulated subject import totals and made separate negative determinations with regard to these products. The Commission majority, however, made affirmative preliminary determinations in these two investigations.

[19] In the case of hot-rolled steel, imports increased. In view of the arguments raised by respondents from Korea, we ask the petitioners to address the effect on the domestic industry of the remaining imports were Korean hot-rolled product to be excluded in a final investigation.

[20] This discussion focuses on imports as a share of the merchant market. We have also considered imports as a share of total consumption, however, and recognize that the trends in some cases differ.

Most of the price series for which the Commission gathered data showed significant decreases during the period of investigation. In light of declining demand and the desire of producers (both foreign and domestic) to maintain output levels, it is somewhat difficult to ascertain the contribution of imports to these price declines. In a number of series, for example, import prices declined less steeply than did U.S. prices. Also, there is, overall, more evidence of overselling than there is of underselling. One the other hand, there are some confirmed instances of lost sales and lost revenues. The parties have presented conflicting arguments on price sensitivity, with neither side providing documentation that rises to the level of clear and convincing evidence. Additional information will be obtained through the use of purchasers questionnaires in any final investigation; however, we urge the parties to document more precisely the effect of import pricing on domestic pricing.

Petitioners have argued that price declines (caused by subsidized and LTFV imports) reduced industry revenues while declining volumes (specifically lost to the same imports) resulted in increased per-unit costs. Consequently, they contend that profitability has declined or disappeared, jobs have been lost, and capital investment has been delayed. The record suggests that import volumes have adversely impacted U.S. production levels. We note, however, that increases in capacity also appear to have contributed to reduced capacity utilization rates. Employment reductions may be, in some cases, a reflection of improved productivity. With regard to prices, there is evidence that domestic and imported products compete in some

product lines where price is an important factor in purchasing decisions. On the other hand, the share of the overall market in which this type of price competition takes place appears to be declining. Further, the "price leadership" of imported products in these areas is questionable.

We have only made negative determinations in these preliminary investigations where there was clear and convincing evidence of no material injury or threat thereof by reason of the subject imports, and no likelihood that contrary evidence would arise in a final investigation. We remind the parties, however, that the standard in a final Title VII determination is not merely a "reasonable indication" of injury. We expect the record in any final investigation will be substantially more developed and urge the parties to respond to the questions we have raised in these views.

VIEWS OF COMMISSIONER DAVID B. ROHR

In these 84 countervailing duty and antidumping investigations, I concur with my colleagues in most instances that there is a reasonable indication that cumulated imports from the countries subject to investigation are a cause of injury to the relevant domestic industries. I also concur with my colleagues that, in several investigations, imports from particular countries should not be cumulated with those of the other counties subject to these investigations and that there is no reasonable indication that such non-cumulated imports are a cause of present material injury, or threaten material injury, to the relevant domestic industries.

In a limited number of investigations, however, I do not agree with my colleagues on the appropriateness of cumulating the imports of a particular country with those of the other countries subject to these investigations. In several investigations, I also disagree with whether there is a reasonable indication that such imports threaten material injury to the relevant domestic industry. Specifically, I disagree with my colleagues of the majority that allegedly unfair imports of hot-rolled carbon steel flat products from Belgium should be cumulated with those of other countries. I find that such imports are negligible and that they should not be cumulated with the other imports subject to these investigations. I conclude that there is no reasonable indication that such imports are a cause of present injury, or that they present a threat of real and imminent material injury to the domestic industry.

I also disagree with my colleagues of the majority that it is proper to cumulate the allegedly unfair imports of cold-rolled carbon steel flat products from Argentina, Austria, Italy, and Spain with those of the other countries subject to these investigations. I find that the allegedly unfair imports from these countries are negligible, should not be cumulated with other imports of this product, and are not a cause of present material injury to the domestic industry. I find that there is a reasonable indication that the allegedly unfair imports from Argentina and Austria pose a threat of real and imminent material injury to the domestic

industry, but that there is no reasonable indication that those of Italy and Spain threaten the domestic industry.

Finally, I also disagree with my colleagues in the majority that it is appropriate to cumulate imports of corrosion-resistant carbon steel flat products from Brazil, New Zealand, and Sweden with those of the other countries subject to these investigations. I find that the allegedly unfair imports from these three countries are negligible, should not be cumulated with other imports of this product, and are not a cause of present material injury to the domestic industry. I find, however, that, in each of these investigations, there is a reasonable indication that the allegedly unfair imports pose a threat of real and imminent material injury to the domestic industry.

GENERAL COMMENTS

Before discussing the specific products and specific countries subject to these investigations on which I have views different from those of the majority, I find it appropriate to make some general comments. These comments relate to my decisions on whether to regard certain imports as negligible and to my analysis of the threat posed by the imports.

NEGLIGIBILITY

I note that, for purposes of these preliminary investigations, I deliberately choose to regard as negligible only those imports whose exceedingly small volumes could, in my mind, have no discernible adverse impact on the domestic industry. In making my decisions as to negligibility I considered several factors, including the price sensitivity of the particular product, the level and market share of the particular imports and the pattern of sales, both geographically and temporally. The greater the price sensitivity of a particular product, the lower the volume of imports would have to be to be considered negligible. The greater the geographic and temporal isolation of the sales, the greater a volume of imports would have to be before it is considered non-negligible. My decisions reflect a balance of these factors.

I note the significance of the issue of price sensitivity in my analyses of negligibility. Generally, the record of these investigations and the history of past Commission dealings with steel indicates that flat steel products are relatively price sensitive. While allegations were made that the nature of the steel market has changed over time to become somewhat less price sensitive than it was in the past, there is no clear and convincing evidence that these products do not continue to be relatively price sensitive.

I further note that the evidence suggests that the price sensitivity of the different products subject to these investigations is not equal. While all four are relatively price sensitive, the evidence suggests that plate is the most price sensitive, followed by the hot-rolled products, then the cold-rolled products, with corrosion-resistant products being the least price sensitive of the four.[1]

I note that, in past cases, individual Commissioners' decisions with regard to negligibility have been affirmed at levels well in excess of those applicable to most of the countries subject to these investigations. In light of the price sensitivity of these products, however, I do not feel that it is appropriate, for purposes of these preliminary investigations, to regard as negligible, imports at the upper end of the range of market presence that have been found negligible in the past. In the event of any final investigations with regard to the products and countries with respect to which the Commission has made affirmative findings, I will reexamine whether imports from any other countries should also be considered as

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[1] Plate appears to be the most price sensitive because it remains the most commodity-like of the four products. There appears to be a smaller range of plate products than there are of the other products subject to these investigations. Hot-rolled products would appear to have a price sensitivity close to but probably slightly less than the plate products. While still a relatively basic product there appear to be a greater number of specific uses for specific hot-rolled products and, overall, a greater variety of such products with different specifications and prices. Cold-rolled products use hot-rolled products as an input. There is a greater range of end uses and different types of cold-rolled products with a great difference in their prices. It would appear to be somewhat less price sensitive as a collection of individual products than the hot-rolled products. Finally, the most advanced, value-added of the four products subject to these investigations is corrosion-resistant steel. There is a wider range of end uses and varieties and specifications of corrosion-resistant steel. It appears to be the least price sensitive of the four. I emphasize, in providing the rankings of the price sensitivity of the four products relative to each other, that I consider all to be relatively price sensitive compared to many of the other types of steel and other products which the Commission has considered over the years.

negligible.

THREAT

With respect to my threat analyses, I reiterate that my decisions rely on evaluations of the condition of the industries at the time I make my decision, as well as the statutory factors listed in section 771(7)(F) of the Tariff Act of 1930 as amended.[2] As I have often stated in my past decisions, the more vulnerable the condition of an industry appears to be, the smaller the volume, price, and other impacts of the imports would have to be for me to consider that the imports pose a real and imminent threat of injury to it.

I also note that I do not engage in formal cumulation for purposes of my threat analyses. I do, however, consider the presence of other unfairly traded, or allegedly unfairly traded, imports in the context of other demonstrable adverse trends affecting the domestic

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[2] The factors the Commission must consider in a threat analysis are: (I) if a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement), (II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States, (III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level, (IV) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise, (V) any substantial increase in inventories of the merchandise in the United States, (VI) the presence of underutilized capacity for producing the merchandise in the exporting country, (VII) any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury, (VIII) the potential for product-shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 1671 or 1673 of this title or to final orders under section 1671e or 1673e of this title, are also used to produce the merchandise under investigation, (IX) in any investigation under this subtitle which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both), and (X) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the like product. 19 U.S.C. § 1677(7)(F)(i), as amended by 1988 Act sections 1326(b), 1329. The determination of the Commission cannot be based on mere speculation. In addition, the Commission must consider whether dumping findings or antidumping remedies in markets of foreign countries against the same class of merchandise suggest a threat of material injury to the domestic industry. See 19 U.S.C. § 1677(7)(F)(iii), as amended by 1988 Act, section 1329.

industry.

Finally, with respect to my threat determinations, I note that in these investigations, I have found that there are reasonable indications that imports from certain countries are a cause of present injury to the domestic industries. I believe that these present injury findings have implications for my threat analyses. Specifically, I am concluding that there is a reasonable indication that imports from a particular country threaten an industry when it appears that the volume and adverse impacts of the imports from a particular country are projected to rise to a level at which I would have cumulated those imports with others that have been found to be a cause of injury on a cumulated basis. Therefore, for example, I might find that the imports from a particular country are just below the level at which I would have cumulated them with those of the other countries, but that these imports are rising and are likely to reach, within a reasonably imminent time, the level at which I would have cumulated them. In such a situation, I found that there is a reasonable indication that such imports threaten injury to the domestic industry. I will reexamine this analysis in the event these investigations return to the Commission for further proceedings.

SPECIFIC FINDINGS WITH REGARD TO INDIVIDUAL COUNTRIES

CUT-TO-LENGTH CARBON STEEL PLATE

I concur with the Commission majority with respect to each of its determinations regarding the various countries whose imports of cut-to-length carbon steel plate are subject to investigation.

HOT-ROLLED CARBON STEEL FLAT PRODUCTS

I concur with the majority of the Commission in all of its determinations concerning

allegedly unfairly traded imports of hot-rolled carbon steel flat products except with regard to the imports of hot-rolled carbon steel flat products from Belgium.

BELGIUM

Negligibility/No Causation

I determine that the allegedly unfairly traded imports from Belgium are negligible. Belgium's percentage share of apparent domestic consumption by volume of hot-rolled products for the period of investigation was only 0.1 percent in 1989 and 1990 and rose only slightly to 0.2 percent in 1991.[3] Belgian imports were less than .01 percent in the interim 1992 period.[4] The volume of imports of hot-rolled products from Belgium reached a high in 1991 of 79 thousand tons when U.S. apparent consumption was over 41 million tons.[5]

Belgian imports were geographically dispersed throughout the United States and were present in the market throughout the period of the investigation.[6] However, I am unconvinced that this extremely low level of imports is having an adverse effect on domestic prices. Comparability of Belgian and domestic unit values in 1991 may provide a suggestion of fungibility, but I note that unit values of Belgian hot-rolled products in the other two full years of the period of investigation give no such suggestion.[7] In addition, Belgian imports oversold domestic commercial grade hot-rolled product in each of the nine quarters for which the Commission obtained pricing data.[8]

Based on the foregoing, I find that the evidence supports the application of the negligible imports exception and that the allegedly unfairly traded imports from Belgium

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[3] For purposes of analyzing data within the period of investigation, I do not place equal emphasis on interim data.

[4] Report at I-67.

[5] Report at I-60.

[6] Petitioners' Brief, Exhibit 7, 8.

[7] Report at I-60.

[8] Report at I-154-156.

should not be cumulated with those of the other countries subject to these investigations. I also conclude that there is no reasonable indication that such imports are a cause of present material injury to the domestic industry.

No Reasonable Indication of Threat of Material Injury

The investigations regarding Belgian imports of hot-rolled carbon steel flat products include allegations relating to subsidies and sales at less than fair value. The subsidy allegations refer to so-called "survival" subsidies provided to allow unprofitable industries to undertake modernization projects that they did not have the ability to finance, or made capital available to create new industries or modernize old industries. I note that the subsidy margins alleged with respect to Belgian imports ranged from 7 percent to 12 percent.[9]

Belgium's capacity remained constant over the period of investigation. Capacity utilization dropped negligibly to moderately high levels.[10] We have information that several steel companies are in the process of restructuring with the probable result of reducing production capacity.[11] While there is available capacity that might be used to expand exports, there is no reasonable indication that the United States would be the likely destination of such exports. The percentage of Belgian shipments going to the United States increased but always remained an insignificant portion of Belgian shipments. Exports to the United States consistently represent a very small fraction of Belgian exports which are generally shipped to other European Community countries.

Belgian exports to the United States increased rapidly from 1989 through 1991 from an extremely low base, accounting for only 0.2 percent of the U.S. market in 1991.

There is no evidence of any price depressive or suppressive effects. Inventories in the United States fell by over 45 percent during the period of investigation and March 1992

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[9] Report at I-11.

[10] Report at I-81.

[11] Id.

inventories were insignificant at 0.002 percent of consumption for the first quarter of this year.[12] I see little potential for product shifting since the United States is a very small market for Belgian hot-rolled products generally, particularly at a time when it appears capacity is being downsized.

With regard to other demonstrable adverse trends, this industry is currently experiencing material injury by reason of imports from several other countries. However, the imports from Belgium are at such minimal levels that I conclude they have no exacerbating affect on that injury.

I find that the record in this investigation provides no reasonable indication that allegedly unfair imports from Belgium of hot-rolled carbon steel flat products pose a threat of real and imminent material injury to the domestic industry.

COLD-ROLLED CARBON STEEL FLAT PRODUCTS

With regard to cold-rolled carbon steel flat products, I have not joined in the analysis of my colleagues of the majority with regard to cumulation of the allegedly unfairly traded imports from Argentina, Austria, Italy, and Spain with those of other countries subject to these investigations. I view these imports as negligible, to the same extent that my colleagues, and I, view the imports from Australia, New Zealand, Taiwan, and the United Kingdom as negligible. With respect to the allegedly unfair imports from Argentina and Austria, I note that these imports were increasing rapidly over the period of investigation and were almost at the point at which I would regard them as non-negligible. For the reasons cited below, I find that there is a reasonable indication of a threat of real and imminent material injury to the domestic industry by reason of such imports. I find that the imports from Italy and Spain are following a different trend and for the reasons cited below, do not find there to be a reasonable indication that such imports present a real and imminent threat of material injury to the domestic industry.

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[12] Report at I-75.

ARGENTINA

Negligibility/No Causation

I determine that the allegedly unfair imports from Argentina are negligible. Argentine imports increased over the period of investigation from a base of less than 0.1 percent market share in 1989 to a maximum of only 0.3 market share.[13] Of a total market for cold-rolled carbon steel flat products of 22 million tons in 1991, Argentine imports totalled only 70 thousand tons.[14] In addition, this small volume was imported and sold by a limited number of importers and was geographically dispersed.[15] Argentina sold only one of the three cold-rolled products for which the Commission gathered pricing data. In seven out of eight price comparisons for this product, the Argentine imports oversold the domestic product.[16] While both the U.S. and domestic prices tended downward, the Argentine price decline was less than that of the domestic product.[17]

For these reasons, I find that the allegedly unfair Argentine imports are negligible and that they should not be cumulated with those of other countries subject to these investigations. I conclude that there is no reasonable indication that such imports are a cause of present material injury to the domestic industry.

Threat of Material Injury

For purposes of my threat analysis, I begin by noting that I have found the domestic cold-rolled carbon steel flat products industry to be currently experiencing material injury. It is, therefore, in a condition vulnerable to the effects of unfairly traded imports. The nature

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[13] Report at I-69.

[14] Report at I-62.

[15] Petitioners' Br. at 206 and Exhibit 7, 8.

[16] Report at I-164.

[17] Report at I-161-162.

of subsidies is not relevant to this investigation because the allegations regarding Argentine imports relate only to sales at less than fair value rather than subsidization.

Argentine capacity has declined significantly over the period of the investigation, but capacity utilization remained only moderately high in 1991. The percentage of Argentine shipments going to the U.S. market increased by more than 5 percentage points.[18] There is therefore a reasonable indication that there is available unused capacity that is likely to be used to expand exports to the United States.

Imports from Argentina to the United States increased rapidly from 1989 through 1991, by some 900 percent according to official statistics, although from a very low base.[19] The Argentine market share has steadily increased from less than 0.1 percent to 0.3 percent.[20] It was approaching a level at which, in view of the factors I examined regarding negligibility, I would not apply the negligibility exception. I would then have cumulated such imports with the other countries I found to be causing present material injury to the domestic industry.

I note that there is little evidence of any price depressive or suppressive effects. Inventories do not appear to be significant, at a level of only 0.02 percent of consumption in March of 1992.[21]

I note that with regard to other demonstrable adverse trends, this industry is currently experiencing material injury by reason of imports from several other countries and that imports from Austria appear to be following a trend similar to those of Argentina. Finally, with regard to product shifting, I note that imports of cold-rolled carbon steel flat products are the only product subject to investigation from Argentina.

I find that the record in this investigation provides a reasonable indication that the allegedly unfair imports from Argentina pose a threat of real and imminent material injury

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[18] Report at I-78.

[19] Report at I-78. I note that according to the Commission's data from the foreign industry the rate of increase is much less but I would still characterize it as very significant.

[20] Report at I-69.

[21] Report at I-76.

to the domestic industry.

AUSTRIA

Negligibility/No Causation

I find that the allegedly unfair imports from Austria are negligible. Austrian imports increased over the period of the investigation. However, Austrian market share increased from 0.1 percent of consumption in 1989 to 0.3 percent in 1990 and remained at only 0.3 percent of apparent domestic consumption in 1991.[22] In 1991, Austrian imports totalled 67 thousand tons in a market of 22 million tons.[23] Austrian imports were sold by three importers in three of four regions in the United States and were sold at various times throughout the period of investigation.[24] There was only one sale alleged and confirmed to be lost to Austrian imports. Pricing data were not probative of underselling or overselling.

On the basis of these factors, I find that the allegedly unfair Austrian imports were negligible and decline to cumulate them with the other imports subject to these investigations. I conclude that there is no reasonable indication that such imports are a cause of present material injury to the domestic industry.

Threat of Material Injury

As in the other contemporaneous investigations of cold-rolled carbon steel flat products, my analysis of whether there is a reasonable indication that Austrian imports threaten the domestic industry begins with the fact that I have found that there is a reasonable indication that the industry is currently experiencing material injury, and thus, by definition, is vulnerable to the effects of unfairly traded imports. I note that the investigations involving Austrian imports include allegations of both subsidies and sales at less than fair value. The

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[22] Report at I-69.

[23] Report at I-63.

[24] Petitioners' Brief, Exhibit 7, 8.

alleged subsidy margin is 8 percent.[25]

Capacity has decreased over the period of investigation and capacity utilization in 1991 was at a relatively high level. The percentage of Austrian shipments directed at the U.S. market increased by a small but significant percentage.[26]

Overall, imports from Austria to the United States increased by some 148 percent over the period of investigation, also from a very small base.[27] Volume peaked in 1990 and decreased slightly in 1991.[28] Market share increased from 0.1 percent in 1989 to 0.3 percent in 1990 and remained steady in 1991.[29]

The Commission was not able to obtain sufficient pricing information with regard to Austrian imports. Inventories are insignificant.[30] With regard to other demonstrable adverse trends, I note the presence of other unfairly traded imports of the same products which appear to be imported from Austria. I note that I have found a reasonable indication that certain of these imports are a cause of material injury to the domestic industry. I further note that the trend in imports from Argentina is the same as that for Austrian imports.

For purposes of these preliminary investigations, I find that Austrian imports have increased to a level close to that at which I would cumulate them with other imports which I have found to be causing injury to the domestic industry. This increase, together with the lack of sufficient pricing information require that I find that the evidence is not clear and convincing that Austrian imports are not threatening the domestic industry with material injury. I therefore find that there is a reasonable indication that allegedly unfairly traded imports from Austria pose a threat of real and imminent material injury to the domestic

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[25] Report at I-10.

[26] Report at I-80.

[27] Export data from the Austrian industry shows a smaller but still significant increase.

[28] Report at I-80.

[29] Report at I-69.

[30] Report at I-77.

industry.

ITALY

Negligibility/No Causation

I find that the allegedly unfair imports from Italy are negligible. Italian imports increased only slightly by volume over the period of investigation, by 13 percent, from 39 to 44 thousand tons in a total market of in excess of 20 million tons.[31] Market share remained stable at 0.2 percent of domestic consumption.[32] There were relatively few importers of Italian products during the period of investigation and sales of the Italian product were dispersed throughout the United States and made throughout the period of investigation.[33] There was only one confirmed sale lost to Italian imports.[34] There was no other probative information with regard to Italian pricing.

On the basis of the foregoing, I find that the allegedly unfair Italian imports are negligible, and I do not cumulate them with the other imports subject to these investigations. I further find that such imports are not a cause of present material injury to the domestic industry.

No Threat of Material Injury

Once again, I begin my threat analysis by noting that I found this industry to be currently experiencing material injury and that it is thus, by definition, in a condition vulnerable to the effects of unfairly traded imports. I note that the investigations of Italian imports include allegations of both less than fair value sales and subsidies ranging from 17 to

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[31] Report at I-63.

[32] Report at I-69.

[33] Petitioners' Brief, Exhibit 7, 8.

[34] Report at I-169.

63 percent.[35]

Italian capacity declined by a relatively small amount over the period of investigation, but capacity utilization was relatively low at the end of 1991.[36] The evidence shows, however, that this unused capacity has not been used to expand exports to the United States, and, in fact, exports to the United States declined, albeit very slightly, as a percentage of total Italian shipments.

As indicated above, the Italian industry shipped only 5000 more tons of the subject product to the United States in 1991 than they had in 1989.[37] As a result of this very small increase, Italian market share remained constant at only 0.2 percent of apparent domestic consumption.[38] These small amounts of steel were shipped in small quantities throughout the United States market. Importers apparently retained a substantial amount of these imports in their own inventories. However, even at the end of March 1992, these inventories stood at less than 0.05 percent of domestic consumption for the first quarter of 1992.[39]

With respect to pricing, there is a mixed pattern of over and underselling in a roughly equal number of instances.[40] Italian prices appear to have declined over the period of investigation for the various products and markets for which the Commission gathered data.[41]

As indicated previously, the industry is experiencing material injury and other imports are a cause of such injury. I note that the pattern of increases in Italian volume and market share are different from those of the other imports from those countries as to which I have made affirmative threat findings.

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[35] Report at I-10.

[36] Report at I-93.

[37] Report at I-93.

[38] Report at I-93.

[39] Report at I-76.

[40] Report at I-164.

[41] Report at I-161-162.

While the indicators with regard to the possible effects of Italian imports are mixed, I must, even in a preliminary investigation weigh the evidence before me to find more than a mere possibility that the imports are threatening the industry. While the pricing data may raise such a possibility, in view of its mixed nature, I cannot find it rises to more than a mere possibility. I must also consider this "possibility" in light of the extremely small volume of Italian imports and the fact that such imports have not increased their market share over the period of investigation, and are significantly below the level at which I would cumulate them with the other imports subject to these investigations. I find that I am compelled to make negative determinations. I find that there is no reasonable indication that allegedly unfairly traded imports from Italy pose a threat of real and imminent material injury to the domestic industry.

SPAIN

Negligibility/No Causation

I find that the allegedly unfair Spanish imports are negligible. Spanish imports declined by 65 percent over the period of the investigation from 57 thousand tons to 21 thousand tons in a 1991 market of 22 million tons.[42] From a maximum import penetration of 0.2 percent of domestic consumption in 1989, Spanish imports declined to a mere 0.1 percent of consumption in 1990 and 1991.[43] There were only 5 importers of the Spanish products during the period of investigation and these imports were dispersed geographically throughout the United States and temporally throughout the period of investigation.[44] The Commission has no probative information about Spanish prices.

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[42] Report at I-63.

[43] Report at I-69.

[44] Petitioners' Brief at 206 and Exhibits 7, 8.

On the basis of the above information, I find that Spanish imports are negligible and I do not cumulate them with the other imports subject to these investigations. I find that such imports are not a cause of present material injury to the domestic industry.

No Threat of Material Injury

As in the other investigations involving cold-rolled carbon steel flat products, I begin my threat analysis by noting that the industry is currently experiencing material injury and thus, by definition, is vulnerable to the effects of unfairly traded imports. I note that the investigations with regard to Spanish imports involve allegations of both less than fair value sales and subsidies at alleged margins of 41 percent to 52 percent.[45]

Spanish capacity did not increase over the period of investigation and Spanish capacity utilization in 1991 was at a relatively high level.[46] While this does indicate some available capacity to expand exports to the U.S. market, the declining absolute volume of such imports, the declining overall production of the Spanish industry, and the declining percentage of Spanish shipments directed at the U.S. market provide no indication that such available capacity would be used to expand exports to the United States.[47]

I note that the absolute volume of imports from Spain declined in each full year of the investigation and market share declined from 0.2 percent to 0.1 percent and then remained stable at that level.[48] Importers' inventories were not significant.[49]

The Commission was able to gather no probative information with regard to Spanish pricing. Again, with respect to other demonstrable adverse trends, I note the presence of other unfairly traded imports that are currently causing or threatening injury to the domestic industry. I note that the trend in Spanish imports was different from the trend in imports

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[45] Report at I-10.

[46] Report at I-110.

[47] Report at I-110.

[48] Report at I-69.

[49] Report at I-76.

from those countries as to which I have found a reasonable indication of threat.

Overall, I conclude that Spanish imports do not threaten the domestic industry with material injury. While we have no information with regard to Spanish pricing, the declining volume and market share of Spanish imports from already negligible levels convinces me that the lack of pricing information is not sufficient to base an affirmative finding of threat. I therefore conclude that Spanish imports do not threaten material injury to the domestic industry.

CORROSION-RESISTANT CARBON STEEL FLAT PRODUCTS

I concur with my colleagues in the majority regarding the propriety of cumulating allegedly unfairly traded corrosion-resistant carbon steel flat products from Australia, Canada, France, Germany, Japan, Korea, and Mexico for purposes of these preliminary investigations and the finding that these imports are a cause of present material injury to the domestic industry. I also concur with my colleagues that the allegedly unfair imports from Taiwan are negligible, should not be cumulated with the other imports subject to investigation, and that such imports are not a cause of and do not threaten material injury to the domestic industry.

However, in these investigations, I find that the allegedly unfair imports from Brazil, New Zealand, and Sweden are negligible. Thus, I do not cumulate the imports from these countries with the others subject to these investigations. I note, however, that the imports from Brazil, New Zealand, and Sweden were increasing over the period of investigation. For the reasons cited below, I find that there is a reasonable indication that such imports pose a real and imminent threat of material injury to the domestic industry.

BRAZIL

Negligibility/No Causation

I determine that the allegedly unfair imports from Brazil are negligible. In 1989, the Brazilian market share was 0.1 percent; it increased to 0.2 percent in 1990 and remained level

in 1991.[50] The Brazilian import volumes were some of the lowest of any of the countries under investigation.[51] In 1991, Brazilian imports equaled 16 thousand tons out of an 11 million ton total market.[52] There is no evidence that these small import volumes have had any adverse effect on the domestic industry. The small volume of Brazilian product was imported by a limited number of importers into only two geographic regions of the United States.[53] Furthermore, while both U.S. and Brazilian domestic prices trended downward, the Brazilian price decline was less than that of the domestic product.

Based on the foregoing analysis, I determine that imports from Brazil are negligible and should not be cumulated with those of the other countries subject to this investigation. I find no reasonable indication that the allegedly unfair imports from Brazil of corrosion-resistant carbon steel flat products are a cause of present material injury to the domestic industry.

Threat of Material Injury

I begin my threat analysis by noting that I found this industry to be currently experiencing material injury and thus, by definition, it is vulnerable to the effects of unfairly traded imports. These investigations involve allegations of both subsidies and sales at less than fair value. The subsidy margin with respect to Brazil in these investigations is alleged to be 26 percent.[54]

Data regarding capacity utilization and production was not available to the Commission. In the event of a final investigation, we would expect to receive data pertaining to the operations of the Brazilian industry.

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[50] Report at I-73.

[51] Report at I-63.

[52] Report at I-63.

[53] Petitioners' Brief at 206 and Exhibits 7, 10.

[54] Report at I-10.

Import levels increased by 28 percent between 1989 and 1990 before dropping to near 1989 levels. Brazilian market share has increased from 0.1 percent in 1989 to only 0.2 percent in 1990 and 1991.[55]

I note that there has been noticeable underselling on the part of the Brazilian imports. The information on the record indicates that in five out of seven instances the subject imports undersold the domestic product.[56] Inventories do not appear to be significant at 331 short tons in 1991.[57] I note, with respect to other demonstrable adverse trends, that this domestic industry has already been found to be materially injured by reason of imports from several countries. Finally, with regards to product shifting, I note that Brazil is an exporter of all four products subject to these investigations.

I find that there is a reasonable indication that imports from Brazil pose a threat of real and imminent material injury to the domestic industry based on the information provided in the record. In the event of a final investigation, I would expect additional information regarding the Brazilian industry.

NEW ZEALAND

Negligibility/No Causation

I determine that the allegedly unfair imports from New Zealand are negligible. Imports from New Zealand remained at a relatively low level throughout the period of investigation, reaching a high of 31 thousand tons in 1991 which was one of the lowest of all countries subject to these investigations of corrosion-resistant carbon steel flat products. The total market for corrosion-resistant flat products totalled 11 million tons in 1991.[58] Market share

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[55] Report at I-63.

[56] Report at I-73.

[57] Report at I-164.

[58] Report at I-63.

remained level at 0.2 percent in 1989 and 1990 and then increased to 0.3 in 1991.[59] Information concerning the number of importers of the New Zealand product is not available, however, it appears to be sold in all geographic regions. Pricing data are unavailable.

Due to the small level of imports and small and steady market share, I find that the imports from New Zealand are negligible and should not be cumulated with the other imports subject to these investigations. I find that there is no reasonable indication that such imports are a cause of present material injury to the domestic industry.

Threat of Material Injury

This investigation involves only allegations of subsidized imports from New Zealand. The subsidy margin in this investigation with respect to New Zealand is alleged to be 79 percent.[60]

New Zealand's capacity utilization has declined progressively over the period of investigation to its 1991 level which was only moderately high. The percentage of New Zealand's shipments coming to the United States market increased by a small but significant percentage over the period of investigation.[61] There is therefore a reasonable indication that there is available capacity to expand exports to the U.S.

Import volumes increased 63 percent over the period of investigation.[62] New Zealand's market share rose from 0.2 percent to 0.3 percent from 1989 to 1990. It was approaching a level that, in view of the factors listed above regarding negligibility, would be in the range at which I would not apply the negligibility exception. I would have considered cumulating such imports with the imports of the other countries I have found to be a cause of present material injury.

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[59] Report at I-73.

[60] Report at I-10.

[61] Report at I-105.

[62] Report at I-63.

There is no evidence as to whether these imports are having a price depressive or suppressive effect on the domestic products. I expect to have more information about the pricing effects of these products in the event of a final investigation. Inventories do not appear to be significant at the 1991 level of 452 short tons.[63] I note that, with regard to other demonstrable adverse trends, this industry is currently experiencing material injury by reason of imports from several other countries. Finally, with regards to product shifting, I note that the New Zealand industry is currently exporting three of the four products under investigation.

I find that the record in this investigation provides a reasonable indication that the allegedly unfair imports from New Zealand pose a threat of real and imminent material injury to the domestic industry.

SWEDEN

Negligibility/No Causation

I determine that the allegedly unfair imports from Sweden are negligible. Swedish imports increased over the period of investigation from less than 0.1 percent market share in 1989 to a maximum of 0.2 percent market share in 1991.[64] Swedish imports composed only 20 thousand tons out of an 11 million ton total market in 1991.[65] Moreover, this low volume was imported and sold by a limited number of importers over a broad geographical area.[66] Although price comparisons are not available to the Commission, the nature of the price sensitivity of this market and the low import volumes and market share lead me to find that the allegedly unfair imports from Sweden are negligible. I therefore do not cumulate them with the other imports

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[63] Report at I-76.

[64] Report at I-73.

[65] Report at I-63.

[66] Petitioners' Brief at 237 and Exhibits 7, 11.

subject to this investigation. I conclude that such imports are not a cause of present material injury to the domestic industry.

Threat of Material Injury

This investigation involves only allegations of subsidies on the Swedish imports. The subsidy margin with respect to Sweden in this investigation is alleged by the petitioners to be 5 percent.[67]

Capacity utilization for Sweden has remained relatively steady at a relatively high level throughout the period of investigation. The volume of Swedish shipments to the U.S. market, however, has increased from less than 500 tons in 1989 to 31 thousand tons in 1991.[68] Due to the increasing shipments to the U.S. market as a percentage of total shipments, I find a reasonable indication that there is available capacity to expand exports to the United States. The increase in Swedish market share was steady from less than 0.05 percent in 1989 to 0.1 percent in 1990 to 0.2 percent in 1991.[69]

Pricing data for this industry with respect to Sweden are not available. However, because of the lower price sensitivity of corrosion-resistant products compared to the other products under investigation, this factor does not weigh as heavily as in the other product categories. Inventories have been insignificant throughout the period of investigation.[70]

I note that with regards to other demonstrable adverse trends, this industry is currently experiencing material injury by reason of imports from several other countries. With respect to product shifting, I note that the imports from Sweden consist of two of the four product categories under investigation.

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[67] Report at I-10.

[68] Report at I-73.

[69] Report at I-73.

[70] Report at I-76.

Although Sweden exhibits many of the trends similar to those countries in which I have found no reasonable indication of threat of material injury, I make particular note that its import volumes and market share are rising to levels that provide a reasonable indication that these imports pose a threat of real and imminent material injury to the domestic industry.

CONCLUSION

I find that allegedly unfair imports of hot-rolled carbon steel flat products from Belgium are negligible and that they should not be cumulated with the other imports subject to these investigations. I conclude that there is no reasonable indication that such imports are a cause of present injury, or that they threaten material injury to the domestic industry.

I find that the allegedly unfair imports of cold-rolled carbon steel flat products from Argentina, Austria, Italy, and Spain are negligible, should not be cumulated, and are not a cause of present material injury to the domestic industry. I find that there is a reasonable indication that the allegedly unfair imports from Argentina and Austria pose a threat of real and imminent material injury to the domestic industry. I find that there is no reasonable indication that the allegedly unfair imports from Italy and Spain present a threat of real and imminent material injury to the domestic industry.

I find that the allegedly unfair imports of corrosion-resistant carbon steel flat products from Brazil, New Zealand, and Sweden are negligible, should not be cumulated, and are not a cause of present material injury to the domestic industry. I find, however, that, in each of these investigations, there is a reasonable indication that the allegedly unfair imports pose a threat of real and imminent material injury to the domestic industry.

Dissenting Views of Commissioner Anne E. Brunsdale

Certain Flat Rolled Products from Argentina, Australia, Austria, Belgium, Brazil, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom Invs. Nos. 701-TA-319-354 and 731-TA-573-620 (Preliminary)

I agree with the majority of my colleagues' affirmative and negative findings in these cases. However, I do not find a reasonable indication that the domestic industry producing cut-to-length plate is materially injured or threatened with material injury by reason of allegedly dumped and subsidized imports from France, Italy, or Korea. I do not find a reasonable indication that the domestic industry producing hot-rolled products is materially injured or threatened with material injury by reason of allegedly dumped and/or subsidized imports from Belgium, Brazil, Japan, and the Netherlands. I do not find a reasonable indication that the domestic industry producing cold-rolled products is materially injured or threatened with material injury by reason of allegedly dumped and/or subsidized imports from Argentina, Austria, Belgium, Italy, and Spain. And, finally, I do not find a reasonable indication that the domestic industry producing corrosion resistant products is materially injured or threatened with material injury by reason of allegedly dumped and/or subsidized imports from Brazil, New Zealand, and Sweden.[1]

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[1] In all cases listed above, I have determined that there is no threat of material injury to the domestic industry. After examining all the relevant threat factors, I conclude that any finding of threat would be made on the basis of mere conjecture or supposition.

I join the majority opinion except as that opinion concerns the cases listed above and write these additional views to explain the reasons for my negative determinations only in those cases.[2]

In preliminary antidumping cases, the Commission is required to determine whether, based on the best information available at the time of the preliminary determination, there is a reasonable indication of material injury or threat thereof to a domestic industry by reason of the subject imports.[3] In these investigations, I considered whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[4] The U.S. Court of Appeals for the Federal Circuit has held that this interpretation of the standard "does not contravene but accords with clearly discernible legislative intent and is sufficiently reasonable."[5]

This does not mean, of course, that the absence of some information normally considered in a final investigation would require the Commission to find in the affirmative in a

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[2] The general principles I set forth in these additional views apply to all my negative determinations including those covered by the majority opinion.

[3] 19 U.S.C. 1673b(a).

[4] American Lamb Co. v. United States, 785 F.2d 994, 1001 (Fed. Cir. 1986).

[5] Id. at 1004.

preliminary investigation.[6] Clearly, given the short time period allowed in a preliminary investigation, the burden of requiring that all information be collected in order to find in the negative would nearly preclude such a finding. Rather, I consider the relation of any missing information to the likely disposition of a final investigation. In cases where there is a question as to what the evidence would show in a final investigation, I give every benefit of the doubt to petitioner.

Cumulation

The Commission is instructed to cumulate imports from two or more countries for the purpose of making its injury determination if the imports compete with each other and the domestic like product. However, the Commission may make an exception if imports are "negligible and have no discernable adverse impact on the domestic industry."[7] In deciding if imports are negligible the Commission is instructed to consider (1) the volume and market share of imports; (2) whether sales have been isolated or sporadic and (3) whether a small quantity of imports can result

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[6] Id., at 1001-04. "Clear and convincing" evidence supporting a negative determination must be "substantial," and more than a preponderance of the evidence. Since the Commission is permitted to weigh the evidence in the record, however, a negative preliminary determination may be issued if some evidence supports an affirmative determination, and even if some reasonable doubt exists as to whether a negative determination is warranted. See, e.g., Buildex Inc. v. Kason Industries, Inc., 849 F.2d 1461, 1463 (Fed. Cir. 1988)

[7] See 19 U.S.C. 1677(7)(C)(v)

in price suppression or depression, because of the price sensitivity of the product.

While many respondents argued that their products should not be cumulated because they do not compete, petitioners contested their arguments in all cases. The evidence presented was not sufficient for the purpose of a preliminary determination to conclude that any of these products did not compete with the domestic like product. Therefore, all my negative determinations in these cases are based on a finding that imports are negligible and have no discernable impact on the domestic industry.

The petitioners' post-conference brief presented a distorted version of my views on the negligible imports exception.[8] In the interest of transparency, in past cases I have discussed my general standards in evaluating the volume and market share of imports. I have noted that cumulation would most likely not be required when the level of import penetration falls below 1 percent, while it would much more likely be required when the level of import penetration approached 1.6 percent. However, I have clearly stated that all my decisions are made on a case-by-case basis.

I have never suggested, nor do I believe, that a 1 percent "bright line" should be used to decide cumulation issues. That would be contrary to the law and would make no economic sense. However, it is clear to me that, all other things being equal, the lower the market share of imports the more likely it is that

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[8] See Petitioners' Brief at 100-107.

they will have no discernable impact on the domestic industry. That is recognized both in the language of the statute and in any sensible economic analysis.[9]

Petitioners note that my cumulation standard has been approved by the courts in Torrington, and, in fact, approve of the standard I used in that case.[10] That is the standard I have used in this case.[11] Only in extraordinary circumstances could I find the strikingly low levels of import penetration in many of these cases to result in price suppression or depression because of price sensitivity in the market.

The statute instructs the Commission to consider whether the domestic market is price sensitive, so that a small quantity of imports can result in price suppression or depression. There are a number of factors that affect price sensitivity. One is the level of competition in the industry. Petitioners and respondents stated over and over in their briefs that the steel industry is competitive.[12] However, petitioners then argued that

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[9] I suggest that petitioners focus their future arguments on this case and provide more convincing arguments as to why imports with market shares as low as 0.1 percent had a discernable adverse impact on the domestic industry.

[10] See Torrington Co. v. United States, Slip Op. 92-49 (CIT, April 3, 1992) at 19-20.

[11] Indeed, that standard is the same one that I used in Steel Wire Rope from Argentina, Chile, India, Israel, Mexico, The People's Republic of China, Taiwan, and Thailand, to which petitioners direct their objections.

[12] However, petitioners make many arguments that are more fitting to an oligopoly and note that "price cutting runs rampant among oligopolists with high fixed costs." See Petitioners' Brief at 84.

an extremely low level of import penetration and even the threat of potential competition from imports due to existing idle capacity abroad can lower prices significantly in the domestic home market. This suggests that domestic firms would have some market power but for the existence of foreign steel producers, and so contradicts petitioners' own characterization of its industry as competitive.[13]

Another factor that affects the price sensitivity of these industries is the tremendous amount of excess capacity. Petitioners argue throughout their brief that just a small change in the volume of import sales can have a large effect on domestic prices and bottom-line profitability because of high fixed costs. Yet they never explained how, in a competitive industry with high fixed costs and excess capacity, imports could have a substantial effect on prices. There is every reason to believe that domestic firms acting individually would increase their output if imports were not present in the market.[14] In a competitive industry, prices will not rise unless supply decreases. Petitioners' own estimates of the effect of imports on domestic prices seem to undercut their argument that the industry fits the statutory definition of price sensitive.[15]

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[13] It also suggests that unless we place duties on the products of all potential competitors, prices will remain at their current level.

[14] Petitioners never suggest that domestic firms could tacitly collude in order to restrict output and raise prices.

[15] See Petitioners' Brief at Figure 6 and 7, and Economic Appendix F.

Further, I do not believe that underselling is evidence of price sensitivity. Rather, persistent underselling suggests quality or product differences that may actually limit substitutability. If a foreign producer sells a product below the price of the domestic product for three years, yet never attains even 1 percent of the domestic market, that tells me that either the imported and domestic products differ substantially or that there is a clear market imperfection that limits any adverse effect from the imports. If price sensitivity forced domestic producers of a commodity product to lower their prices to prevent foreign producers from attaining market share, one would not expect to see large disparities in prices.

I therefore do not find the steel industry to be extraordinarily price sensitive. I do not accept petitioners' argument that steel prices are somehow more affected than other competitive markets by very small levels of imports. The presence of substantial excess capacity suggests that the price effects are likely to be limited, and the frequent presence of significant price disparities suggests limited competition between imports and the domestic like product.

However, I note that for the purpose of this preliminary determination, I give petitioners the benefit of the doubt with respect to their "survival subsidies" argument. Therefore, I assume that in all cases where survival subsidies are alleged, the entire volume of imports would not be sold in the U.S.

market, but for the subsidy.[16] For any final investigations, petitioners would need to provide more data on specific obsolete operations that would be shut down without the subsidies.

In addition, I have accepted petitioners' income statement financial model and the general statements made by their expert that because of the market structure, small changes in output and low levels of "unfair" import penetration can have large effects on profitability. Therefore, I have cumulated imports from all countries, unless there is substantial evidence that the imported products are not good substitutes for the domestic like product or unless the market share of imports is so small that, even accepting petitioners' model, I still find no possibility that the imports had a discernable adverse impact on the domestic industry. I welcome a thorough exploration of the model by both parties in any final investigations.

Cut-to-length Plate from France, Italy and Korea

Dumped and subsidized imports of cut-to-length plate are alleged to come from 15 countries having market shares in 1991 that ranged from a high of 1.7 percent for Belgium to a low of 0.2 percent for Korea. The market share of imported plate from France and Italy never rose above 0.3 percent during the entire period of the investigation, including the 1992 interim period. The market share of imports from Korea fell throughout the period

[16] In many cases the alleged dumping margins are high enough that I make the same assumption.

of investigation from a high of 0.6 in 1989 to 0.3 percent in 1991 and 0.1 percent in the interim period.[17]

The plate industry produces differentiated products. The average unit value of imported plate ranged from $336 per ton to $607 dollars per ton -- too wide a range to indicate a commodity product.[18] French producers argued that a substantial portion of their product is high quality plate used by certain purchasers willing to pay a price premium. The fact that the average unit value of French imports is substantially higher than that of other foreign producers and of the domestic industry gives credibility to this "niche product" claim.[19] The Italian producer sells a third of its plate, a specialty product, to one customer.

There is evidence that this product is not so price sensitive that these imports could cause price suppression or depression. Petitioners' own preliminary estimate of the effect of allegedly dumped and subsidized imports on domestic prices shows a price effect of 3.1 percent, cumulating all imports, using an import market share of over 14 percent, and assuming that products are fungible.[20] In that light, it is difficult to

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[17] See Report at I-65, Table 16.

[18] See Id. at I-59, Table 12.

[19] The unit value of Japanese plate is even higher. That was a factor in the Commission's decision to find Japanese plate negligible. See Id.

[20] See Petitioner's Brief at Figure 6 and 7 and Economic Appendix F. Price effects using their State-of-the-Art Comparative Analysis Scenario are even lower.

believe that imports with market shares of 0.3 percent could have a price depressing or suppressing effect. Thus I conclude that imports from France, Italy, and Korea are negligible and have no discernable adverse impact on the domestic industry.

Hot-Rolled Products from Belgium, Brazil, Japan, the Netherlands

Unfair imports of hot-rolled products are alleged to come from 10 countries with market shares ranging from 0.1 percent for New Zealand to 1.9 percent for Korea. The market share of hot-rolled products from Belgium increased to 0.2 percent in 1991 from 0.1 percent in earlier periods. There were virtually no imports from Belgium in the interim period. The market share of imports from Brazil was also 0.2 percent in 1991, falling from a high of 0.4 percent in 1989. The market share of imports from Japan fell from 0.9 percent in 1989 to 0.5 percent in 1991 and 0.3 percent in the interim period.[21] The market share of imports from the Netherlands fluctuated between 0.4 percent and 0.6 percent throughout the period of investigation.

The Japanese respondent claimed that its product is of substantially higher quality than the U.S. product and sells at a price premium. The average unit value of Japanese hot-rolled steel is substantialy higher than the average unit value of imports from other countries and the domestic like product.[22] In

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[21] I have considered the level of market penetration in terms of both quantity and value.

[22] See Report at I-60.

addition, its prices were persistently and often substantially higher than the prices of the domestic like product throughout the period of investigation. This lends substantial credibility to its claim.[23]

In the investigation involving the Netherlands, petitioners alleged a dumping margin of 1.7 percent and made no allegation of subsidies. Given the range of average unit values of the various imports and the range in the prices staff collected, it seems impossible that imports accounting for substantially less than 1 percent of the market and selling for less than 2 percent below their fair price could have a discernable adverse impact on the domestic industry. In addition, the Dutch respondent claims (and petitioner did not challenge) that more than half of its exports to the United States are a high quality specialty product not produced by domestic firms.

There is evidence that the market for hot-rolled steel is not so price sensitive that these imports could cause price suppression or depression. Petitioners' own estimate of the effect of allegedly dumped and subsidized imports on domestic prices shows a price effect of 2.4 percent, cumulating all imports, using an import market share of over 13 percent, and assuming that products are fungible.[24] Given this estimate, it

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[23] I note that no "survival subsidies" argument has been made with respect to Japan, so that fungibility is particularly important.

[24] See Petitioner's Brief at Figure 6 and 7 and Economic Appendix F. Price effects using their State-of-the-Art Comparative Analysis Scenario are even lower.

is difficult to believe that imports accounting for less than 1 percent of the market could have a price-depressing or -suppressing effect. Thus, I conclude that imports from Belgium, Brazil, Japan, and the Netherlands are negligible and have no discernable adverse impact on the domestic industry.

Cold-Rolled Steel from Argentina, Austria, Belgium, Italy and Spain

There are allegedly dumped and subsidized imports from 16 countries with 1991 market shares ranging from 0.1 percent in the cases of Australia, New Zealand, and Spain to 2.1 percent in the case of Japan. Imports from Argentina, Austria, Italy, and Spain reached high market shares of 0.3 percent or less throughout the period of investigation, and only imports from Italy accounted for even 0.2 percent of the domestic market during the 1992 interim period.

Imports from Belgium peaked at 0.5 percent in 1991 and fell to 0.3 during the interim period. The Belgian respondent argued that a large portion of its sales are niche products. There has been consistent and significant overselling throughout the period, indicating that the Belgian imports differ from the domestic like product.

The average unit value of imports of cold-rolled steel ranged from $393 for imports from Austria to $624 for imports from Japan -- a range not indicative of a commodity product.[25]

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[25] See Report at I-62, Table 14.

Petitioners' own estimate of the price effect of all imports, assuming a 12 percent market share and fungibility, is only 2 percent. Given this estimate, I conclude that the market for cold-rolled sheet is not so price sensitive that imports accounting for 0.5 of the market or less could depress or suppress domestic prices. Thus I conclude that imports from Argentina, Austria, Belgium, Italy, and Spain are negligible and have no discernable adverse impact on the domestic industry.

Corrosion-Resistant Products from Brazil, New Zealand, and Sweden

Petitioners allege dumped and subsidized imports of corrosion-resistant products have come from 11 countries, with 1991 market shares ranging from 0.2 percent in the cases of Brazil, Sweden, and Taiwan to 7.3 percent for Japan. Imports from Brazil, New Zealand and Sweden each accounted for between 0.1 and 0.3 percent of the market during the period of investigation, including the interim 1992 period.[26]

The corrosion-resistant steel product group is made up of a variety of differentiated products, with the average unit value of imports ranging from $495 per ton to $689 per ton.[27] Petitioners' preliminary estimate, based on an import market share of over 12 percent and relatively fungible products finds

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[26] There is some evidence that imports from Brazil have been isolated and sporadic and there is some evidence that producers from New Zealand have dropped out of the U.S. market. See Id. at I-106.

[27] See Id. at I-63, Table 15.

price effects no higher than 1.6 percent. In light of this estimate, I conclude that the market for corrosion-resistant products is not so price sensitive that imports accounting for 0.3 percent of the market, or less, could depress or suppress prices. Thus I conclude that imports from Brazil, New Zealand, and Sweden are negligible and have no discernable adverse impact on the domestic industry.

Having concluded that imports in the cases discussed above have no discernable adverse impact on the domestic industries, I also determine that there is no reasonable indication that the domestic flat-rolled industries have been materially injured by reason of the subject imports in those cases.

INFORMATION OBTAINED IN THE INVESTIGATIONS

INTRODUCTION

On June 30, 1992, counsel for Armco Steel Co., L.P. (Armco); Bethlehem Steel Corp. (Bethlehem); Geneva Steel (Geneva); Gulf States Steel, Inc. of Alabama (Gulf States); Inland Steel Industries, Inc. (Inland); Laclede Steel Co. (Laclede); LTV Steel Co., Inc. (LTV); Lukens Steel Co. (Lukens); National Steel Corp. (National); Sharon Steel Corp. (Sharon); USX Corp./U.S. Steel Group (USX); and WCI Steel, Inc. (WCI), filed petitions with the U.S. International Trade Commission (Commission) and the U.S. Department of Commerce (Commerce) alleging that an industry in the United States is being materially injured and is threatened with material injury by reason of imports of certain flat-rolled carbon steel products[1] that are allegedly subsidized and sold in the United States at less than fair value (LTFV). Petitioners in

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[1] The merchandise covered by these investigations is certain cut-to-length carbon steel plate (which includes hot-rolled carbon steel universal plates--i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief) of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness; certain hot-rolled carbon steel flat products of solid shape, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, in coils, or in straight lengths which are less than 4.75 millimeters in thickness and of a width measuring at least 10 times the thickness; certain cold-rolled carbon steel products (cold-reduced products) of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated, nor coated with metal, whether or not painted, varnished or coated with plastics or other nonmetallic substances, in coils, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width measuring at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness; and certain corrosion-resistant carbon steel products of solid rectangular (other than square) cross section, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils, or in straight lengths which, if of a thickness less than 4.75 millimeters are of a width measuring at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness. This report will refer to these products as plate, hot-rolled products, cold-rolled products, and corrosion-resistant products. In letters dated July 20 and August 6, 1992, petitioners requested that the petitions be amended to exclude all grade X-70 cut-to-length carbon steel plate and shadow mask steel, respectively, from the scope of the investigations. Certain flat-rolled carbon steel products are provided for in headings/subheadings 7208, 7209, 7210.31, 7210.39, 7210.41, 7210.49, 7210.60, 7210.70, 7210.90, 7211, 7212.21, 7212.29, 7212.30, 7212.40, 7212.50, and 7212.60 of the Harmonized Tariff Schedule of the United States (HTS).

the countervailing duty investigations are Armco, Bethlehem, Geneva, Gulf States, Inland, Laclede, LTV, Lukens, National, Sharon, USX, and WCI, except as noted in table 1. Petitioners in the antidumping investigations are Armco, Bethlehem, Geneva, Gulf States, Inland, Laclede, LTV, Lukens, National, Sharon, USX, and WCI, except as noted in table 2.

Table 1
Certain flat-rolled carbon steel products: Preliminary countervailing duty investigations, by product and by country

Country	Plate	Hot-rolled products	Cold-rolled products	Corrosion-resistant products
Austria			701-TA-336[1]	
Belgium	701-TA-319[2]	701-TA-329[3]	701-TA-337[1]	
Brazil	701-TA-320[2]	701-TA-330[3]	701-TA-338[1]	701-TA-347[4]
France	701-TA-321[2]	701-TA-331[3]	701-TA-339[1]	701-TA-348[4]
Germany	701-TA-322[2]	701-TA-332[3]	701-TA-340[1]	701-TA-349[4]
Italy	701-TA-323[2]	701-TA-333[3]	701-TA-341[1]	
Korea	701-TA-324[2]	701-TA-334[3]	701-TA-342[1]	701-TA-350[4]
Mexico	701-TA-325[2]			701-TA-351[4]
New Zealand		701-TA-335[3]	701-TA-343[1]	701-TA-352[4]
Spain	701-TA-326[2]		701-TA-344[1]	
Sweden	701-TA-327[2]			701-TA-353[4]
Taiwan			701-TA-345[1]	701-TA-354[4]
United Kingdom	701-TA-328[2]		701-TA-346[1]	

[1] Geneva, Laclede, and Lukens are not petitioners.
[2] Armco, Laclede, LTV, National, and WCI are not petitioners.
[3] Lukens is not a petitioner.
[4] Laclede is not a petitioner.

Source: The petition.

Accordingly, effective June 30, 1992, the Commission instituted the preliminary subsidy and antidumping investigations shown in tables 1 and 2 under sections 703(a) and 733(a) of the Tariff Act of 1930 (the Act) (19 U.S.C. §§ 1671b(a) and 1673b(a)), respectively, to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise into the United States.

The statute directs the Commission to make its preliminary determination within 45 days after receipt of the petition, or, in these investigations, by August 14, 1992. Notice of the institution of the Commission's investigations was posted in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and published in the Federal Register on July 8, 1992 (57 F.R. 30230).[2] Commerce published its notices of initiation in the

[2] Copies of cited Federal Register notices are presented in app. A.

Table 2
Certain flat-rolled carbon steel products: Preliminary antidumping investigations, by product and by country

Country	Plate	Hot-rolled products	Cold-rolled products	Corrosion-resistant products
Argentina			731-TA-597[1]	
Australia			731-TA-598[1]	731-TA-612[2]
Austria			731-TA-599[1]	
Belgium	731-TA-573[3]	731-TA-588[4]	731-TA-600[1]	
Brazil	731-TA-574[3]	731-TA-589[4]	731-TA-601[1]	731-TA-613[2]
Canada	731-TA-575[3]	731-TA-590[2]	731-TA-602[1]	731-TA-614[2]
Finland	731-TA-576[3]			
France	731-TA-577[3]	731-TA-591[4]	731-TA-603[1]	731-TA-615[2]
Germany	731-TA-578[3]	731-TA-592[4]	731-TA-604[1]	731-TA-616[2]
Italy	731-TA-579[3]	731-TA-593[4]	731-TA-605[1]	
Japan	731-TA-580[5]	731-TA-594[6]	731-TA-606[7]	731-TA-617[8]
Korea	731-TA-581[3]	731-TA-595[9]	731-TA-607[1]	731-TA-618[2]
Mexico	731-TA-582[3]			731-TA-619[2]
Netherlands		731-TA-596[4]	731-TA-608[1]	
Poland	731-TA-583[3]			
Romania	731-TA-584[3]			
Spain	731-TA-585[3]		731-TA-609[1]	
Sweden	731-TA-586[3]			
Taiwan			731-TA-610[1]	731-TA-620[2]
United Kingdom	731-TA-587[3]		731-TA-611[1]	

[1] Geneva, Laclede, and Lukens are not petitioners.
[2] Laclede is not a petitioner.
[3] Armco, Laclede, LTV, National, and WCI are not petitioners.
[4] Lukens is not a petitioner.
[5] Armco, Inland, Laclede, LTV, National, and WCI are not petitioners.
[6] Armco, Inland, LTV, Lukens, and National are not petitioners.
[7] Armco, Geneva, Inland, Laclede, LTV, Lukens, and National are not petitioners.
[8] Armco, Inland, Laclede, LTV, and National are not petitioners.
[9] Lukens and USX are not petitioners.

Source: The petition.

Federal Register on July 24, 1992 (57 F.R. 32970) and July 29, 1992 (57 F.R. 33488). The Commission held a public conference in Washington, DC, on July 21, 1992, at which time all interested parties were allowed to present information and data for consideration by the Commission.[3] The Commission's vote in these investigations was held on August 10, 1992.

A summary of the data collected from these investigations is presented in appendix C.

[3] A list of conference participants is presented in app. B.

PREVIOUS AND RELATED INVESTIGATIONS

On March 26, 1980, USX filed antidumping petitions with the Commission on imports of certain steel products from Belgium, Germany, France, Italy, Luxembourg, the Netherlands and the United Kingdom. The Commission determined in investigations Nos. 731-TA-18-24 (Preliminary) that there was a reasonable indication that an industry in the United States was materially injured by reason of LFTV imports from the subject countries. Those imports included plate, hot-rolled sheet, cold-rolled sheet, galvanized sheet, and structural shapes. On October 1, 1980, USX submitted a letter to Commerce withdrawing its petitions. Effective October 1, 1980, Commerce terminated the investigations.

On November 18, 1981, the Commission received advice from Commerce that it was initiating countervailing duty investigations on imports of plate from Belgium and Brazil and an antidumping investigation on imports of plate from Romania. The Commission determined in investigations Nos. 701-TA-83-84 (Preliminary) that there was a reasonable indication that an industry in the United States was materially injured by reason of subsidized imports of plate from Belgium and Brazil. The Commission also determined in investigation No. 731-TA-51 (Preliminary) that there was a reasonable indication that an industry in the United States was materially injured by reason of LTFV imports of plate from Romania. Commerce subsequently terminated the investigation.

On November 18, 1981, the Commission received advice from Commerce that it was initiating a countervailing duty investigation on imports of hot-rolled sheet from France. The Commission determined in investigation No. 701-TA-85 (Preliminary) that there was a reasonable indication that an industry in the United States was materially injured by reason of subsidized imports of hot-rolled sheet from France. Commerce subsequently terminated the investigation.

On January 11, 1982, seven domestic steel producers[4] filed petitions with the Commission alleging material injury by reason of LTFV and subsidized imports of certain steel products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and the Federal Republic of Germany. The Commission determined in investigations Nos. 701-TA-86-144, 701-TA-146, and 701-TA-147 (Preliminary) and investigations Nos. 731-TA-53-86 (Preliminary) that there was a reasonable indication that an industry in the United States was materially injured by reason of LTFV and subsidized imports from the subject countries. The subsidized imports found to cause injury included plate, hot-rolled sheet and strip, cold-rolled sheet and strip, galvanized sheet, structural shapes, hot-rolled bar, and cold-formed bar. The LTFV imports found to cause injury included plate, hot-rolled sheet and strip, cold-rolled sheet and strip, and structural shapes. On October 21, 1982, petitioners notified the Commission that they were withdrawing the petitions, and the Commission terminated the investigations.

On January 11, 1982, domestic steel producers filed petitions with the Commission alleging material injury by reason of subsidized imports of certain steel products from Spain. The Commission determined in investigations Nos.

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[4] Bethlehem, Cyclops Corp., Inland, Jones & Laughlin Steel, Inc., National, Republic, and USX.

701-TA-155, 701-TA-157-160, and 701-TA-162 (Final) that an industry in the United States was materially injured by reason of subsidized imports from Spain. Those imports included plate, cold-rolled sheet, galvanized sheet, structural shapes, hot-rolled bar, and cold-formed bar.

On January 11, 1982, domestic steel producers filed petitions with the Commission alleging material injury by reason of subsidized imports of plate from Brazil. The Commission determined in investigation No. 701-TA-87 (Final) that an industry in the United States was materially injured by reason of subsidized imports of plate from Brazil.[5]

On May 7, 1982, USX filed petitions with the Commission alleging material injury by reason of subsidized imports of certain steel products from the Republic of Korea. The Commission determined in investigations Nos. 701-TA-170, 701-TA-171, and 701-TA-173 (Final) that an industry in the United States was materially injured by reason of subsidized imports of plate, hot-rolled sheet, and galvanized sheet from the Republic of Korea.

On January 31, 1983, Bethlehem filed a petition with the Commission alleging material injury by reason of LTFV imports of certain steel products from Brazil. The Commission determined in investigation No. 731-TA-123 (Final) that an industry in the United States was materially injured by reason of LTFV imports of plate from Brazil.

On November 10, 1983, USX filed petitions with the Commission alleging material injury by reason of subsidized and LTFV imports of certain steel products from Brazil. The Commission determined in investigations Nos. 701-TA-205-207 (Preliminary) that there was a reasonable indication that an industry in the United States was materially injured by reason of subsidized imports of plate, hot-rolled sheet, and cold-rolled sheet. Commerce subsequently terminated the investigations.

On January 24, 1984, the United Steelworkers of America, AFL-CIO/CLC, and Bethlehem filed a petition with the Commission, pursuant to section 201(b)(1) of the Trade Act of 1974, alleging that certain steel products were being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles. The Commission determined in investigation TA-201-51 that products including semifinished steel, plates, structural shapes and units, wire and wire products, and sheet and strip were being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing like or directly competitive articles.

On October 31, 1983, Gilmore Steel Corp. filed a petition with the Commission alleging material injury by reason of LTFV imports of plate from the Republic of Korea. The Commission determined in investigation No. 731-TA-151 (Final) that an industry in the United States was materially injured by reason of LTFV imports of plate from Korea.

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[5] Pursuant to a suspension agreement, the government of Brazil agreed to impose an export tax offsetting the subsidy and the duty did not take effect.

On November 10, 1983, USX filed petitions with the Commission alleging material injury by reason of LTFV imports of certain steel products from Brazil. The Commission determined in investigation No. 731-TA-153 (Final) that an industry in the United States was materially injured by reason of LTFV imports of hot-rolled sheet from Brazil. The Commission determined in investigation No. 731-TA-154 (Final) that an industry in the United States was not materially injured by reason of LTFV imports of cold-rolled sheet from Brazil.

On February 10, 1984, USX filed petitions with the Commission alleging material injury by reason of subsidized and LTFV imports of certain steel products from Argentina, Australia, Finland, South Africa, and Spain. The Commission determined in investigation No. 701-TA-212 (Preliminary) and investigations Nos. 731-TA-169-182 (Preliminary) that there was a reasonable indication that an industry in the United States was materially injured by reason of subsidized and LTFV imports of certain steel products from the subject countries. The subsidized imports found to cause injury were galvanized sheet from Australia. The LTFV imports found to cause injury included plate, hot-rolled sheet, cold-rolled sheet, galvanized sheet, and structural shapes.[6] Commerce subsequently terminated the investigations.

On June 18, 1984, USX filed petitions with the Commission alleging material injury by reason of subsidized imports of cold-rolled sheet and structural shapes from Korea. The Commission determined in investigation No. 701-TA-218 (Final) that an industry in the United States was materially injured by reason of subsidized imports of cold-rolled sheet from Korea.[7]

On December 19-20, 1984, three domestic producers, including Bethlehem and USX, filed petitions with the Commission alleging material injury by reason of subsidized and LTFV imports of certain steel products from Austria, Czechoslovakia, East Germany, Finland, Hungary, Norway, Poland, Romania, Sweden, and Venezuela.[8] The Commission determined in investigations Nos. 701-TA-225-234 (Preliminary) and investigations Nos. 731-TA-213-217, 731-TA-219, 731-TA-221-226, and 731-TA-228-234 (Preliminary) that there was a reasonable indication that an industry in the United States was materially injured by reason of subsidized and LTFV imports of certain steel products from the subject countries. The subsidized imports found to cause injury included plate, hot-rolled sheet, and cold-rolled sheet. The LTFV imports found to cause injury included plate, hot-rolled sheet, cold-rolled sheet, and structural shapes. The Commission also determined that there was no reasonable indication that an industry in the United States was materially injured by reason of subsidized and LTFV imports of galvanized sheets. Then, pursuant to the withdrawal of certain petitions, Commerce terminated the

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[6] The countervailing duty investigation of imports of galvanized sheet from Australia was terminated effective July 25, 1984, when Commerce made a final negative subsidy determination.

[7] The countervailing duty investigation of imports of structural shapes from Korea was terminated effective December 3, 1984, when Commerce made a final negative subsidy determination.

[8] On January 18, 1985, Bethlehem, the petitioner in all the dumping investigations of imports from Finland, withdrew its petition alleging injury by reason of LTFV imports from Finland. Effective January 25, 1985, Commerce terminated its investigations of all subject imports from Finland.

following investigations: the antidumping cases involving imports from Czechoslovakia, Hungary, East Germany, Poland, Romania, and Venezuela; and the countervailing duty cases involving imports from Venezuela. The Commission determined in investigations Nos. 701-TA-225, 701-TA-227, 701-TA-228, 701-TA-230, and 701-TA-231 (Final) that an industry in the United States was materially injured by reason of subsidized imports of cold-rolled plate and sheet from Austria and Sweden. The Commission further determined that an industry in the United States was not materially injured by reason of subsidized imports of plate from Sweden or hot-rolled sheet from Austria and Sweden. Finally, the Commission determined in investigation No. 731-TA-219 (Final) that an industry in the United States was not materially injured by reason of LFTV imports of hot-rolled sheet from Austria.

Many of these investigations were terminated by Commerce because the United States entered into voluntary restraint agreements (VRAs) with the exporting nations that limited the volume of those nations' exports to the United States. The VRA program stemmed from a determination by the President, on September 18, 1984, that taking action under section 201 of the Tariff was not in the national economic interest; this decision followed investigation No. TA-201-51, in which imports of certain steel products were found to be a substantial cause of serious injury, or threat thereof, to certain domestic industries.[9]

The President directed the United States Trade Representative (USTR) to negotiate VRAs to cover a five-year period, i.e., October 1, 1984 through September 30, 1989, with countries whose exports to the United States had increased significantly. Although the structure of the arrangements varied from one country to another, each involved an agreement by the foreign government to limit exports of certain steel products to the United States. In order to bring the agreements into effect, U.S. producers withdrew pending unfair trade petitions and the U.S. Government suspended antidumping and countervailing duties on steel products covered by the VRAs.

THE NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Petitioners used various methods to determine alleged countervailing duty[10] and antidumping margins in these investigations; tables 3 and 4 summarize these margins.

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[9] Affirmative decisions were rendered in the case of semifinished steel, plates, sheets and strip, wire and wire products, and structural shapes and units. Negative determinations were rendered in the case of wire rod, railway type products, bars, and pipe and tube.

[10] See the postconference brief of Dewey Ballantine for a discussion of the dimensions of the alleged subsidy problem, pp. 50-64.

Table 3
Certain flat-rolled carbon steel products: Alleged countervailing duty margins, by product and by country

Country	Plate	Hot-rolled products	Cold-rolled products	Corrosion-resistant products
Austria	(1)	(1)	8.0	(1)
Belgium	1.16- 4.99	6.89-12.21	6.89-12.21	(1)
Brazil	6.15-42.28	6.15-42.28	6.15-42.28	26.22
France	28.90	28.90	28.90	28.90
Germany	3.42	3.42	3.42	3.42
Italy	16.82-62.92	16.82-62.92	16.82-62.92	(1)
Korea	11.74	11.74	11.74	11.74
Mexico	24.14			24.14
New Zealand	(1)	79.15	79.15	79.15
Spain	41.05	(1)	41.05-52.18	(1)
Sweden	5.02	(1)	(1)	5.02
Taiwan	(1)	(1)	12.81	12.99
United Kingdom	20.15	(1)	20.15	(1)

[1] Not applicable.

Source: The petition.

Table 4
Certain flat-rolled carbon steel products: Alleged antidumping margins, by product and by country

Country	Plate	Hot-rolled products	Cold-rolled products	Corrosion-resistant products
Argentina	(1)	(1)	43.90-51.58	(1)
Australia	(1)	(1)	25.94	19.07- 37.94
Austria	(1)	(1)	6.24-9.18	(1)
Belgium	25.55	1.52-1.90	23.49	(1)
Brazil	53.00-109.00	45.00-87.00	0.31-88.00	43.00
Canada	7.90- 36.20	21.90-27.80	33.20-58.30	13.00- 45.10
Finland	7.00- 43.00	(1)	(1)	(1)
France	5.64- 27.94	5.16-20.94	10.29-14.24	6.02
Germany	15.44- 37.98	9.28-15.43	33.29	19.94- 40.79
Italy	4.24- 5.93	11.03	10.94	(1)
Japan	2.71- 14.70	3.76-10.32	9.15-17.44	6.79- 18.19
Korea	3.19- 8.48	54.49-76.89	30.99-41.45	2.47- 20.27
Mexico	48.42- 49.25	(1)	(1)	22.06-152.84
Netherlands	(1)	1.71	1.86- 8.43	(1)
Poland	62.10- 73.80	(1)	(1)	(1)
Romania	87.80-101.80	(1)	(1)	(1)
Spain	18.76- 62.13	(1)	21.71-38.50	(1)
Sweden	19.34	(1)	(1)	(1)
Taiwan	(1)	(1)	23.68-34.97	12.61- 45.05
United Kingdom	1.19- 71.76	(1)	13.04-23.02	(1)

[1] Not applicable.

Source: The petition.

Plate

The subsidy and dumping margins alleged by petitioners range from 1.16 percent to 109.00 percent. For several of the 15 subject countries the dumping margins are based on evidence that the subject merchandise has been sold at prices below the foreign producer's cost of production.[11]

Hot-rolled products

The alleged subsidy margins for the eight subject countries ranged as high as 79.15 percent. With the possible exception of Germany, the subsidies at issue were "survival" subsidies.[12] Survival subsidies are subsidies provided by countries to their steel industries that either maintained obsolete or unneeded capacity, or resulted in the creation of additional excess capacity. Such subsidies allow unprofitable companies to undertake modernization projects that they did not have the ability to finance, or made capital available to create new industries or modernize old industries, in circumstances where such capital could not have been raised commercially.[13] The alleged dumping margins range from 1.52 percent to 87 percent for the nine subject countries.

Cold-rolled Products

The alleged subsidy margins for the 12 subject countries range as high as 79.15 percent and the alleged dumping margins range from 0.31 percent to 88 percent. For eight of the subject countries the margins are based on allegations that the subject merchandise has been sold at prices below the foreign producer's cost of production.

Corrosion-resistant Products

The alleged subsidy margins range as high as 79.15 percent for the eight subject countries and the alleged dumping margins range from 2.47 percent to 152.84 percent for the nine subject countries.

THE PRODUCTS

Description

All products subject to investigation are flat-rolled carbon steel products. Carbon steel, which is marked by the presence of alloying elements in limited proportions, is the most common grade of steel and generally cheaper to manufacture than the various grades of alloy steels. It is defined as an alloy of carbon and iron that is usefully malleable as first cast and in which: (1) iron predominates, by weight, over each of the other contained

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[11] Petitioners' postconference brief, Vol. 1, p. 274.
[12] Petitioners' postconference brief, Vol. 1, pp. 180-181.
[13] Petitioners' postconference brief, Vol. 1, p. 68 and Vol. 3, apps. C, D and K.

elements, (2) the carbon content is 2 percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated:

1.65 percent of manganese, or
0.60 percent of silicon, or
0.40 percent of copper, or
0.30 percent of aluminum, or
0.30 percent of chromium, or
0.30 percent of cobalt, or
0.40 percent of lead, or
0.30 percent of nickel, or
0.30 percent of tungsten, or
0.0008 percent of boron, or
0.08 percent of molybdenum, or
0.06 percent of niobium, or
0.05 percent of titanium, or
0.10 percent of vanadium, or
0.05 percent of zirconium, or
0.10 percent of any other elements (except sulfur, phosphorus, carbon, and nitrogen), taken separately.

Flat-rolled products, as implied by the name, are marked by their surface flatness, which distinguishes them from other steel products, such as bar, wire, pipes, and beams. They have a solid rectangular (other than square) cross section, and may be coiled or in straight lengths.[14]

As a whole, domestically produced flat-rolled carbon products are like the imported products in terms of both production process and product characteristics. In specific instances, however, the imported product may meet unique gauge, quality, dimensional, or metallurgical specifications. Respondents in these cases argue that for some products the distinctions between the imported and domestic product are substantial enough that the imported product should be considered a separate "like product." In many other instances, however, respondents argue that the unique characteristics of the imported product are such as to virtually eliminate competition between the imported and domestic product, and that therefore the imported product cannot be a source of injury to the domestic industry. Petitioners dispute most of these like product and competition arguments. Below is a description of the four flat-rolled carbon products subject to these investigations and a discussion of the "like" products and the so-called "niche" products named in the competition arguments.

Plate

The plate products covered by these investigations are uncoiled flat products rolled on either a plate mill or hot-strip mill, of a thickness of

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[14] If in straight lengths, flat-rolled products must (1) be of a width measuring at least 10 times the thickness for thicknesses less than 0.187 inches (4.75 mm) or (2) be of a width that exceeds 5.906 inches (150 mm) and measures at least twice the thickness for thicknesses of 0.187 inches (4.75 mm) or more.

0.187 inches (4.75 mm) or more, whether or not pickled, and plate produced on a universal mill (a specific type of plate mill)[15] of a thickness of 0.157 inches (4 mm) or greater, and without patterns in relief. Cut-to-length carbon steel plate that has been clad, plated, or coated with metal is excluded from this category, but is included in the category of corrosion-resistant flat-rolled carbon steel products. Also specifically excluded from this category are plates in coils (which are included in "hot-rolled products") and plates that are not rectangular.[16] Finally, petitioner has requested that the petitions be amended to exclude plates that are characterized as X-70 plates.[17]

Separate like products

Petitioners address the issue of whether "coiled plate" should be considered a like product with "cut-to-length plate." Petitioners indicate that the Commission has included coiled plate as part of the plate industry in some instances and as part of the sheet industry in other instances.[18] Petitioners utilize the Commission's like-product analysis to distinguish coiled plate (plate produced on a hot-strip mill) from plate produced on a plate mill. Petitioners indicate that the products differ significantly with respect to price, which is partly a function of the greater efficiencies and continuous processing of the hot-strip mill; metallurgical and physical characteristics, although there is an admitted overlap in certain widths and thicknesses; differences in processing and manufacturing facilities among both producers and end users; and separate marketing channels and end uses (including significant end-use limitations on coiled plate). Petitioners, therefore, would ideally prefer to separate all coiled hot-rolled strip mill products from all plate mill products and treat them as separate like products. However, for reasons of data availability, petitioners advocate separating uncoiled hot-strip mill plate (a product that has been decoiled and flattened, cut to length, and exceeds 4.75 mm in thickness) from other hot-strip mill products, and including it with the category of plate-mill plate,

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[15] A universal mill is a specific type of plate mill that has vertical rolls preceding and following the horizontal rolls. Vertical rolls maintain the plate's width, so that only the plate's length is increased in the rolling process. The plate is typically rolled on all four faces in a closed box pass, and its width may range from approximately 6 to 50 inches.

[16] Non-rectangular cut-to-length plates include circular and semi-circular plates; these are termed sketch plates and rings. They are produced by shearing or gas-cutting hot-rolled rectangular plates to specified shapes.

[17] In a letter dated July 22, 1992, petitioners requested that the scope of the investigation be amended to exclude X-70 plate. This is plate with a yield strength exceeding 70,000 pounds per square inch, used to manufacture certain grades of pipe. During the period of the VRAs, several short-supply requests were granted on this item. (Skadden, Arps, Slate, Meagher & Flom letter dated July 22, 1992 on behalf of petitioners.)

[18] Petitioners' postconference brief, p. 38, citing *Certain Flat-Rolled Carbon Steel Products from Brazil*, USITC Pub. 1499 (Mar. 1984).

resulting in one category of cut-to-length plate.[19] In addition, some of the differences in end use and marketing channels between coiled plate and plate-mill plate are apparently mitigated once the coiled plate has been cut to length.

Respondents for Spain take the position that cut-to-length plate and plate in coils should be considered a single like product.[20] No other respondents expressed a view on this subject.

Caterpillar Inc. raises the issue of whether universal mill plate (i.e., plate that is produced on a "universal mill") is a separate like product. (See section on "Manufacturing Process".) Caterpillar argues that because no universal mill plate is being produced in the United States, the company must import in order to utilize this type of plate in the production of motor grader frames.[21] Petitioners state that universal mills represent an obsolete technology and that the last universal mill ceased operating in the United States in 1990; Caterpillar acknowledges the obsolescence of this technology as well, identifying only ***. Caterpillar provided no documentation of its statement that it could not utilize sheared-mill plate for the production of motor grader frames, or of its allegations regarding large price differentials between sheared- and universal-mill plate.

Manitoba Rolling Mills raises the issue of whether flat bars, up to 10 inches (254 mm) in width, constitute a separate like product. Unlike plate and all other flat products, flat bars are rolled from steel blooms or billets and not steel slabs. However, some of the production and imports of this product fall into the plate category because of an overlap in size above 6 inches (150 mm).[22]

Competition arguments

Counsel for the Italian respondents alleges that certain short supply allocations prove the niche character of imports from Italy. As mentioned, petitioner has requested that the petitions be amended to exclude one short supply product imported from Italy (X-70 grade plate for pipemaking); of the remaining imports, some were granted short-supply allocations prior to the period of investigation, but apparently there have no been such allocations made during the period of investigation.

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[19] Petitioners' postconference brief, Vol. 1, pp. 42-50. The categories of cut-to-length plate and coiled plate are consistent with AISI statistics and the Harmonized Tariff Schedule; the categories of plate-mill plate and strip-mill plate are not.

[20] Postconference brief of Ackerson & Bishop on behalf of Empresa Nacional Siderurgica, S.A. et al. (Spain), p. 25, citing *Certain Flat-rolled Carbon Steel Products from Brazil*.

[21] See separate like-product analysis for universal mill plate, postconference brief of Powell, Goldstein, Frazer & Murphy on behalf of Caterpillar, pp. 3-7.

[22] Postconference brief of Barnes, Richardson & Colburn on behalf of Manitoba Rolling Mills. Production and import data were not provided, nor was documentation of its comments as to competition between this type of bar and plate.

Counsel for the Japanese respondents claims that the imports consist of special, highly engineered, "niche" products for which the domestic industry offered no qualified equivalent at the time of the customer's order, including thermomechanical controlled rolling process plate used by one contractor in building an offshore oil platform; dual-phase plate used to manufacture automotive torque converters; hydrogen-induced-cracking-resistant plate used in petrochemical vessels and oil well equipment; high tensile strength plate; and several types of plate that offer superior abrasion resistance, weldability, or formability, and surface or dimensional characteristics.[23]

Counsel for the Korean respondents argues that the degree of competition between imports from Korea and the domestic like product is limited for certain applications and that the Korean product possesses superior flatness, formability, and gauge tolerances. They also indicate that sales of the Korean product are limited to the Western United States.[24]

Petitioners respond that the imports are fungible with each other and with the domestic like product even within certain specifications; there are sales or offers to sell in the same geographical markets; and there are common or similar channels of distribution (multiple sourcing, for example); and the imports have a discernible impact on the domestic market because of the price sensitivity of steel, the nature of the steel industry's competitive structure, and its high fixed costs. Petitioners respond to the niche arguments made by respondents for Italy, Japan, and Caterpillar by noting that the domestic industry can and does produce the products.[25]

Hot-rolled Products

Commonly referred to as hot-rolled sheet, strip, and coiled plate, these are flat-rolled products that have been hot-rolled on a hot-strip mill, but not cold-rolled (as described below in the "Manufacturing Process" section). Hot-rolled products must be greater than 0.5 inches (12.7 mm) in width, although in practice they can be as wide as 90 inches (228.6 cm) or more. In terms of thickness (gauge), hot-rolled products, if in coils, have no specified upper gauge limit, but if in straight lengths must be less than 0.187 inches (4.75 mm). In practice, most hot-rolled products are greater than 0.06 inches (1.5 mm) in thickness. Hot-rolled products may be pickled and/or oiled, and may be painted, varnished, or coated with plastics or other non-metallic substances.

Respondents and petitioners in these cases distinguish between hot-rolled steel that is shipped on the open market (merchant hot-rolled) and that which is captively consumed by related cold-rollers or pipemakers. In practice, competition between captive and merchant shipments is limited. All integrated cold rollers have a dedicated supplier of hot band. For example,

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[23] Postconference brief from Squire, Sanders & Dempsey on behalf of Kawasaki et al. (Japan), p. 1 and pp. 8-10. Respondents refer to their product as a specialty grade item and indicate that Japanese exports of commercial grade plate are less than one percent of total exports.

[24] Postconference brief of Morrison & Foerster, p. 8.

[25] Petitioners' postconference brief, Vol. 1, pp. 85-92, and Vol. 2A, exhibit 2 (affidavit of Donald Foster).

Bethlehem, like all integrated producers, uses its own hot band to make cold-rolled products.

Although an integrated company technically can substitute merchant hot band for its own, respondents argue that this is not done even when the price of the merchant hot band drops below the company's hot band production cost; substitution is made only infrequently. According to industry officials, there are several reasons for this. First, using hot band purchased on the open market ultimately decreases the company's demand for raw steel, thereby decreasing the capacity utilization of the blast furnace and melt shop, and increasing average steelmaking costs. Second, cold rollers are greatly aided by having precise knowledge of the feedstock for their cold-rolling mill; by rolling their own hot band, they have a record of each band's precise chemical and physical properties. Third, relying on merchant hot band puts cold rollers at a distinct disadvantage in up markets, when traditional suppliers might need to use all their hot band for internal consumption. Fourth, consistency and uniformity of supply is more easily maintained when using one's own product.[26]

Competition arguments[27]

The captive/merchant distinction is particularly important for counsel representing POSCO (Korea). Counsel states that most imports of hot-rolled steel from Korea are captive shipments from POSCO to the USX-POSCO (UPI) cold-rolling facility in Pittsburg, CA.[28] Respondents argue that these imports do not compete with other imports or domestic hot-rolled products.[29] The only other domestic supplier of hot band to UPI is USX, and UPI argues that even USX recognizes the desirability of supplying UPI solely with hot bands from POSCO and ***.[30] In response, petitioners characterize UPI's imports not as captive shipments but as "a long term supply contract with POSCO."[31]

The other competition argument that respondents put forward is that although foreign producers participate in the domestic merchant market, many imported products fill specific market "niches" that domestic producers cannot. Because of this, according to respondents, there is often not a sufficiently reasonable overlap of competition between the domestic and imported product. For example, respondents on behalf of POSCO argue that the type of steel supplied by POSCO is not available in sufficient quantities from U.S. producers. Though some adequate hot band may be produced by U.S. producers, it is consumed captively for cold-rolled production and is

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[26] Transcript of the conference (TR), pp. 259-261, and postconference brief of Weil, Gotshal, & Manges on behalf of UPI, pp. 3-5.

[27] No arguments regarding separate like products were raised in the hot-rolled product category, except that related to the treatment of coiled and cut-to-length plate, as discussed in the section on plate.

[28] TR, p. 251. POSCO and USX are 50-percent joint venture partners in UPI.

[29] TR, p. 252 and postconference brief of Morrison and Foerster on behalf of the Korea Iron and Steel Institute et. al., p. 26.

[30] Postconference brief of Weil, Gotshal & Manges on behalf of UPI, appendix A, p. 18.

[31] Petitioners' postconference brief, Vol. 1, p. 89.

therefore not available commercially on a consistent basis.[32] According to UPI's president, Leonard Chuderewicz, the "highly engineered" nature of the UPI facilities requires a consistent supply of high quality, continuously cast hot band in large coils (1,000 pounds per inch of width or PIW).[33] Questionnaire data indicate that only *** U.S. producers *** can meet UPI specifications for hot band, and the amount they ship on the open market (to non-related parties) is small.[34] According to counsel for POSCO and several UPI customers, without POSCO's hot band, UPI argues that it would not be able to compete with foreign suppliers of high quality cold-rolled products in the Western United States.[35]

Counsel on behalf of petitioners counter UPI's claim with affidavits stating that two U.S. producers (LTV and Inland) can produce such hot band for UPI[36] ***. Furthermore, petitioners' counsel states that contrary to assertions by UPI president Leonard Chuderewicz, there is a market for high quality hot bands suitable for cold-rolling mills. As evidence, counsel notes that several cold-rolled sheet producers purchase high-quality hot band from integrated companies.[37]

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[32] TR, p. 261.

[33] TR, p. 259. ***.

[34] Of the producers that responded to question II.B.10 of the producer questionnaire (on shipments of hot band meeting UPI specifications), only *** reported shipments. *** producers *** did not respond to the question, *** UPI stated at the conference that some of its hot band has come from USX (TR, pp. 320-321). However, a Nov. 13, 1990, memo from USS Research, submitted by respondent counsel, gives an example of a particular type of hot band that USX could not supply; postconference brief of Morrison and Foerster on behalf of the Korea Iron and Steel Association et. al., attachment 6.

[35] Ten letters from UPI customers were submitted to the Commission stating at least one of the following: (1) UPI is the sole West Coast supplier of the cold-rolled product or tinplate that their companies need, (2) their purchases from UPI have displaced imports, not domestic production, (3) the high quality of UPI's finished product is dependent on its supply of hot bands from POSCO, and (4) an affirmative determination against Korea would adversely affect their businesses; letters from Ferro Union, July 8, 1992; Myers Container Corp., July 8, 1992; Reliance Metalcenter, July 8, 1992; Nampac, July 8, 1992; Maas-Hansen Steel, July 8, 1992; Performance Mechanical, July 13, 1992; Silgan, July 14, 1992; Kern Industries, July 15, 1992; Semco Enterprises, July 17, 1992; and American National Can, July 21, 1992.

[36] Petitioners' postconference brief, Vol. 2A, appendix 2, affidavits of Robert T. Buck (LTV) and of Andy Ellwein (Inland).

[37] Petitioners' postconference brief, Vol. 2A, exhibit 2, affidavits of David A. Roberts (Bethlehem), Robert Buck (LTV), and Andy Ellwein (Inland). The companies listed are Rome, Thompson, Cold Metal, Worthington Steel, Gibraltar, and Blair. It should be noted that (1) the listed cold-rolled producers (except Worthington) are actually steel converters (i.e., they do not produce steel, but only convert it from one product to another), and therefore have no alternative but to purchase their feedstock on the open market; (2) these are primarily producers of steel strip, not sheet; and (3) three of these converters (Rome, Cold Metal, and Gibraltar) submitted letters to the Commission stating that they could not meet all their procurement needs with U.S.-produced steel, in general because of quality problems.

Besides the specific case of UPI, respondents argue that there are several other "niche" hot-rolled products imported from Dofasco (Canada),[38] IPSCO (Canada),[39] Hoogovens (Netherlands),[40] Sollac (France),[41] ILVA (Italy),[42] Sidmar and TradeARBED (Belgium),[43] and various producers in Japan.[44] As an example, a representative of California Industrial Products (CIP), a fastener manufacturer that uses hot-rolled steel, claims that the high carbon, low inclusion steel CIP needs is not produced domestically. The two U.S. steel producers that reached the stage of providing test coils to CIP did not pass the qualification process.[45]

To support their argument that many of their imports are not fungible products, respondents present evidence on the price premiums customers pay for the imported product (see the "Prices" section). Respondents for the Japanese steel producers say that the premium is *** and that there is no overlap of competition between sales of Japanese hot-rolled products and domestic hot-rolled products.[46] Counsel on behalf of Sollac states that the questionnaire data show a premium for imports from Sollac up to *** for one category and *** percent for two others.[47] Although Canadian counsel admits to specific instances of Canadian underpricing of U.S. mills, they add that in *** of the cases for which comparisons of questionnaire responses could be made, Canadian prices were higher than U.S. prices.[48]

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[38] Letter from Cold Metal, July 9, 1992, and letter from Gibraltar, July 20, 1992.

[39] Postconference brief of Willkie, Farr & Gallagher et. al. on behalf of Stelco et. al. (Canada), p. 11, exhibit 3. IPSCO exports a low-carbon fine grain hot-rolled product with superior toughness to its wholly-owned pipe mill in Camanche, IA. An IPSCO executive states that the hot-rolled product supplied to the Camanche mill is not available domestically.

[40] Postconference brief of Powell, Goldstein, Frazer and Murphy on behalf of Hoogovens Groep BV (Netherlands), p. 5. Hoogovens supplies ultra-clean hot-rolled strip used in the manufacture of ***. The product, according to counsel, must have a flat uniform surface and be of very pure steel.

[41] TR, pp. 271-273. Niche products from Sollac include special high-strength low-alloy steel (allowing production of steel with a high tensile strength of 80,000 pounds per square inch), high quality pickled and oiled products, and 84-inch wide coil; affidavits from U.S. consumers attesting to the uniqueness of these products are included in the brief. Postconference brief of LeBoeuf, Lamb, Leiby & MacRae on behalf of Usinor Sacilor et. al., pp. 9-12, exhibits 5-11.

[42] Letters from Slyvania Steel, July 10, 1992; Norton Metals, July 20, 1992; and Metal-Prep, July 16, 1992.

[43] Postconference brief of O'Melveny and Myers on behalf of Sidmar and TradeARBED (Belgium), p. 17. Counsel's argument is not one of product fungibility; rather, evidence of a niche market is in the small volume of orders filled by Belgian imports *** of hot-rolled products.

[44] Letter from Rome Strip Steel, July 20, 1992.

[45] TR, pp. 268-269.

[46] Postconference brief of Willkie Farr & Gallagher et. al. on behalf of NKK et. al. (Japan), p. 6.

[47] Postconference brief of LeBoeuf, Lamb, Leiby & MacRae on behalf of Usinor Sacilor et. al. (France and Germany), p. 14.

[48] Postconference brief of Willkie, Farr & Gallagher et. al. on behalf of Stelco et. al. (Canada), p. 14.

Petitioners reject the "niche" product argument. A USX executive states, for example, that the only "niche" that Canadian producer Stelco created in the United States was one based on low prices. The executive mentioned specific instances in which Stelco *** undercut prices offered by U.S. producers in order to gain sales. With respect to the argument that price is not important in the ratings systems of the big three auto companies, the executive disagrees, stating that the rating system "is heavily weighed in favor of price."[49] Regarding the statement of CIP (above), the USX executive stated that based on the specifications given in the testimony, USX and "probably other domestic producers" could easily produce the product for CIP.[50]

Cold-rolled Products

Commonly referred to as cold-rolled sheet and strip, these are flat-rolled products that have been subjected to the process of cold-rolling (as described below in the "Manufacturing Process" section). Like hot-rolled products, cold-rolled products must be greater than 0.5 inches (12.7 mm) in width, although in practice they also can be 80 inches (203.2 cm) in width or more. In terms of thickness, cold-rolled products are much thinner than hot-rolled products, and are not infrequently produced down to as low as 0.01 inches (0.254 mm), although there are no specified upper or lower gauge limits. Cold-rolled products may be in coils, may be annealed, and may be painted, varnished, or coated with plastics or other non-metallic substances.

Separate like products

Included in the cold-rolled category is an ultra thin steel used in the manufacture of shadow masks for color television display panels. Counsel on behalf of the sole domestic shadow mask manufacturer, Buckbee-Mears Cortland (BMC), argues that ultra thin steel used for shadow masks (shadow mask steel) is a separate like product for several reasons:[51] (1) shadow mask steel has rigid requirements for thickness and thickness consistency, surface finish, and purity,[52] (2) it is not interchangeable with other cold-rolled products, (3) it is distributed through distinct channels (i.e. direct from producer to shadow mask manufacturer), (4) it is manufactured on separate facilities using a unique process,[53] and (5) is about twice as expensive as other cold-rolled steel. Respondents add that the Department of Commerce granted BMC six consecutive short supply requests during the VRAs after determining that there

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[49] Past discussions with steel purchasers from auto companies indicate that price is indeed an important (though not dominant) factor in their rating system, although the weighting varies from one producer to another. Interviews with executives from Chrysler, Ford, and GM, Detroit, May 2, 1991.

[50] Petitioners' postconference brief, Vol. 2A, exhibit 2, affidavit of James D. Lawrence.

[51] Postconference brief of Rogers & Wells on behalf of BMC, pp. 5-13.

[52] Ultra thin steel must meet the following specifications: ***.

[53] According to counsel for BMC, shadow mask steel is produced by re-rolling companies that purchase high quality hot-rolled products, or integrated cold-rolled producers that use dedicated equipment for shadow mask steel production.

was no U.S. company that could manufacture the product to the required specifications. BMC states that only certain Japanese and German suppliers meet their specifications. As noted earlier, petitioner has requested that the petitions be amended to exclude shadow mask steel.

Counsel on behalf of the Japanese producers argue that there should be four separate like products within the cold-rolled category: cold-rolled motor lamination steel (CRML), high carbon steel, tin mill black plate, and other cold-rolled steels.[54] Counsel argues that for each of these products, the product, its end use, and its manufacturing process is distinct.

CRML is an electrical steel, meaning that it contains silicon in sufficient quantities to impart specific magnetic properties to the steel.[55] When CRML has a silicon content over 0.60 percent, it is an alloy steel, and therefore outside the scope of the investigations. However, a small amount of CRML falls within the carbon grade. CRML (alloy and carbon) is used specifically for electric motors. Counsel states that other cold-rolled products do not have adequate properties to be used in electrical applications and that CRML is not used in applications where other cold-rolled would suffice. The production process varies slightly, as the reheating of slabs and the coiling and annealing process must all be done at unique temperatures. Finally, counsel adds that CRML is not sold through service centers but directly to end users.

High carbon steel (as defined by counsel) contains 0.35 percent or more of carbon. Carbon makes steel harder but also more brittle, making it difficult to form. Thus, high carbon steels are used in applications where hardness is more important than formability. The most common application for high carbon steels is in the manufacture of fasteners for the automotive industry, since fasteners are simply stamped out from sheet and not subject to further forming. According to counsel, high carbon steel is not used interchangeably with other carbon steel because of its specific properties. Counsel makes no argument with respect to different manufacturing processes or channels of distribution.

Tin mill black plate is a very thin cold-rolled product (less than 0.0142 inches (0.361 mm)) that is primarily used as the substrate in the manufacture of tinplate (tin-coated steel) and tin-free steel (chromium- or chromium oxide-coated steel), which are used to make steel cans and containers. According to counsel for Japanese respondents, black plate is not interchangeable with thicker gauge cold-rolled steel. No differences in manufacturing process or channels of distribution were cited, although most black plate is produced on separate cold mills from other cold-rolled products.

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[54] Postconference brief of Willkie Farr & Gallagher et. al. on behalf of NKK et. al. (Japan), pp. 51-59.

[55] The silicon content, in combination with low sulfur, phosphorus, and manganese content, imparts to the steel certain magnetic characteristics, particularly low core loss (measure of the material's ability to carry an alternating current), high permeability (ease with which material becomes magnetized), and high electrical resistivity (measure of a material's non-conductivity of electricity, magnetism, or heat).

Competition arguments

Counsel on behalf of various foreign producers made several "niche" product arguments that are similar to those outlined in the section on hot-rolled products. Respondents submitted letters from U.S. customers that state that the imported product is either not produced in the United States or not available in sufficient quantities. The reasons given for why the imported product does not substitute for the domestic product vary, but most fall into the categories of unique characteristics with respect to surface finish, internal cleanliness, gauge control, and delivery.[56]

Canadian respondents add that many U.S. customers purchase their steel for the unique qualities that are not available domestically, including low carbon/nitrogen steel, while others purchase Canadian steel after experiencing quality and/or service problems with U.S.-produced steel.[57]

Counsel for the Japanese producers focuses its argument on the lack of competition between Japanese cold-rolled imports and other cold-rolled imports, referring to other cold-rolled imports as "generic," implying that cold-rolled products from other countries are fungible. Japanese producers, which claim to specialize in seven distinct market segments, present evidence that the price of Japanese cold-rolled imports is on average $73 per ton more than all other imports.[58] It should be noted, however, that some of the "niche" products have also been named by other foreign producers. For example, "dead flat steel" is claimed to be available only through Japanese producers, but Union Steel (Korea) also claims to supply it.[59]

Counsel on behalf of Hitachi Metals, Ltd. (Japan) argues that hardened carbon steel is not a source of injury because there are no domestic producers of the product.[60] According to counsel, hardened carbon steel possesses

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[56] Another argument put forward by counsel for the Belgian producers is that many imports from Belgium are orders for small runs, whereas the domestic competition is focused on the large-volume markets. In addition, many Belgian imports are shipped to long-standing customers and therefore do not compete with domestic producers for new customers; postconference brief of O'Melveny and Myers on behalf of Sidmar and TradeARBED (Belgium), pp. 21, 26.

[57] Postconference brief of Willkie, Farr & Gallagher et. al. on behalf of Stelco et. al. (Canada), pp. 25-29, exhibits 11 and 13.

[58] The seven market segments are as follows: tin mill black plate, high carbon steel, CRML, high tensile steel, ultra bright steel, ultra low carbon steel, and dead flat steel; postconference brief of Willkie Farr & Gallagher et. al. on behalf of NKK et. al. (Japan), pp. 9, 15, appendix 5.

[59] Postconference brief on cold-rolled of Morrison and Foerster on behalf of Korea Iron and Steel Association et. al., p. 3.

[60] Postconference brief of Howrey & Simon on behalf of Hitachi Metals Ltd., Inc. (Japan), pp. 4-8. Included in counsel's submission is a letter from Hoerbiger Corp, a flapper valve manufacturer, in which the company states that hardened carbon steel, a required material, is not available domestically.

unique physical and technical characteristics,[61] is manufactured differently,[62] and has distinct applications,[63] prices, and channels of distribution.

Counsel on behalf of *** and ***, BHP (Australia), and Hoogovens (Netherlands) argue that full-hard semifinished unannealed sheet is a specialized product that has not been available in sufficient quantities in the United States during the period of investigation. The product is cold-rolled ***. In an affidavit, an executive of *** said that some of the specific types of *** required are not available from U.S. producers.[64]

Counsel for Sollac (France) argues that imports from Sollac fall into five separate market niches: cold-rolled with superior drawability and gauge control, cold-rolled with superior flatness for drum manufacturers, steel for enameling, cold-rolled sheet with excellent formability and paintability for furniture manufacturers, steel for appliance manufacturers ***, and steel for manufacturers of bright finish steel.

Counsel for the German steel producers argues that niches filled by German steelmakers include commercial bright steel with low surface roughness and high purity steel used for exposed parts and extreme deep drawing applications.[65]

Counsel representing respondents add that because the domestic product and the imported product are not substitutable, they do not compete on the basis of price. Counsel representing the Korean producers, for example, states that a premium of $*** per ton is paid for such imports from Korea.[66] Counsel representing the Taiwanese producers state that their *** product was

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[61] Hardened carbon steel possesses unique fatigue properties that allow the steel to withstand repeated or cyclical application of stress.

[62] Hardened carbon steel, according to counsel, uses several different materials and production process. For example, instead of using molten pig iron as the primary input into the steelmaking furnace, sponge iron (of higher purity than pig iron) is used. The steelmaking furnace used, a vacuum induction furnace, is used infrequently in the production of other carbon steels.

[63] Hardened carbon steel is used for flapper valves for air-conditioners and compressors, shock absorbers, and light flasher-blinkers.

[64] Postconference brief of Willkie, Farr, and Gallagher on behalf of An Mau and China Steel (Taiwan), pp. 13-14; postconference brief of Powell, Goldstein, Frazer and Murphy on behalf of Hoogovens (Netherlands), p. 7, exhibit 7; postconference brief of O'Melveny and Myers on behalf of BHP et. al. (Australia), p. 34. Counsel for Hoogovens makes similar competition arguments related to black plate, low carbon one-half tolerance steel, and bright finished cold-rolled steel (see pp. 8-10).

[65] Postconference brief of Hogan and Hartson on behalf of Hoesch AG et. al., pp. 8-12.

[66] Postconference brief of Morrison and Foerster on behalf of Korea Iron and Steel Association, p. 4.

priced higher than ***.[67] Counsel for Sollac reports price premiums of *** in the last four quarters.[68]

Petitioners' counsel reject many of the niche product arguments by stating that U.S. steelmakers can produce some of the products that respondents claimed were unavailable in the United States. An executive of LTV, for example, states that his company can produce "dead flat steel" and CRML to a wide range of specifications. An Inland executive stated that his company produced high tensile cold-rolled steel, a product respondents allege is not produced by the U.S. industry. He added, "To the extent there may be niches of high tensile cold-rolled sheet not produced by the U.S. industry, they represent an insignificant percentage of the cold-rolled sheet market." Similar testimony was given in response to other "niche" product arguments (e.g., tin mill black plate and "ultra bright" steel). An executive from USX further states that the specialty products referenced make up a small percentage of the volume and value of the cold-rolled sheet market, and that U.S. producers would make such products if not for the competition from unfairly traded imports.[69]

Corrosion-resistant Products

These are flat products that have been either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or alloys such as zinc-, aluminum-, nickel-, or iron-based alloys. Excluded are products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel"). Corrosion-resistant products may be coiled or in straight lengths, may be corrugated or crimped, and may be coated or plated electrolytically. Also, corrosion-resistant products may be painted, varnished, or coated with plastics or other non-metallic substances in addition to the metallic coating.

Most of the domestic and imported corrosion-resistant products are carbon steel products that have been coated or plated with zinc or a zinc-alloy, including galvanized, galvalume, galfan, and galvannealed steel. Technically, "galvanized" steel has a nearly pure zinc coating, although the term "galvanized" is also used in a generic sense to refer to all products coated or plated with zinc-containing metal. "Galvalume" steel has a coating that is 55 percent aluminum, 43.3-43.5 percent zinc, and 1.5-1.6 percent silicon. "Galfan" steel has a coating that is 95 percent zinc and 5 percent aluminum, with small amounts of either magnesium (0.1 percent) or a mixture of cerium (0.04 percent) and lanthanum (0.04 percent). In contrast to the above items, "galvannealed" steel is made from galvanized steel which is then subjected to an annealing process. This post-coating heat treatment forms an iron-zinc alloy transition zone that provides an improved bond between the zinc coating and the steel substrate and improves paintability.

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[67] Postconference brief of Willkie, Farr, and Gallagher on behalf of An Mau and China Steel, p. 14.

[68] Postconference brief of LeBoeuf, Lamb, Leiby & MacRae on behalf of Usinor Sacilor et. al., p. 30.

[69] Petitioners' postconference brief, Vol. 2A, appendix 2, affidavits of Andy Ellwein (Inland), Robert T. Buck (LTV), and J. Upton Hudson (USX).

Separate like products

Corrosion-resistant products also include items that are "clad" or bonded to another metal. Counsel on behalf of Japan Steel Works Limited argues that clad plate is a separate like product on the grounds that it is unique in manufacture and usage and is produced by only one domestic manufacturer, Lukens, which was originally not a petitioner in any of the cases on corrosion-resistant products.[70] Respondents argue further that clad plate is much more expensive, uses a different coating material (high alloy, stainless, nickel or copper for the cladding rather than zinc), can withstand much more pressure and stress than other corrosion-resistant products, and is stronger and used for different purposes than clad sheet.[71]

Counsel on behalf of Kawasaki Steel of Japan argues that "stainless" clad sheet (carbon-core) is also a separate like product because it is manufactured differently, has different uses, is not interchangeable with other corrosion-resistant products, and is more than five times the price of other corrosion-resistant products.[72] According to respondents, the stainless clad sheet product from Japan has a 20-60-20 weight ratio (stainless steel-carbon steel sheet-stainless steel) and is used to make cookware. Respondents argue that although clad sheet is classified as a carbon steel product for tariff purposes, it is a unique product which competes commercially with stainless, rather than carbon steel, and is made by only one U.S. producer, Allegheny-Ludlum, a stainless steel producer.[73]

Counsel on behalf of the French producers argue that hot-dipped aluminized sheet is a separate like product because it is used where heat-resistant qualities are needed and is made on dedicated production facilities. In addition, they argue that pricing trends are different: while U.S. prices for hot-dipped galvanized sheet have dropped during the investigation period, prices for aluminized sheet have remained steady.[74]

Products that are painted, varnished, or coated with plastics, in addition to having a corrosion-resistant coating, are also considered corrosion-resistant products for purposes of these investigations. If a painted product is required, domestic producers usually send the corrosion-resistant coils to coil coaters on a tolling basis for painting. In addition, end-product manufacturers, such as appliance manufacturers, send material to coil-coaters on a tolling basis. According to respondents on behalf of the Australian producers, only one domestic steel firm paints corrosion-resistant sheet.[75] Coil-coating adds color, allows the paint to be applied more evenly

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[70] TR, p. 426. In letters dated July 23, 1992, and July 31, 1992, the petitions were amended to add Lukens as a co-petitioner on the cases involving corrosion-resistant products.

[71] Postconference brief on corrosion-resistant products of Baker & Hostetler on behalf of Japan Steel Works, Ltd. (Japan), pp. 6-12.

[72] Postconference brief on corrosion-resistant products of Steptoe & Johnson et. al. on behalf of Kawasaki et. al. (Japan), pp. 49-54.

[73] TR, p. 427.

[74] Postconference brief of LeBoeuf, Lamb, Leiby & MacRae on behalf of Usinor Sacilor, et. al. (France and Germany), pp. 32-43.

[75] Postconference brief of O'Melveny & Myers on behalf of BHP (Australia), p. 12.

than if done after the end product is manufactured, and frees integrated steel producers and end-use manufacturers from the costs involved with meeting the environmental standards for painting and coating operations. Counsel on behalf of Australian, Korean, and Mexican producers argue that corrosion-resistant products that are painted are a separate like product because they are manufactured in different facilities and are not interchangeable in use.[76] [77]

Petitioners argue that corrosion resistance is a function of many factors, the products come in a multitude of coatings and grades, there is no clear dividing line between products, and therefore all corrosion-resistant items should be considered one like product.[78]

Competition arguments

The galvalume process was developed and patented by Bethlehem and licensed to steel firms in 24 countries as a product having superior rust-resistance and formability compared with traditional galvanized material. In 1986, Bethlehem sold its subsidiary, which owned the patents and licenses, to BHP of Australia.[79] The patent expired in January 1991; prior to that the U.S. market was restricted to North American producers and Australia.[80] Counsel on behalf of the Swedish producers argue that the galvalume from Sweden does not compete with domestic products because it was excluded from the United States by license agreement under the patent for a large portion of the investigation period.[81]

On quality issues in general, respondents argue that the market has moved rapidly in the direction of sophisticated, highly engineered products, but that the U.S. industry has been slow to respond. They argue that significant amounts of the industry's current capacity cannot produce the products required by the market.[82]

On galvalume products, counsel on behalf of the Australian producers argue that the imported galvalume-type product, known as "zincalume," is produced using a significantly improved manufacturing process. They argue that zincalume does not compete with domestic galvalume because domestic producers, including Bethlehem, cannot provide the coating quality, thickness, and product warranties required by U.S. purchasers.[83]

On galvannealed products, counsel on behalf of producers from Canada and Germany argue that their product is thinner, more blemish-free, easier to

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[76] TR, pp. 415, 439; postconference brief of Weil, Gotshal & Manges on behalf of Galvak (Mexico), p. 3; and postconference brief of Morrison & Foerster on behalf of Korea Iron and Steel Association et. al., p. 4.

[77] Postconference brief of Willkie, Farr, & Gallagher on behalf of IMSA (Mexico), pp. 10-12.

[78] Petition, Injury Volume, Section IV, p. 6.

[79] Postconference brief of O'Melveny & Myers on behalf of BHP (Australia), p. 7.

[80] TR, pp. 115-116.

[81] TR, p. 481.

[82] TR, p. 432.

[83] TR, pp. 412-413.

paint, generally far superior in quality to corrosion-resistant products available from domestic producers, and that domestic producers cannot duplicate the product for automotive customers.[84] Respondents indicate that they are "qualified" as suppliers to the auto industry after having met certain technical product requirements, that purchasers are conscious of the quality difference, and therefore, auto manufacturers are not responsive to small fluctuations in price.[85]

Counsel on behalf of the Japanese producers indicate that there was a whole range of highly engineered, alloy coated sheets for automotive use that were developed in Japan but were not available in the United States when Japanese auto producers began producing in the United States. Respondents claim that U.S. steel firms still cannot meet these special demands in sufficient quantity. They argue, however, that new coating facility joint ventures between U.S., Japanese, and Canadian steel firms, located both in the United States and Canada, will allow North American production to "largely supplant" present imports of automotive coated steel.[86] [87] Several major auto manufacturers, including Chrysler and the U.S.-based arms of Nissan, Mazda, Toyota, Subaru-Isuzu, and Honda, have announced their intentions to purchase an increasing share of their steel from U.S. sources with most planning to source 90 percent or more of their steel from the United States.[88] Honda, for example, indicated that it is currently paying a premium for steel from Japan while it works with domestic producers to develop sufficient U.S. capacity to produce steel that will meet its standards. Honda stated that imports from Japan existed because of the "technological gap" between major steel producers in the two countries, not economic policies.[89] Both respondents and domestic steel producers indicated that there are stringent, time-consuming qualification procedures for supplying the auto industry that may delay the utilization of new capacity.[90] In addition, respondents argue that with the auto industry's annual contracting and negotiation cycle there can be an additional 6- to 12-month period after qualification before a new supplier can begin to ship to the auto firm.[91] According to respondents, approximately 60 percent of the corrosion-resistant exports from Japan during 1991 were for the auto industry.[92]

Counsel on behalf of the Canadian producers argue that *** percent of imports of corrosion-resistant products from Canada's major mills are for automotive use and that a major portion of that, including galvannealed products, represents products that the U.S. mills have not made, and will not make in significant quantities until this year. Respondents state further

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[84] TR, pp. 394, 397.

[85] TR, p. 246.

[86] TR, pp. 387-388.

[87] See the "Capacity" section for discussion of announced plans to expand U.S. capacity.

[88] Postconference brief on corrosion-resistant products of Steptoe & Johnson et. al. on behalf of Kawasaki et. al. (Japan), p. 45.

[89] Letter from Honda of America Manufacturing Inc., July 24, 1992.

[90] Postconference brief of Steptoe and Johnson, p. 15; postconference brief of Hogan & Hartson on behalf of Thyssen Stahl et. al. (Germany), p. 23; and field visit to I/N Kote, July 10, 1992.

[91] Postconference brief of Steptoe & Johnson, p. 7.

[92] Ibid., exhibit 17.

that the new "Z-line," which began operations in July 1991 as a joint venture between Stelco of Canada and Mitsubishi of Japan, makes a highly-formable, spangle-free (and hence paintable), hot-dipped corrosion-resistant sheet. They argue that the Z-line produces a technically advanced and successful product that U.S. firms are now "scrambling" to produce.[93]

In the non-automotive area, counsel on behalf of the Japanese producers argue that this market has also been evolving into a market for highly specialized products with substantial performance and tolerance requirements. They indicate that products from Japan are specialized items not available from U.S. producers such as those with extra flatness, tight dimensional tolerances, etc.[94] Counsel on behalf of Japan, Korea, Mexico, and Taiwan producers argue that a substantial portion of their products are "thin gauge" corrosion-resistant steels, many of gauges less than 0.0142 inches, that are either not offered by domestic producers as shown by their price lists,[95] not available with sufficient gauge consistency as indicated by customers, or not yet offered in sufficient quantity and quality to serve the market.[96] Petitioners state that several firms produce galvalume-type products, and produce it "as thin as 0.015 inches." In the case of certain thin-gauge galvanized steel for ductwork, petitioners state that one U.S. mill makes the product and others "used to make this steel" but were forced out of the market by unfair imports.[97]

Counsel on behalf of the Mexican producers argue that, other than the thin-gauge products noted above, over 50 percent of the imports from Mexico consisted of U.S.-produced steel that was exported to Mexico for galvanizing and/or painting before returning to the United States. They argued that these programs were developed in conjunction with U.S. producers, who are profiting from the arrangements.[98]

Products covered with other metallic coatings, such as copper, are also included in corrosion-resistant products. ***.[99]

Petitioners argue that there is significant overlap between these products in terms of end use and that, for example, hot-dipped galvanized, galvalume, galfan, and aluminum-coated steel all share the roofing and siding markets. They argue that in these markets the ultimate decision to use one product over another generally depends on price. In the automotive area, petitioners argue that numerous products are used and the decision to use one corrosion-resistant product over another is dictated by the auto firm and the

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[93] Postconference brief of Willkie Farr & Gallagher on behalf of Stelco et. al. (Canada), pp. 17-21.

[94] TR, p. 388.

[95] Postconference brief on corrosion-resistant products of Willkie, Farr & Gallagher, on behalf of China Steel et. al. (Taiwan), p. 1, and attachment 2; and postconference brief of Willkie, Farr & Gallagher on behalf of IMSA (Mexico), p. 2 and exhibit 5.

[96] Steptoe & Johnson, p. 28-34, and postconference brief of Weil, Gotshal & Manges on behalf of Galvak (Corrosion-resistant products from Mexico), p. 7.

[97] Petitioners' postconference brief, Vol. 2A, Exhibit 2, affidavit of John Ewing, USX, pp. 6-8.

[98] Willkie, Farr, & Gallagher (on behalf of IMSA, Mexico), pp. 10-12.

[99] Letter from ***.

manufacturing process that it uses for each part. In general they argue that the U.S. industry can provide all gauges, widths, grades, and coatings that are provided by foreign mills.[100]

Manufacturing Process

The manufacturing processes for flat-rolled carbon steel products are described below. Generally speaking, there are five stages: (1) melting or refining raw steel, (2) casting the raw steel into semi-finished forms, (3) hot-rolling the semi-finished forms into flat-rolled carbon steel mill products, (4) cold-rolling hot-rolled sheet and strip, and (5) plating and coating plate, sheet, and strip with metals or other coatings.

Melt Stage

Steel is produced either by the integrated or nonintegrated process (figure 1 presents a simplified steelmaking flowchart). The nonintegrated, or scrap-based, process produces molten steel by melting scrap in an electric furnace (termed an electric arc furnace, or EAF). The integrated process typically smelts iron ore and coke in a blast furnace to produce molten iron, which is subsequently poured into a steelmaking furnace, generally a basic oxygen furnace (BOF), together with a small amount of scrap metal. The hot metal is processed into steel when oxygen is blown into the metal bath. Lime is added to serve as a fluxing agent; it combines with impurities to form a floating layer of slag, which is later removed.[101] The molten steel is poured or "tapped" from the furnace to a ladle, which is an open-topped, refractory-lined vessel that has an off-center opening in its bottom, equipped with a nozzle. Meanwhile, the primary steelmaking vessel (EAF or BOF) may be charged with new materials to begin another refining cycle.

Whether produced by the integrated or nonintegrated process, it is increasingly common for molten steel to pass through a ladle metallurgy station, where its chemistry is refined to embody the steel with properties required for specific applications. Most non-metallic inclusions are segregated at the BOF and are poured off with the slag, but at the ladle refining station additional techniques are employed to produce extra clean or low carbon steels. The term ladle metallurgy includes a variety of processes, and the production of certain qualities of steel requires such processing.[102]

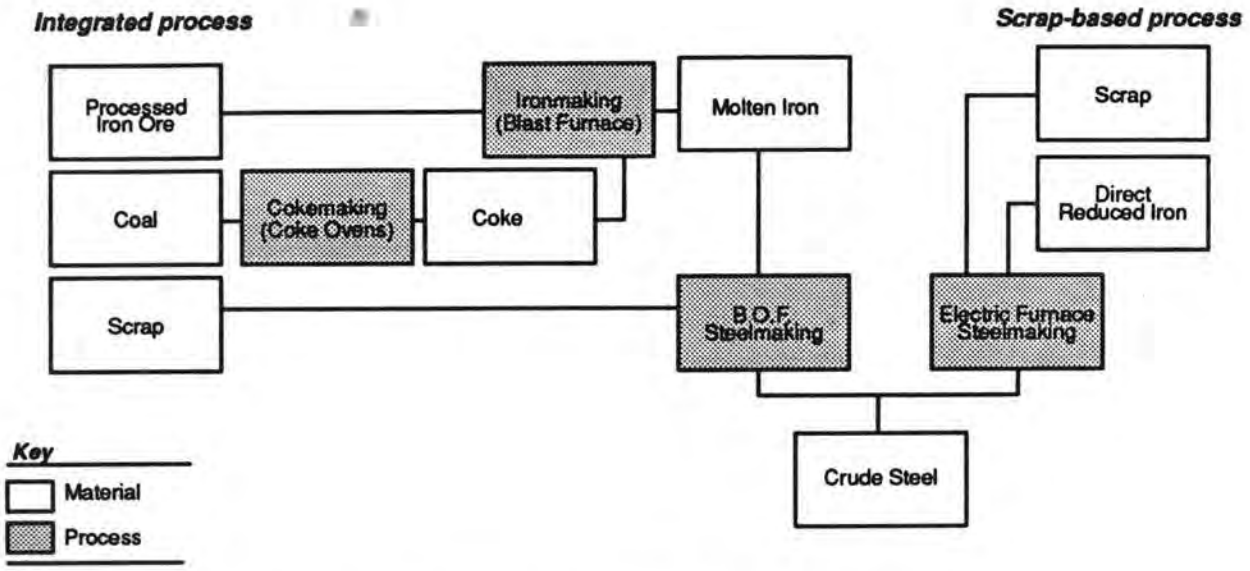
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[100] Petitioners' postconference brief, Vol. 2A, exhibit 2, affidavit of John Ewing, USX, pp. 2-3.

[101] This describes the making of carbon steel. Alloy steels are produced by additions of alloying agents (including chromium, nickel, and molybdenum) to liquid steel to impart specific properties (such as increased strength, hardness, or resistance to corrosion or heat) to the finished steel products.

[102] Ladle metallurgy stations differ in their sophistication and in their ability to refine the steel. Steels used to produce most merchant quality products do not usually require processing in a ladle metallurgy station.

Figure 1
Simplified steelmaking flowchart



Source: *Steel Industry Annual Report,* USITC 2436, Sept. 1991, p. 2-2.

At the ladle metallurgy, or secondary, steelmaking station, the chemical content is adjusted (such elements as oxygen and oxides, sulfur and sulfides, hydrogen, and carbon are removed, for example) while the temperature of the steel is adjusted for optimum casting.[103] Shifting the final refining stages to the ladle metallurgy station allows shorter cycles in the primary steelmaking vessel (EAF or BOF), effectively raising steelmaking capacity. Figure 2 presents a flowchart of steel products and processes.

Casting Stage

Once molten steel with the desired properties has been produced, it is cast into a form that can enter the rolling process. Currently the industry uses two principal methods of casting: ingot teeming and strand (or continuous) casting. In the ingot-based process, the ladle is moved by an overhead crane to a pouring platform where the steel is poured or "teemed" into ingot molds, either through the top of each mold or through a pipe system that fills each mold from the bottom (bottom casting). As the steel begins to solidify, the mold is stripped from the ingot and the ingot is then transferred to a soaking pit, a specialized heating furnace, that equalizes the temperature within the ingot. Following removal from the soaking pit, the ingots are hot-rolled on a primary breakdown mill to slab, bloom, or billet sizes.

Strand casting bypasses several steps of the conventional ingot casting process by casting steel directly into semifinished shapes in the desired cross-sectional dimensions. Molten steel is poured into a reservoir (called a tundish) from which it is released into the molds of the casting machine. The tundish may have a special design or electromagnetic stirring for the purpose of ensuring homogeneity of the steel. As the column of steel descends through the molds a solid skin forms. Below the mold, water sprays cool the cast steel, resulting in complete solidification. The many benefits derived from this quicker casting method include increased yield, improved product quality, decreased energy consumption, and less pollution.[104]

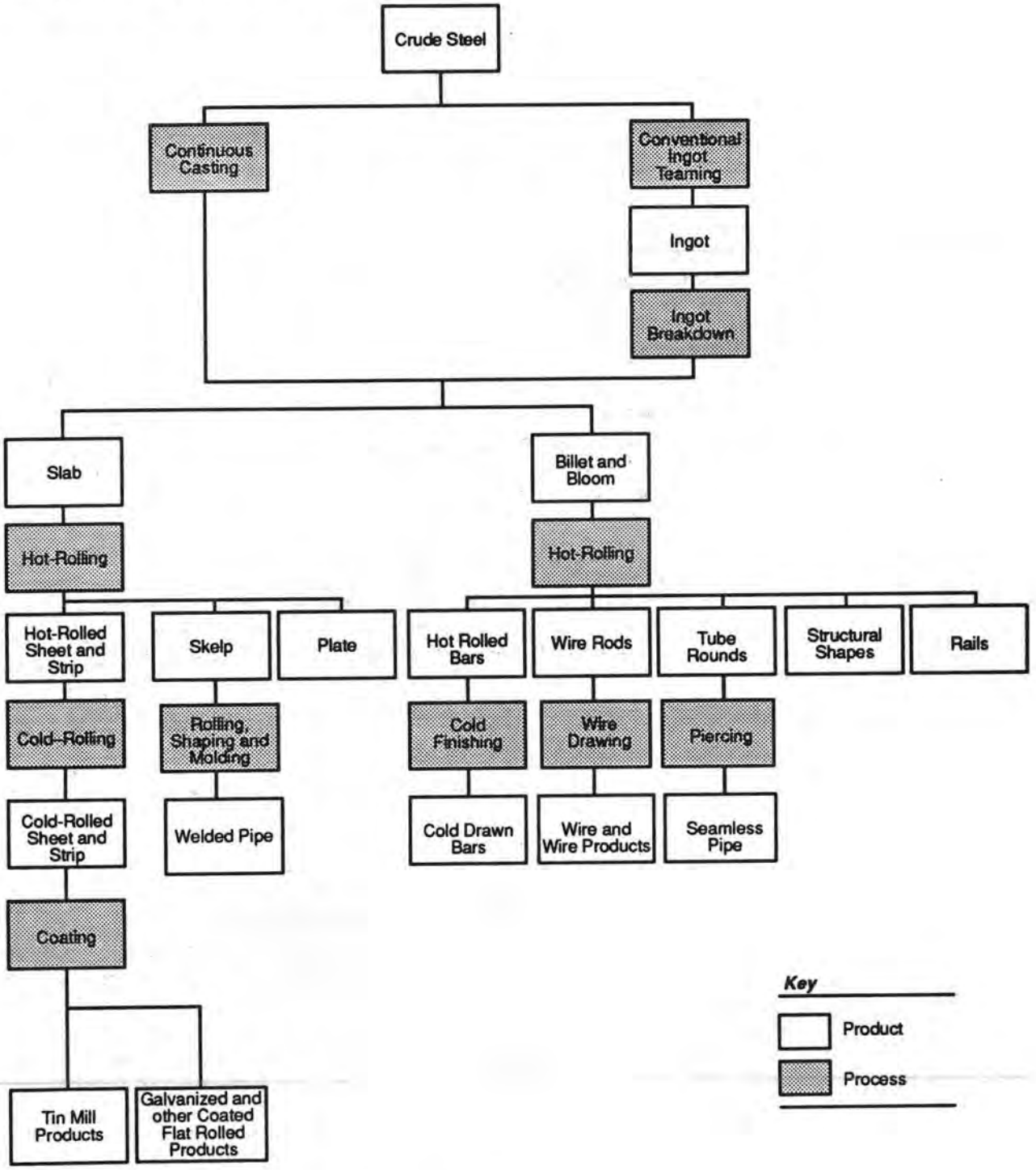
The final result of both conventional ingot teeming and continuous casting is steel in one of three semifinished shapes: slabs, blooms, or billets. Slabs are wide semifinished products from which the products subject to these investigations are made, whereas blooms and billets are used in the production of bars, rods, and other non-flat steel products.

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[103] Depending on the grade of steel required, mills may utilize one or more of three ladle refining techniques: vacuum degassing, in which hydrogen, nitrogen, and other non-metallic inclusions are removed; vacuum slag cleaning, in which slag is skimmed from the surface after the steel has been transferred from the BOF; and, arc processing, in which argon gas is blown into the ladle, assisting the removal of slag and impurities. (Post-conference brief of Willkie, Farr & Gallagher on behalf of NKK et. al. (Japan), p. 11.)

[104] USS, *The Making, Shaping and Treating of Steel*, 10th ed., 1985, p. 745.

Figure 2
Steel products and processes



Source: *Steel Industry Annual Report*, USITC 2436, Sept. 1991, p. 2-3.

Rolling Stage

Plate mill rolling

In general, the process of rolling plate on a plate mill is similar to that used to produce coiled plate on a hot-strip mill, described below, although the design of the plate mill is somewhat different. There are fewer rolling and finishing stands and they are designed for a heavier and wider product; the steel is rolled in both longitudinal and transverse directions, and the process is generally less continuous (there may be more reversing passes made during the breakdown, rolling, and finishing stages); and there is no coiler.[105] The slab that is rolled on a plate mill is thicker and shorter than the slab that is rolled on a hot strip mill; the plate that is produced on a plate mill is wider (generally exceeding 100 inches) than plate produced on a hot-strip mill (which does not generally exceed 84 inches), is thicker, of higher quality, and is produced for different end uses (see the "Uses" section).[106]

As on the hot-strip mill, steel slabs are uniformly heated before rolling in batch or continuous furnaces to a temperature of approximately 2,400 degrees Fahrenheit. The slabs are then sent through a scalebreaker to remove the iron oxide that forms on their surface during heating, and passed through a series of rollers that shape and reduce the slabs in thickness until they reach the specifications desired. Unlike plate produced on a hot-strip mill, plate-mill plates are cooled and crop sheared after rolling, side and end sheared, and marked for identification (headstamped, painted, or chalked).[107] One difference between plate cut from coiled-plate and sheared plate is that of thickness: cut plate is generally one-half inch or less and sheared plate is generally one-half inch or greater.[108] Other differences are that plate-mill plate possesses superior surface, metallurgical, mechanical, and dimensional characteristics compared with hot-strip mill plate (see discussion in the "Uses" section). Some of these distinguishing characteristics result from the ability of a plate mill to roll the plate across its transverse axis; this transverse rolling is impossible on a hot-strip mill.

Plate rolling mills are generally listed in one of two very broad design classifications, universal mills and sheared-plate mills. Universal plate mills are single-stand units which roll plates to a width (generally about 48 inches) within standard tolerances. They are characterized by vertical rolls preceding and following the horizontal rolls; the horizontal and vertical rolls are integrated into a single mill unit and work the stock simultaneously.[109] Sheared-plate mills may also include some edge-working equipment, although final widths are attained by edge shearing. The ends on both universal plates and sheared-plates are sheared or flame-cut. Most

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[105] TR, p. 145.
[106] TR, p. 145.
[107] Petitioners' postconference brief, Vol. 1, p. 36.
[108] TR, p. 162.
[109] The production of deep wide-flange beams has displaced much of the production of fabricated beams and columns that utilized universal plates for the web and flange portions. Consequently the universal mill is considered obsolete. (USS, *The Making, Shaping, and Treating of Steel*, p. 883.)

sheared-plate mills are reversing, so that the heated slabs can pass repeatedly between rolls; other sheared-plate mills are continuous or semi-continuous. The U.S. industry operates only sheared-plate mills and has phased out its plate production on universal mills.[110]

Hot-strip mill rolling

After reheating, slabs enter the rolling process.[111] Coiled plates and sheet are rolled on hot-strip[112] mills. Regardless of the product being rolled on the mill--plate, sheet, strip, skelp (for pipemaking), or bands (unpickled hot-rolled coils)--the mill is referred to as a strip mill. Since the slabs are fed into the mill at an elevated temperature, the mill is known as a "hot-strip mill".

Hot-strip mills are fairly standardized in their construction. Slabs from one or more reheating furnaces are fed onto the entry table, which consists of powered rolls for the conveyance of the steel. Roller tables are situated between each working section of the mill. The slab passes through a scalebreaker, which removes oxides from the surface of the slab. Next comes the roughing train, which typically consists of four or five rolling stands that reduce the slab's thickness from 8-10 inches to 1-2 inches, at which point the steel is referred to as a "transfer bar." Sometimes the roughing operation is performed on a single reversing stand, in which case the slab is passed repeatedly back and forth through the stand until the desired thickness of transfer bar is obtained. Hot-strip mills are increasingly being equipped with a coilbox, an innovation that lowers the operating costs of the hot-strip mill in addition to offering quality improvements.

The finishing train of a hot-strip mill usually has four to seven stands that reduce the transfer bar from 1-2 inches to the desired thickness of the hot-rolled plate, sheet, or strip. Final thickness can vary, but typically the sheet and strip product is on the order of one-tenth of an inch (2.5 mm) in thickness, whereas the coiled plate is produced to a thickness exceeding 0.187 inches (4.75 mm) and may be as thick as one-half inch (12.7 mm).[113]

The flat-rolled product (sheet or hot-strip mill plate) exits the finishing train onto the runout table where the product is subjected to a combination of water sprays, laminar jets, and/or air cooling in order to

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[110] Petitioners' postconference brief, Vol. 1, p. 35. This statement is supported by testimony from Caterpillar (TR, p. 457.)

[111] Some facilities are able to hot roll slabs directly from the casting stage, bypassing the reheat furnace, although there is an effort to maintain and equalize the temperature throughout the slab in other ways. This results in energy economies and shorter processing time. Among the U.S. producers, Geneva recently completed the installation of a direct roll line. (TR., pp. 69-70.)

[112] The word "strip" in "hot-strip mill" is distinct from the strip that refers to a finished product that has definite width and gauge specifications. Strip is either rolled directly in narrow widths or formed by slitting sheet, which is wider than strip, in order to acquire a narrow product.

[113] TR, p. 162.

reduce the temperature of the steel. At the end of the runout table, the steel is fed into a downcoiler that coils the material.

During the hot-rolling process, exposure to water and the atmosphere results in the formation of oxides on the surface of the steel. Further rolling of the product without removing the oxides would result in final products with poor surface quality. The oxides are removed through a process known as pickling. Pickling involves passing the hot-rolled product through a series of acid baths that remove the oxides. Subsequent to the acid treatment, the material is dried and oiled to prevent reformation of oxides, and then recoiled. Operations that cut hot-strip mill products to length are also performed at this stage.

Cold (reduction) rolling

The term "cold rolling" refers to any process in which the product is fed into a rolling mill at ambient temperature. The name is somewhat of a misnomer, as energy imparted from friction and the deformation of the material results in a temperature gain in the product. Upon exiting the finishing stands of a cold reduction mill, product temperature can be as high as 400 degrees Fahrenheit. Cold rolling can be performed for a variety of reasons, including a desired reduction in product thickness, a need to impart specific mechanical properties, or to impart a specific surface texture.

Cold reduction rolling involves a fairly large reduction in the thickness of a hot-rolled material, typically ranging from 25 to 90 percent. Like hot-strip mills, cold reduction mills come in a variety of forms. Differences in a number of variables, including the number of rolls in each stand (two high, four high, cluster, etc.), the number of stands (one to six), and the path the material travels (continuous or reversing), result in a variety of configurations.

The process of cold rolling steel results in changes in the steel's microstructure. These changes render the material stiffer and more brittle. Most applications for cold-rolled products cannot be fulfilled by the "full hard" material that comes off a cold reduction line. In order to produce a material with desirable working properties, the steel must be made more ductile. This is accomplished through a heat-treating process known as annealing. Through the process of annealing, various transformations in the microstructure of the steel can be obtained, depending on the temperatures and cycle times employed. The annealing process involves controlled heating and cooling of the steel, shortening the grain size in the steel, and relieving the internal stresses imparted by the cold-rolling process, thereby yielding a more malleable material.

There are two basic annealing processes: batch and continuous. Batch annealing, the older technology, involves placing cold-rolled steel products into a furnace and slowly bringing the material up to a specified temperature. The steel is held at a peak temperature and slowly cooled. It can take up to seven days to complete a cycle in this process. Continuous annealing is slowly replacing the batch annealing process for a variety of reasons. In the continuous annealing process, the heating and cooling process requires only several minutes and the treatment is more uniform throughout the coil. For most grades of low-carbon, cold-rolled steel, contemporary

continuous annealing technology can produce satisfactory results for most applications. Although many producers are convinced of the overall superiority of the continuous process, others are equally convinced that the batch process is superior.

After cold-reduced sheet has been annealed, it usually is subjected to a second cold-rolling process. This stage of processing is referred to as temper or skin rolling. This process is performed for a variety of reasons, the primary one being to eliminate the tendency of fully annealed sheet to exhibit surface markings after passing through a stamping operation. Other reasons for temper rolling are to impart a specific surface texture, alter the shape and flatness, or to replace a desired degree of stiffness to the material.[114] In temper rolling, the amount of reduction is very slight, usually less than 5 percent.

Slitting, shearing, and leveling

Slitting and shearing are operations that involve the cutting of metal. Cutting across the width of the coil is called shearing, and cutting along the length of the coil is referred to as slitting. Shearing is usually done in order to produce cut lengths of plate or sheet (as opposed to a coil of plate or sheet), or to remove coils at the end of a continuous processing line. Slitting is practiced in order to make strip or narrow sheet from coils, or to trim edges of a sheet or plate to achieve consistent edges and a more precise and consistent width.

For certain applications, rolling mills do not produce material that is sufficiently flat. Wavy edges or buckles in the material must be removed prior to subsequent manufacturing operations. These imperfections are removed from the steel product through leveling operations. Several leveling methods have been used throughout the years, but the most common newly installed technology today is the tension leveler, which stretches and works the steel product to flatten it.

Corrosion Resistance (Coatings)

Flat-rolled steel products are coated with metals or nonmetallic substances in order to improve their aesthetics, reduce the final product cost, improve their corrosion resistance, and anticipate the requirements of downstream forming operations. Coating materials subject to these investigations include metallic coatings such as zinc, aluminum, and iron-, zinc-, aluminum- and iron-based alloys.[115]

There are seven alternative processes for applying coatings, though a particular process may be inappropriate for a given coating element or coating

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[114] The degree of stiffness in cold-rolled steel is directly related to the reduction in thickness accomplished during the cold-rolling process.

[115] In addition to these coatings, steel may be coated with other metals (e.g. tin, lead), organic materials including resins, pigments, and oils, and inorganic materials, including vitreous enamels and cements. Steel coated with these products is not subject to these investigations.

weight. These processes include immersion in a bath of molten metal or metal alloy ("hot-dipping" used for coatings of zinc, tin, lead, or aluminum); electroplating, which is the cathodic deposition by electrolysis of a solution of metallic salts (primarily zinc, tin, and chromium, or chromium/chrome metal); sherardizing, chromizing, or calorizing, in which the products to be coated are heated first and then impregnated or diffused with the coating in powder form (zinc, chromium, and aluminum respectively); spraying the molten coating metal in atomized form; sputtering, a coating process by cathode vaporization; coating with nonmetallic substances (including enamelling, varnishing, lacquering, painting, surface printing, or coating with ceramics or plastics; and cladding.[116] In terms of the products covered by these investigations, the more important are those coated with zinc or iron (or zinc- or iron-alloys) in the immersion or electrolytic process and the flat-rolled steels clad with nickel, chrome, and copper.

Cladding is a physical coating process where there is a molecular interpenetration of the surfaces in contact, and is similar to welding. It differs significantly from other coating processes in terms of its bond, thickness, and scratch or abrasion resistance. Cladding processes include pouring molten cladding metal onto the base metal, followed by rolling; hot-rolling of the cladding and base metals together; and other deposition techniques followed by a mechanical or thermal process to ensure welding.[117] The most common cladding methods for carbon steel flat-rolled products are roll-forming and the explosion-bonding.[118] The more common types of cladding metals used are chromium, nickel, stainless steel, copper, and titanium.

In the hot-dip process, a coating is applied by immersing steel in a molten bath of metal or metal alloy. Although great strides have been made in the quality of hot-dipped coated sheet, the demand by consumers, especially in the automotive market, for thinner, more uniform coatings with better surface characteristics has resulted in a rapid increase in the use of the electrolytic coating process. In electroplating (the electrolytic process), the sheet is given an electrical charge and passed through a bath of metallic salts and acid that possess the opposite charge. Because of the electrical differential created by the opposing charges and the bath's chemical composition, the metal or its alloys are dissolved and a thin metal coating is deposited on and bonded to the steel sheet. Electrolytic deposition generally yields a superior finish on the steel product and provides a more uniform surface for painting than hot-dipped material. Zinc, aluminum, and alloys of

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[116] Customs Co-operation Council, *Harmonized Commodity Description and Coding System Explanatory Notes* (Brussels: July 1989), pp. 981-982.

[117] Ibid., p. 982.

[118] In the roll-forming process, two plates with the cladding material sandwiched between are welded together at the edges and hot-rolled. The high temperature establishes a bond between the carbon steel plate and the cladding metal. (*Lukens Clad Steels* and *JSW Clad Steel*, company product brochures.) Sheet and strip may be clad in a similar manner, such as by electroplating the cladding metal onto the carbon steel followed by heat treatment and cold-rolling. In explosion bonding, the other main form of cladding, an explosive charge is ignited above the cladding material which forces it onto the plate; the temperature and pressure of the movement strip away the surface layers between the metals and create the weld. (Interview with company officials at *** and ***.)

iron-zinc or nickel-zinc make up the bulk of the coatings applied in these two processes for products under investigation. According to industry experts, galvanized coatings may be applied by either the hot dip or electrolytic process; iron-zinc, nickel-zinc, and nickel-zinc-organic coatings are applied by the electrolytic process only; and coatings comprised of galvannealed, galvalume (or zincalume), aluminum, and galfan are applied by the hot-dip process only.[119]

Most mechanical preappointed or preprimed sheet has the coating applied by the roll-coating process. In this process, a roller passes through a reservoir of paint and is then pressed against the sheet as the material moves past the roll. Recently, a new technology has been developed for painting coils. This technology involves an extrusion process to apply the paint to the material. This process is said by some to yield better quality finishes than the roll-coating method; this has not been firmly established, however, as the process has a limited production history.

Uses

Plate

Imports of plate products include both plate produced on a plate mill (PMP) and plate produced on a hot-strip mill (HSMP, which is the portion of the plate in coil form that is subsequently uncoiled, leveled, and cut to length). There are several important differences between them in their physical and mechanical characteristics, although HSMP shares dimensional characteristics with PMP that renders it interchangeable with PMP for certain end uses.[120] (See the "Manufacturing Process" section.) According to industry representatives at the conference, the mill design dictates the specific end use. Because PMP begins from a shorter and thicker slab and the processing is less continuous than that for HSMP, the mill experiences lower yields and lower production runs. Because of this, HSMP reportedly costs approximately 20 percent less to produce.[121] However, HSMP is narrower, thinner, possesses lower mechanical and physical properties, and is not suitable for many of the uses for which PMP is utilized. According to industry representatives, HSMP is "costed" (i.e., priced for customers) as a form of hot-rolled coil;[122] according to petitioners, approximately one-sixth to one-seventh of the plate in cut lengths reported by AISI is strip-mill plate.[123] (Also, see like-product argument by petitioners that distinguishes coiled HSMP from PMP.)

Cut-to-length plate is generally used for applications where superior strength and surface characteristics are important. For example, almost 40 percent of the U.S. open-market shipments identified by AISI in 1991 by end use (see table 5) were to industries producing pipe and tube (3.1 percent); construction (including storage tanks, 15.4 percent); and rail freight cars, shipbuilding and marine equipment, and industrial and construction machinery and equipment (21 percent). Another 38 percent of the U.S. shipments were

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[119] Petitioners' postconference brief, vol. 2A, exhibit 2.
[120] Petitioners' postconference brief, vol. 1, p. 35.
[121] TR, pp. 147 and 165-66.
[122] Ibid.
[123] Petitioners' postconference brief, Vol. 1, p. 35.

Table 5
Certain flat-rolled carbon steel products: U.S. open-market shipments, by end market, 1991

End market	Plate	Hot-rolled	Cold-rolled	Corrosion-resistant
	(Percent)			
Steel for converting and processing into:				
Hot- and cold-rolled sheet and strip	0.1	7.4	5.6	0.1
Pipe and tube	3.1	17.1	3.8	0.2
Other	0.3	046	1.6	0.4
Total	3.4	25.4	10.9	0.7
Less shipments to reporting companies	1.3	6.9	0.4	(1)
Group total	2.2	18.4	9.5	0.7
Service centers	38.3	37.8	29.4	23.8
Construction:				
General construction	10.5	1.3	0.2	1.8
Storage tanks	4.6	0.2	0.1	(1)
Other construction	0.4	1.1	0.1	5.8
Total	15.4	2.5	0.4	7.7
Contractor's products	0.6	1.5	4.9	13.1
Automotive:				
Vehicles, parts, accessories--assemblers	0.4	5.1	12.9	32.5
Parts, accessories--independent suppliers	0.9	7.8	4.4	6.7
Other	0.1	0.2	(1)	0.1
Total	1.4	13.1	17.3	39.2
Machinery, industrial equipment and tools:				
Materials handling equipment	1.2	0.2	(1)	0.1
Other general purpose industrial equipment	2.5	0.1	0.1	(1)
Construction and related equipment	3.5	0.2	(1)	0.1
Metal working equipment	0.8	0.3	0.3	(1)
Oil, gas, petroleum and chemical vessels	2.0	(1)	(1)	(1)
Other special industrial equipment	0.9	(1)	0.1	0.1
Tractors	0.9	0.1	(1)	(1)
Other	0.0	0.1	0.6	(1)
Total	11.9	1.1	1.2	0.4
Electrical equipment:				
Turbine generators and other power-generating equipment	0.6	(1)	(1)	0.0
Electrical conduit and raceways	0.0	1.5	1.3	0.1
Power transmission and distribution eqpt	0.2	0.3	6.8	0.9
Electrical lighting equipment	0.0	(1)	1.3	0.1
Communications and electronic equipment	0.0	(1)	0.3	0.1
Total	0.9	1.9	9.8	1.1
Appliances, utensils, and cutlery:				
Cooking and space heating stoves	0.0	0.1	2.0	0.5
Refrigerators, freezers and room air conditioners	0.2	0.2	2.7	1.0
Household laundry eqpt and dishwashers	0.1	0.1	3.3	1.0
Other	0.1	0.2	0.3	0.1
Total	0.3	0.6	8.2	2.6
Rail freight cars	4.9	0.1	(1)	(1)
Shipbuilding/marine equipment	3.4	0.1	(1)	(1)
Containers, packaging & shipping materials	0.1	1.2	7.1	0.3
Exports (reporting companies only)	3.4	13.1	2.1	2.8
All other	3.1	2.6	4.9	2.1
Non-classified	14.1	6.1	5.2	6.2
Total	100.0	100.0	100.0	100.0
	(1,000 net tons)			
Total	3,846	15,980	11,446	10,155

[1] Less than 0.5 percent.

Note.--AISI product categories do not conform precisely to definitions adopted for these investigations. For example, AISI categorizes clad plate as plate, not as corrosion-resistant product. The overall differences are believed to be small.

Source: Compiled from statistics of the American Iron and Steel Institute, form AIS 16C.

made to service centers, which reportedly sold plate to construction companies. The difference in price and quality differentiates some of the end uses between HSMP and PMP. HSMP reportedly accounts for almost 17 percent of U.S. shipments of cut-to-length plate, and it competes in the lesser gauges, widths, and qualities; also, because PMP is subject to more rigorous testing and inspection, according to industry representatives, PMP is used for pipe and construction where a higher quality is needed.

Hot-rolled Products

Open-market shipments of hot-rolled products are used in a variety of applications in several industries, particularly construction, automotive, machinery, and equipment (table 5). However, most hot-rolled (60-65 percent) is not consumed in its hot-rolled form; rather, it is either cold-rolled to make cold-rolled sheet and strip, or formed and welded to make welded pipe. In cases where hot-rolled is used as is, the strength of the hot-rolled product generally serves a structural function for applications where surface finish and light weight are not crucial. The thicker hot-rolled products, referred to as coiled plates, are often used by customers in the same industries as cut-to-length plate, as described above. Typical applications for the thinner gauge sheet include auto body frames and wheels, and floor decks in steel construction.

Counsel on behalf of POSCO argues that there is an important distinction in end use applications that depend on the quality of the hot band. Specifically, the highest quality hot-rolled sheet, which meets the strictest specifications (in terms of chemical composition, flatness, ductility, and surface quality), is used in the production of cold-rolled sheet, whereas lower quality hot-rolled product is typically sold to service centers or pipemakers.[124]

Cold-rolled Products

Open-market shipments of cold-rolled products are used in many of the same industries as hot-rolled products (table 5), although the applications are distinct, primarily because of cold-rolled's greater strength-to-weight ratio and smoother surface finish. Cold-rolled products are most often used as panels in electrical equipment and appliances or for unexposed body parts and roofs in automobiles. Approximately half of cold-rolled products are not consumed in cold-rolled form; rather they are sent to coating lines, where they are transformed into corrosion-resistant steel and other coated products not subject to these investigations (e.g., tinplate, terneplate).

Corrosion-resistant Products

These products are used to prolong the useful life of end products in areas where the product is visible or exposed to weather or other corroding agents. In recent years, the use of corrosion-resistant materials (rather

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[124] Postconference brief of Weil, Gotshal & Manges on behalf of UPI, appendix A, p. 8.

than uncoated cold-rolled materials) in automotive manufacturing has grown significantly as cars have used lighter, thinner steels in order to meet the federally mandated energy-efficiency requirements and the firms' desire to offer rust-through protection. Rust or corrosion eats through thinner materials more rapidly, making corrosion-resistant coatings more essential. In the construction area, purchasers are taking into account the life-cycle cost of the project, justifying the higher initial cost of corrosion-resistant products in order to reduce replacement costs.

Overall, automotive manufacturing is by far the largest end market for corrosion-resistant products, accounting for 39 percent of shipments in 1991 (table 5). Construction (both building and highway) and contractors' products account for 21 percent of shipments. Appliances and exports each account for 3 percent of shipments, 24 percent are sent to steel service centers, and the remaining 10 percent go to a wide range of other markets.

Clad plate and sheet are specialized products engineered to achieve specific performance requirements. Clad plate is used primarily in pressure vessels for the petroleum, chemical, paper, and food industries, in applications utilizing the corrosion and heat-resistant properties of the cladding meterial. Using clad plate reduces costs by using a thin layer of the expensive corrosion-resistant material.[125] In the sheet area, laminate sheets, having steel "skins" on each side bonded to an inner core of viscoelastic material, are used for such applications as sound attenuation, vibration damping, and thermal insulation. Carbon-core sheet, having an inner core of carbon bonded to stainless steel "skins," is used to distribute heat evenly in cookware.

Painted corrosion-resistant products are used primarily for color and aesthetic appeal. They may also be used for safety reasons to lower reflectivity, for example near airports, or to increase corrosion-resistance in particularly exposed areas. Respondents argue that painted and unpainted corrosion-resistant steels are not normally interchangeable because painted products are used for aesthetic reasons whereas unpainted products are used in building applications where they are not seen.[126]

Substitute Products

The four flat-rolled carbon steel products subject to investigation compete with a variety of substitute materials. Wood and cement compete with plate, corrosion-resistant products, and perhaps hot-rolled sheet in structural applications, whereas aluminum, plastics, and advanced composites compete more with cold-rolled and corrosion-resistant steel products.

In deciding which material to work with, manufacturers consider economic factors (e.g., price, transformation/installation cost, maintenance/operation cost) as well as technical factors (e.g., density, tensile strength, and thermal conductivity). Normally, the decision on which material to use must be made at an early part of the product design stage. Once a decision is made, manufacturers tend to stay with the material for a long period of time

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[125] Lukens and Japan Steel Works product brochures.
[126] TR, p. 415.

because of the high costs of switching (due to worker retraining, design changes, and retooling). In economic terms, the cross-price elasticity of demand between steel and competing materials is low.[127]

Although steel has lost market share to certain substitutes, particularly plastics, efforts by the industry to reduce production costs and improve product quality have slowed this trend. For example, steel prices have risen more slowly in the last decade than prices for plastic, concrete, and aluminum. In addition, through new production processes and steel chemistries, producers have developed lighter, high-strength steels that are particularly useful in automotive applications.[128]

The products subject to investigation also compete with each other in certain instances, although direct competition is infrequent. For example, as the flatness and surface finish of the hot-rolled product have improved, equipment manufacturers have used it in place of more expensive cold-rolled products.[129] In addition, cold-rolled and corrosion-resistant products may compete in applications where corrosion resistance is desirable but not essential, and coiled plate produced on a hot-strip mill often competes with thin gauge plate made on a plate mill.

In addition, flat-rolled carbon steel products compete to a limited degree with flat-rolled alloy steel products. The addition of alloying elements to the steel raises the price of the steel, but also imparts that steel with improved properties. As with plastic or aluminum, alloy steel generally competes with carbon steel in the design stage of manufacturing, when the trade-off between cost and performance is weighed.

Voluntary Restraint Agreements

Between October 1, 1984, and March 31, 1992, imports of flat-rolled carbon steel products, including the products subject to these investigations from Australia, Austria, Brazil, Finland, Japan, Korea, Mexico, Poland, Romania, and the European Community (including Belgium, France, Germany, Italy, the Netherlands, Spain, and the United Kingdom),[130] were subject to quantitative limitations under the VRAs negotiated with 19 foreign governments and the European Community. The VRAs were authorized by the Steel Import Stabilization Act, which also contained requirements that the steel industry invest in modernization, retrain workers, and take actions to improve its international competitiveness. The export restraints were negotiated to assist in these efforts.

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[127] International Iron and Steel Institute, *Intermaterial Competition: An Economic Analysis of General Trends*, Brussels, 1989, pp. 1-2.

[128] U.S. International Trade Commission, *Steel Industry Annual Report on Competitive Conditions in the Steel Industry and Industry Efforts to Adjust and Modernize*, Publication No. 2436, Sept. 1991, pp. 2-13 to 2-15.

[129] Interviews with executives of ***, Mar. 12, 1992.

[130] There were no VRAs with Argentina, Canada, New Zealand, or Sweden. There was also no VRA with Taiwan, although through letters from the Coordination Council for North American Affairs (CCNAA) to the American Institute in Taiwan, the CCNAA established unilateral restraints on steel exports to the United States.

On July 25, 1989, the President announced a Steel Trade Liberalization Program, which extended the VRAs for 2½ years, terminating on March 31, 1992. The President directed the USTR to negotiate VRAs at an overall restraint level of 18.4 percent (the 1988 VRA import penetration level). Also, the President authorized up to an additional one percent import penetration annually that would be available to countries that entered into bilateral consensus agreements (described below) on tariffs, subsidies, and other non-tariff measures.

It is difficult to state how "binding" the VRAs have been on the subject products because the VRA categories for plate, hot-rolled, cold-rolled, and corrosion-resistant products are generally broader than those for the products subject to these investigations. The VRA categories, for example, may cover certain alloy steel products, tin-coated products, and other products not subject to these investigations. Some products are also categorized differently. The VRA category for plate, for example, includes both strip mill plate and plate mill plate, whether coiled or cut-to-length, whereas in these investigations only cut-to-length plate is included in the plate category. In addition, the VRAs provide for flexibility, wherein a limited amount of tonnage can be shifted between categories or carried forward to a subsequent period, upon consultation with the United States. In only seven instances were final ceilings for flat-rolled products 95 percent or more filled for a specific period and only one of those was 100 percent filled. Although data for the final VRA period are not yet finalized, adjusted restraint limits and the extent to which countries filled their category and subcategory limits on subject products, for the relevant countries and time periods, are shown in table 6, based on export certificate data and consultations conducted by the Office of Agreements Compliance, U.S. Department of Commerce.

Bilateral Consensus Agreements/Multilateral Steel Agreement

When the VRAs were extended in 1989, the United States sought to address the causes of unfair trade and reduce subsidization and overcapacity in the steel industry. The bilateral agreements were commitments by countries to prohibit most subsidies for the steel industry, to reduce tariffs and nontariff barriers to steel trade, and to incorporate a binding arbitration mechanism. The bilateral consensus agreements (BCAs) were to be multilateralized within the General Agreement on Tariffs and Trade (GATT) though the Multilateral Steel Agreement (MSA) which was being negotiated with BCA countries and most other major steel producing countries. On March 31, 1992, however, the MSA negotiations were suspended without agreement. Negotiators have agreed to continue to meet bilaterally and multilaterally, but no specific time schedule has been set.

Respondents from Austria argue that the ongoing BCA between the United States and Austria should be grounds to exclude Austria from the CVD cases on cold-rolled products and that steel subsidy issues should be resolved through BCA consultation and dispute settlement mechanisms.[131] Respondents argue further that, based on their interpretation of the BCA, the Commission has

[131] TR, p. 368, 380.

Table 6
Certain flat-rolled carbon steel products: VRA adjusted ceilings and fill rates, by category, by country, and by specified period, 1989-92

Category/ country	Jan. 1989-Sept. 1989 (9 months) Adjusted ceiling	Fill rate	Oct. 1989-Dec. 1990 (15 months) Adjusted ceiling	Fill rate	Jan. 1991-Mar. 1992[1] (15 months) Preliminary ceiling	Fill rate
	Metric tons	Percent	Metric tons	Percent	Metric tons	Percent
Plate:						
Brazil	48,414	92	84,345	95	***	***
EC[2]	245,082	69	472,077	90	***	***
Finland	58,817	78	([3])	([3])	([3])	([3])
Japan	27,247	77	66,855	48	***	***
Korea	46,773	49	55,970	41	***	***
Mexico	19,775	91	46,347	99	***	***
Poland	21,788	100	37,500	84	***	***
Romania	44,452	64	80,250	73	***	***
Hot-rolled:						
Brazil	160,202	73	175,355	81	***	***
EC[2]	193,712	70	1,356,648	92	***	***
Japan[4]	271,705	86	410,490	79	***	***
Korea	171,252	88	752,493	97	***	***
Cold-rolled:						
Australia[5]	25,400	65	38,050	83	***	***
Austria[6]	59,595	35	190,152	73	***	***
Brazil	122,789	86	179,990	98	***	***
EC:[2]						
Sheet	553,687	73	954,635	93	***	***
Strip	22,064	95	41,000	91	***	***
Japan	519,002	83	806,700	95	***	***
Korea	168,933	28	332,141	42	***	***
Corrosion-resistant:						
Australia	96,347	91	181,784	89	***	***
Brazil	19,473	54	31,867	78	***	***
EC[2]	325,930	64	626,609	56	***	***
Japan	1,156,906	63	1,709,950	60	***	***
Korea	121,376	47	251,550	68	***	***
Mexico	51,405	71	127,916	52	***	***

[1] Data for January 1991-March 1992 not yet finalized. ***.
[2] Figures for the EC do not include data from the former German Democratic Republic (GDR). For October 1989-December 1990 the adjusted ceiling for flat-rolled products from the GDR was 67,500 metric tons; 43 percent filled.
[3] Not available.
[4] Not a formal category, calculated from data on other VRA categories.
[5] Includes hot-rolled sheet data.
[6] Data for October 1989-December 1990 include all flat-rolled products.

Source: U.S. Department of Commerce, Office of Agreements Compliance.

improperly accepted the petition on products from Austria.[132] Petitioners argue that the BCA does not, by its terms, require the use of BCA mechanisms in lieu of trade cases. Petitioners argue that, in any case, the BCA has not been implemented by Congress and that changes in U.S. trade law, even if the BCA required any, would not come into force until after such implementation.[133]

U.S. Tariff Treatment

Imports of carbon steel flat-products are classified under headings 7208-7212 of the *Harmonized Tariff Schedule of the United States* (HTS). The column 1 (most-favored-nation) rate of duty for the subject products, applicable to imports from 20 of the 21 countries named in these cases, ranges from 2.4 percent to 6.5 percent ad valorem. The column 2 ad valorem rate of duty for the subject products, applicable to imports from Romania, ranges from 6 percent to 45 percent. The tariff rates on imports from Canada, which range from 1.4 percent to 3.9 percent, are subject to phased reduction under the U.S.-Canada Free Trade Agreement and are scheduled to be eliminated by January 1, 1998. The tariff subheadings and the corresponding tariff rates are provided in Appendix D.

U.S. Producers

The Commission sent questionnaires to 67 firms believed to produce the subject products.[134] Of these firms, 20 notified the Commission that they do not produce the products, 31 provided complete data on their production,[135] 2 joint-venture firms indicated their production was included in their parent company's response, 1 firm provided only partial production data, and 13 firms did not provide data in response to the Commission's questionnaire.[136] The petitioning group of firms and their plant locations are as follows:

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[132] Postconference brief of Barnes, Richardson, & Colburn on behalf of Voest-Alpine Stahl (Austria), pp. 8-10.

[133] Petitioners' postconference brief, Vol. 1, pp. A-6-A-7.

[134] Questionnaires were also sent to 40 coil coaters. However, most of the coil coaters indicated that they were not part of the industry and only one coater and 9 producers responded with usable information on coated operations in the corrosion-resistant area. This information is summarized in App. E.

[135] *** questionnaire response was received too late to correct all data problems; therefore *** data are only included in U.S. production and in the "Financial Experience" section.

[136] Of the 13 firms that did not provide specific information, *** stated that it is a very small producer of cold-rolled strip (letter dated ***); *** stated that it is a toll producer; and *** stated that it would not respond to the questionnaire (letter dated July 10, 1992). The remaining 10 firms did not respond to the Commission's questionnaire.

Petitioning group firm	Plant locations
Armco	Middletown, OH
	Ashland, KY
Bethlehem	Sparrows Point, MD
	Chesterton, IN
Geneva	Vineyard, UT
Gulf	Gadsden, AL
Inland	East Chicago, IN
	New Carlisle, IN
Laclede	Alton, IL
LTV	East Chicago, IN
	Cleveland, OH
	Hennepin, IL
	Columbus, OH
Lukens	Coatesville, PA
	Conshohocken, PA
National	Ecorse, MI
	Portage, IN
	Granite City, IL
Sharon	Sharon, PA
	Greenville, PA
USX	Pittsburgh, PA
	Fairless Hills, PA
	Birmingham, AL
	Gary, IN
	South Chicago, IL
WCI	Warren, OH

U.S. producers, their shares of reported production of subject products in 1991, and their position on these investigations are shown in table 7.

Types of Producers

Producers in the carbon steel industry include integrated mills, minimills, and converters; in addition, some industry analysts use the term "reconstituted" mills for integrated steelmaking facilities that were spun off (divested or put into bankruptcy) by their parent companies.

Although there is some overlap between producer types, generally integrated mills are large capital-intensive facilities that produce steel by smelting iron ore and coke in a blast furnace to produce molten iron which is subsequently poured into a steelmaking furnace, with or without a charge of scrap metal. The range of products produced by integrated plants is broad, although most products are carbon steels.

Nonintegrated facilities, including minimills for carbon products and stainless mills for stainless and alloy tool steels, produce steel by melting recycled scrap metal in electric arc furnaces. This method of steelmaking generally involves less capital investment. Minimills have traditionally produced bars, rods, rails, and light structural shapes, called "long products." However, in recent years, new technology has expanded the range of products that minimills can economically produce; a number of mills now

Table 7
Certain flat-rolled carbon steel products: U.S. producers' share of production and position on investigations, by firms, 1991

Firm	Share of reported 1991 production: Plate	Hot-rolled	Cold-rolled	Corrosion resistant	Position
	Percent				
Petitioning group:[1]					
Armco	***	***	***	***	Supports
Bethlehem	***	***	***	***	Supports
Geneva	***	***	***	***	Supports
Gulf	***	***	***	***	Supports
Inland	***	***	***	***	Supports
Laclede	***	***	***	***	Supports
LTV	***	***	***	***	Supports
Lukens	***	***	***	***	Supports
National	***	***	***	***	Supports
Sharon	***	***	***	***	Supports
USX	***	***	***	***	Supports
WCI	***	***	***	***	Supports
Subtotal	76.3	83.0	83.9	77.5	
Non-petitioners:					
Acme	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
Calstrip	***	***	***	***	***
Citisteel	***	***	***	***	***
Cold Metal	***	***	***	***	***
Empire	***	***	***	***	***
Gibraltar	***	***	***	***	***
Greer	***	***	***	***	***
Gregory	***	***	***	***	***
I/N Kote	***	***	***	***	***
Lone Star	***	***	***	***	***
Marathon	***	***	***	***	***
McLouth	***	***	***	***	***
Metaltech	***	***	***	***	***
Newport	***	***	***	***	***
N.S. Group	***	***	***	***	***
Nucor	***	***	***	***	***
Oregon	***	***	***	***	***
Pinole Point	***	***	***	***	***
Rome	***	***	***	***	***
Rouge	***	***	***	***	***
Seattle	***	***	***	***	***
Thomas	***	***	***	***	***
Thompson	***	***	***	***	***
Tuscaloosa	***	***	***	***	***
Ulbrich	***	***	***	***	***
UPI	***	***	***	***	***

See footnotes at end of table.

Table 7--continued
Certain flat-rolled carbon steel products: U.S. producers' share of production and position on investigations, by firms, 1991

Firm	Share of reported 1991 production: Plate	Hot-rolled	Cold-rolled	Corrosion resistant	Position
	Percent				
Non-petitioners-cont.:					
Washington . .	***	***	***	***	***
Weirton	***	***	***	***	***
Wheeling-Nisshin	***	***	***	***	***
Wheeling-Pitts.	***	***	***	***	***
Whittar	***	***	***	***	***
Theis	***	***	***	***	***
Subtotal . .	23.9	17.2	16.4	22.7	
Total	100.0	100.0	100.0	100.0	
Total (millions of short tons) .	4.6	41.3	21.2	9.3	

[1] Not all members of the petitioning group are petitioners with respect to all investigations. See tables 1 and 2 for case-specific information.

Source: Complied from data submitted in response to questionnaires of the U.S. International Trade Commission.

produce products such as hot- and cold-rolled sheet and wide-flange beams, formerly produced almost exclusively by integrated producers. Minimills are generally smaller than integrated mills, typically producing much less than 1 million tons of raw steel per year at any one facility.

Steel converters (or processors) do not produce molten steel, but instead purchase steel for further processing. Common converting operations include the production of hot-rolled coils from slabs, bars from purchased billets, wire from wire rod, pipes and tubes from skelp (plate), and coated products from cold-rolled steel.

Modernization

During the past three years, the domestic industry, as required by the VRA program (see preceeding section), has re-invested all of its cash flow in modernization and re-structuring. This modernization is continuing. Petitioners indicate that, during the coming year, USX and WCI will add continuous casters; USX will rebuild two large blast furnaces; USX will renovate a hot-strip mill; LTV will install a continuous-annealing line; and Nucor will complete construction of a hot-rolled sheet plant.[137] According to petitioners, modernization has been particularly important recently in the

[137] Petitioners' postconference brief, Vol. 2A, exhibit 21.

corrosion-resistant area in order to remain competitive and become a qualified supplier to Japanese auto transplants.[138] Inland completed two new galvanizing lines in 1991 and LTV has two new lines, one of which was completed in 1991. In addition, most of the other large integrated producers are planning to add substantial amounts of new capacity in the galvanizing area over the next two years (see the "Capacity" section).

Foreign Investment

Foreign investment in U.S. steelmakers has been substantial, both in terms of direct equity investments and in joint ventures, particularly with Japanese steel producers. This has provided domestic manufacturers with greater access to capital and the new technology necessary for modernization and it has provided foreign partners with increased access to the U.S. market. Recently, foreign investment has focused on specific operations or product lines, particularly for automotive applications in response to the presence of Japanese auto transplants and their requirements for higher-technology steel. Other factors encouraging investment include favorable exchange rates and the existence of the VRAs, which put ceilings on the exportation of steel to the United States. Although ceilings were not generally reached for several years of the VRA program, the existence of such ceilings reduced the possibility of import surges and increased the confidence of U.S. producers and their creditors in modernization efforts. Current and planned foreign equity investment in U.S. steelmaking is shown in table 8.

U.S. Importers

Questionnaires were sent to 250 firms identified by the U.S. Customs Service as having imported certain flat-rolled carbon steel products. Of the 250 recipients, 112 firms returned usable questionnaires and 13 firms submitted letters indicating small amounts of imports. Because the Commission did not receive full import coverage in the questionnaires, official import statistics from the U.S. Department of Commerce were used to supply the import quantity, value, and unit value data for each of the subject countries.[139]

Importers of certain flat-rolled carbon steel products include distributors, e.g., ***. Many importers are affiliated with foreign producers. These include ***.

Two U.S. producers *** reported imports of certain flat-rolled carbon steel products during the period of investigation. UPI imports hot bands from its affiliated firm in Korea (POSCO) for its cold reduction operations. Although the importer of record for some hot-rolled products from *** primarily purchases the imported products from trading companies. Other producers *** also purchase the imported product from trading companies, usually purchasing hot-rolled products for their cold-rolled operations.

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[138] Petition, Injury Vol., Sec. IV, p. 12.

[139] The 112 importers which responded to the Commission's request for information accounted for 60.8 percent of U.S. imports of plate, 90.4 percent of U.S. imports of hot-rolled products, 82.0 percent of U.S. imports of cold-rolled products, and 88.9 percent of U.S. imports of corrosion-resistant products in 1991.

Table 8
Certain flat-rolled carbon steel products: U.S. producers and foreign equity investment in manufacturing facilities, by firms and projects, 1991

Product/ firm	Foreign partner/ owner	Foreign country	Share of foreign ownership	Start-up date	Project or asset, location
Plate:					
Laclede...	Ivaco	Canada	51	1983	All facilities
Phoenix...	CITI Steel	China	100	1989	Claymount, DE
Tuscaloosa	British Steel	United Kingdom	100	1984	Tuscaloosa, AL
Hot-rolled products:					
Armco.....	Kawasaki	Japan	50	1989	Ohio; Kentucky
California.	Kawasaki	Japan	50		
	CVRD	Brazil	50	1984	Fontana, CA
Inland.....	Nippon	Japan	13	1989	All facilities
Laclede....	Ivaco	Canada	51	1983	All facilities
National...	NKK	Japan	70	1984	All facilities
Cold-rolled products:					
Armco.....	Kawasaki	Japan	50	1989	Ohio; Kentucky
California.	Kawasaki	Japan	50		
	CVRD	Brazil	50	1984	Fontana, CA
Inland.....	Nippon	Japan	40	1990	I/N Tek, Indiana
National...	NKK	Japan	70	1984	All facilities
USX.....	Posco	Korea	50	1986	UPI, Pittsburg, CA
Corrosion-resistant products:					
Armco.....	Kawasaki	Japan	50	1989	New line in 1994
Bethlehem..	National/ NKK	Japan	50	1994	Double G Coatings, Jackson, MS
California.	Kawasaki	Japan	50		
	CVRD	Brazil	50	1984	Fontana, CA
Inland.....	Nippon	Japan	50	1991	I/N Kote, Indiana
LTV.....	Sumitomo	Japan	40	1986	L-S Electro, Ohio
LTV.....	Sumitomo	Japan	50	1991	L-SII Electro, Ohio
National...	NKK	Japan	70	1984	Ecorse, MI
USX.....	Kobe	Japan	50	1993	Protec Coating Co.
Wheeling-Pittsburg	Nisshin	Japan	80	1988	Follansbee, WV Second line in 1994

Source: USITC, *Steel Industry Annual Report, September 1991*, Publication 2436, pp. 3-8 to 3-11; Japan Steel Information Center, *Joint Ventures in the U.S. by Japanese Steel Makers*, June 1992; and *Metal Bulletin*, various issues.

Channels of Distribution

Both domestic and imported flat-rolled carbon steel products are sold primarily to two broad categories of customers: steel distributors or service centers, and manufacturers or end users in the automobile, appliance, construction, and other industries.[140] Distribution channels vary by product and are different for U.S. producers compared to foreign producers (table 9). For example, plates are shipped through service centers more than any other product, reflecting the large number of small end users of plate in the construction and equipment industries. A large percentage of domestically produced corrosion-resistant products is sold to end users, reflecting the close relationship between U.S. steel producers and auto companies.

Table 9
Certain flat-rolled carbon steel products: U.S. shipments (merchant and captive) and imports, by distribution channel, 1991

(In percent)

Item	Service centers, distributors, processors		End users	
	Related	Unrelated	Related	Unrelated
U.S. shipments:				
Plate	4.1	42.1	5.4	48.4
Hot-rolled	21.0	21.8	37.8	19.4
Cold-rolled	21.7	16.9	25.6	35.9
Corrosion-resistant	.6	21.1	1.3	77.0
U.S. imports:				
Plate	1.7	61.6	2.2	34.5
Hot-rolled	2.5	22.9	45.0	29.7
Cold-rolled	9.7	41.2	.9	48.1
Corrosion-resistant	2.8	23.8	10.6	62.8

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Shipments to distributors/service centers/processors include intracompany and intercompany transfers of flat-rolled products for further

[140] AISI identifies several major noncaptive markets for steel mill products, including steel service centers and distributors, converters and processors, construction, automotive, rail transportation, aircraft and aerospace, oil and gas, machinery and industrial equipment, appliances, and containers and shipping materials. (See table 5 in the "Uses" section).

processing into downstream products covered by the investigation.[141] Intracompany transfers are common among integrated facilities, which use their own hot-rolled product in the production of cold-rolled products, and their own cold-rolled product in the production of corrosion-resistant products. Such processing may be performed at the same or separate facilities. Intercompany transfers from one steel company to another are less frequent, occurring primarily when another steelmaker shuts down an operation for maintenance and makes up decreased production with open market purchases.

Steel service centers generally perform four different functions in the U.S. market. First, on some sales they act simply as a broker between the buyer and the domestic or foreign mill. In these instances, the service center does not take possession of the product; instead the order is shipped directly to the customer from the domestic mill or from the U.S. port of entry. Second, service centers can act as buying brokers ordering specific products on a customer's behalf from domestic or foreign sources. The service centers take title to the products, inventory them in their U.S. storage facilities, and make shipments, often on a just-in-time basis, to the customer as needed. Third, service centers can also act as distributors by buying and inventorying products that are typically of commercial quality, with standardized sizes, grades, or tolerances, and reselling to U.S. customers on the merchant market. Finally, service centers can act as processors that purchase domestic or imported products, perform some further processing such as forming and slitting, and then resell the product to their U.S. customers.

The degree to which each individual service center performs these functions depends on the company involved; some may concentrate on only one or two of the functions mentioned, while others routinely perform all four. For example, the president of one steel service center in the United states stated that his company does not buy any steel on speculation. All the steel that is purchased is ordered and specifically designed for a particular customer.[142]

With respect to end users, the U.S. automobile industry, which primarily purchases cold-rolled and corrosion-resistant products, is the largest overall volume purchaser of flat-rolled carbon steel products in the manufacturing sector. The products shipped by domestic steel producers to the U.S. auto industry generally do not pass through service centers. The proximity of the U.S. mills to the auto plants allows them to make frequent deliveries in specified quantities. Also, many of the domestic mills are able to send engineers and metallurgists to the customers' facilities to work on product development and to help the customers with any problems that arise with the product.[143] Similarly, one Canadian manufacturer reported that because of the technical expertise and sales support provided to the U.S. auto industry by the North American mills, small changes in price for competing products would not cause the auto manufacturers to switch suppliers.[144]

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[141] Intracompany and intercompany transfers for the manufacture of non-flat steel products are not covered in this category, but rather are considered shipments to related and unrelated end users, respectively. For example, hot-rolled product is used in the manufacture of welded pipe and floor decking, which are produced by some flat-rolled steel producers.

[142] TR, p. 348.

[143] TR, pp. 93-4.

[144] TR, pp. 245-46.

In addition to the auto industry, corrosion-resistant products are also sold in varying degrees, depending on the type of coating, to service centers, the construction industry, and the appliance manufacturing and furniture industries. Approximately 28 percent of domestic hot-dipped galvanized steel goes to the automotive industry while 26 percent goes to the service center market, 23 percent goes to the construction industry, and the remainder goes to other industries. Approximately 73 percent of domestic electrogalvanized steel goes to the auto industry, 16 percent is sold to service centers, and 11 percent goes to the construction and other industries.[145]

APPARENT U.S. CONSUMPTION[146]

Market conditions in industries that require steel as an input, such as automobiles, construction, machinery and equipment, shipbuilding, appliances, energy, and utilities, have long affected demand in the steel industry. For example, increased demand for more fuel-efficient automobiles, prompted by higher fuel prices, reduced the demand for steel as the automotive industry downsized to produce smaller, lighter cars.[147]

Data on apparent U.S. consumption of certain flat-rolled carbon steel products are presented in tables 10 and 11. The data presented in table 10 are based on company transfers and open-market shipments reported by U.S. producers in their questionnaire responses. Apparent open-market U.S. consumption is presented in table 11. Counsel for petitioners argued at the conference that including captive consumption would result in double-counting hot-rolled and cold-rolled products.[148] Respondents argue that captive consumption of hot-rolled and cold-rolled products should be included with merchant (open-market) shipments for purposes of determining total U.S. shipments.[149] Counsel representing the Korean producer, POSCO, argued that of the 42.6 million tons of hot-rolled sheet consumed in the United States in 1991, over half, or almost 23 million tons, was used by cold-reducing facilities to make cold-rolled sheet and other finished steel products and that such consumption should be included in the domestic industry.[150] Counsel representing Voest-Alpine Stahl AG (the Austrian producer) argued that the cold-rolled products transferred to the divisions of integrated producers that

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[145] Based on AISI data, form AIS 16C.

[146] The Commission received questionnaire responses from 31 U.S. producers in operation during 1989-March 1992. Based on 30 questionnaire responses, the Commission has over 90 percent coverage of open-market shipments in 1991 of plate and of hot-rolled products, 89 percent of cold-rolled products, and *** percent of corrosion-resistant products, as compiled by AISI. Official import statistics from the U.S. Department of Commerce have been used in the calculation of apparent U.S. consumption.

[147] TR, p. 393. The automotive, construction, and machinery and equipment industries are the largest consumers of flat-rolled carbon steel products.

[148] TR, pp. 487-488; petitioners' postconference brief, Vol 1, pp. 11-12 and 155-160, and Vol. 3, pp. 11-12.

[149] TR, pp. 229-230, 497-498. See also postconference brief of Trade Resources Company.

[150] Preconference statement, p. 6, and postconference brief of Morrison & Foerster, pp. 2-8; and postconference brief of Weil, Gotshal & Manges, pp. 2-3.

Table 10
Certain flat-rolled carbon steel products: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, by products, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	Jan.-Mar.-- 1992
	Quantity (1,000 short tons)				
Plate:					
Producers' U.S. shipments	4,721	5,038	4,420	1,121	1,202
U.S. imports from--					
Subject sources	751	755	651	167	155
Other sources	83	95	44	13	6
Total	835	850	695	180	161
Apparent consumption	5,555	5,889	5,114	1,300	1,362
Hot-rolled products:					
Producers' U.S. shipments	42,838	45,075	38,718	8,425	11,200
U.S. imports from--					
Subject sources	2,245	2,700	2,508	632	734
Other sources	185	186	111	53	19
Total	2,429	2,886	2,618	685	753
Apparent consumption	45,267	47,961	41,336	9,110	11,953
Cold-rolled products:					
Producers' U.S. shipments	23,766	23,866	20,746	4,628	6,108
U.S. imports from--					
Subject sources	1,802	1,842	1,675	436	417
Other sources	61	99	66	20	10
Total	1,863	1,941	1,741	455	427
Apparent consumption	25,629	25,806	22,487	5,084	6,535
Corrosion-resistant products:					
Producers' U.S. shipments	10,188	10,021	9,051	1,986	2,558
U.S. imports from--					
Subject sources	1,740	1,722	1,611	453	393
Other sources	131	148	143	41	29
Total	1,871	1,870	1,753	494	422
Apparent consumption	12,059	11,892	10,804	2,481	2,980
	Value (million dollars)				
Plate:					
Producers' U.S. shipments	2,264	2,339	1,975	527	505
U.S. imports from--					
Subject sources	338	322	264	69	58
Other sources	35	39	15	5	2
Total	372	361	279	73	60
Apparent consumption	2,636	2,700	2,254	601	564

Table 10--Continued
Certain flat-rolled carbon steel products: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, by products, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Value (million dollars)				
Hot-rolled products:					
Producers' U.S. shipments	15,511	15,235	12,281	2,803	3,533
U.S. imports from--					
Subject sources	951	1,007	894	232	252
Other sources	73	63	36	16	7
Total	1,024	1,070	930	248	259
Apparent consumption	16,534	16,305	13,211	3,052	3,792
Cold-rolled products:					
Producers' U.S. shipments	11,299	11,057	9,374	2,148	2,749
U.S. imports from--					
Subject sources	977	926	813	214	200
Other sources	41	49	35	10	6
Total	1,018	975	848	224	206
Apparent consumption	12,317	12,031	10,222	2,373	2,955
Corrosion-resistant products:					
Producers' U.S. shipments	6,156	6,046	5,331	1,183	1,483
U.S. imports from--					
Subject sources	1,184	1,182	1,035	290	297
Other sources	86	91	83	26	23
Total	1,270	1,273	1,118	316	320
Apparent consumption	7,426	7,320	6,450	1,499	1,803

Note.--Because of rounding, figures may not add to the totals shown; shares are computed from the unrounded figures.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table 11
Certain flat-rolled carbon steel products: Open-market U.S. shipments of domestic product, U.S. imports, and apparent open-market U.S. consumption, by products, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Plate:					
Producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
Subject sources	751	755	651	167	155
Other sources	83	95	44	13	6
Total	835	850	695	180	161
Apparent consumption	***	***	***	***	***
Hot-rolled products:					
Producers' U.S. shipments	14,878	16,022	13,890	3,211	4,064
U.S. imports from--					
Subject sources	2,245	2,700	2,508	632	734
Other sources	185	186	111	53	19
Total	2,429	2,886	2,618	685	753
Apparent consumption	17,307	18,908	16,509	3,897	4,817
Cold-rolled products:					
Producers' U.S. shipments	11,932	11,826	10,218	2,302	3,023
U.S. imports from--					
Subject sources	1,802	1,842	1,675	436	417
Other sources	61	99	66	20	10
Total	1,863	1,941	1,741	455	427
Apparent consumption	13,795	13,767	11,959	2,757	3,450
Corrosion-resistant products:					
Producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
Subject sources	1,740	1,722	1,611	453	393
Other sources	131	148	143	41	29
Total	1,871	1,870	1,753	494	422
Apparent consumption	***	***	***	***	***
	Value (million dollars)				
Plate:					
Producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
Subject sources	338	322	264	69	58
Other sources	35	39	15	5	2
Total	372	361	279	73	60
Apparent consumption	***	***	***	***	***

Table 11--Continued
Certain flat-rolled carbon steel products: Open-market U.S. shipments of domestic product, U.S. imports, and apparent open-market U.S. consumption, by products, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Value (million dollars)				
Hot-rolled products:					
Producers' U.S. shipments	5,493	5,479	4,501	1,087	1,308
U.S. imports from--					
Subject sources	951	1,007	894	232	252
Other sources	73	63	36	16	7
Total	1,024	1,070	930	248	259
Apparent consumption	6,516	6,550	5,431	1,336	1,567
Cold-rolled products:					
Producers' U.S. shipments	5,786	5,560	4,659	1,079	1,360
U.S. imports from--					
Subject sources	977	926	813	214	200
Other sources	41	49	35	10	6
Total	1,018	975	848	224	206
Apparent consumption	6,804	6,535	5,507	1,303	1,565
Corrosion-resistant products:					
Producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
Subject sources	1,184	1,182	1,035	290	297
Other sources	86	91	83	26	23
Total	1,270	1,273	1,118	316	320
Apparent consumption	***	***	***	***	***

Note.--Because of rounding, figures may not add to the totals shown; shares are computed from the unrounded figures.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

manufacture corrosion-resistant products should be included in U.S. shipments of cold-rolled products.[151]

Plate

The construction industry is the largest consumer of cut-to-length plate,[152] receiving 15 percent of U.S. shipments in 1991.[153] Apparent U.S. consumption (by quantity) increased by 6 percent between 1989 and 1990 and decreased by 13 percent between 1990 and 1991. Apparent consumption increased by 5 percent, by quantity, but decreased by 6 percent, by value, in the interim periods.

Hot-rolled Products

Hot-rolled products are used in pipes and tubes, automobiles, industrial equipment, etc. Apparent consumption (by quantity) followed the same trends as plate, increasing in 1989-90 and declining in 1990-91. Such consumption increased by 31 percent between January-March 1991 and January-March 1992. Apparent consumption (by value) declined from 1989 to 1991 and increased during interim 1992.

Cold-rolled Products

Cold-rolled products are the basic raw material for automotive parts, hardware, office equipment, fasteners, bearings, chains, and many other products.[154] Apparent consumption (by quantity) increased slightly between 1989 and 1990 before declining by 14 percent in 1991. Consumption then rose by 29 percent in January-March 1992 when compared to the corresponding period of 1991. Apparent consumption (by value) declined throughout 1989-91 and then increased by 25 percent in January-March 1992.

Corrosion-resistant Products

Apparent consumption of corrosion-resistant products (by quantity) declined by 10 percent between 1989 and 1991 but then increased by 20 percent in January-March 1992 compared to the corresponding period of 1991. Apparent consumption by value followed the same trends.

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[151] Postconference brief of Barnes, Richardson & Colburn, pp. 12-14 and pp. 26-28. Counsel notes that U.S. producers are unable to report separate data on production, profits, and other indicia for cold-rolled inputs used in downstream products. Cold-rolled products are used as raw materials for tin plate, tin free steel, tin coated sheets, galvanized hot-dipped sheet and strip, galvanized electrolytic sheet and strip, and other metallic coated sheet and strip; brief, p. 26.

[152] The construction industry responds directly to the level of industrial investment in the United States.

[153] Petitioners' postconference brief, Vol 1, p. 47.

[154] Written statement submitted by the Association of Cold Rolled Strip Steel Producers, July 24, 1992.

U.S. IMPORTS

Plate

As indicated in table 12, the subject imports of plate decreased irregularly by 13.4 percent from 1989 to 1991 and continued to decline, by 7.0 percent, between the interim periods. Accounting for the largest volume of imports during 1991, Belgium's imports declined 36.5 percent from 1989 to 1991 and by 44.9 percent between the interim periods.

Hot-rolled Products

The subject imports of hot-rolled products increased by 20.3 percent from 1989 to 1990 but decreased by 7.1 percent from 1990 to 1991, resulting in an 11.7 percent increase overall during 1989-91 (table 13). Compared to January-March 1991, the subject imports increased by 16.1 percent in January-March 1992. Representing 27 percent of imports of hot-rolled products, Korea accounted for the largest volume of imports during 1991. According to the responses from importers' questionnaires, *** percent of imports from Korea were made by UPI. Under a partnership agreement with the Korean producer, POSCO, UPI imports hot bands for its cold reduction operations. Imports from Korea *** percent from 1989 to 1991 and remained *** between the interim periods. As presented in the following tabulation, UPI's imports of hot-rolled products account for nearly all of the U.S. producers' imports of certain flat-rolled products.

* * * * * * *

Accounting for the second largest volume of imports of hot-rolled products in 1991, Canada sells hot-rolled products primarily to the automotive industry. The imports are sold either directly to the automotive producers or to specialized auto service centers.[155] Imports from Canada remained fairly constant from 1989 to 1991, but increased 86.4 percent between the interim periods. Jim Alfano of Stelco argues that imports increased in 1992 because of the following reasons: the improvement of the North American automotive industry, the shift of automotive parts processors from Canada to the United States over the past two years,[156] and a five month strike at Stelco and Algoma, resulting in low levels of production in 1991.[157] Approximately 10 percent of the imports of hot-rolled products from Canada were captive shipments from IPSCO to its wholly owned plate mill in Iowa.[158]

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[155] TR, p. 283.

[156] The Canadian Steel Service Center Institute reported that 16 automotive parts manufacturers, accounting for nearly 140,000 tons of steel per year, moved from Canada to the United States during 1990-91. TR, p. 264.

[157] TR, pp. 263-266.

[158] TR, p. 283.

Table 12
Plate: U.S. imports, by sources, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (short tons)				
Belgium	138,131	114,073	87,654	21,343	11,762
Brazil	101,244	52,680	67,481	13,010	20,809
Canada	107,978	92,674	76,936	16,337	33,546
Finland	73,675	83,287	55,648	12,008	16,433
France	11,672	11,135	13,438	6,746	2,202
Germany	42,623	59,479	38,482	13,023	6,147
Italy	9,048	10,074	17,076	8,471	1,677
Japan	7,946	8,561	12,240	2,181	1,441
Korea	34,272	21,361	15,186	4,090	1,604
Mexico	24,543	41,520	19,343	3,582	14,722
Poland	28,901	25,546	38,357	5,401	5,233
Romania	34,419	31,650	36,428	23,281	5,904
Spain	54,834	68,136	69,560	20,785	8,137
Sweden	54,101	91,269	68,337	11,822	18,722
United Kingdom	28,012	43,489	34,869	4,493	6,605
Subtotal	751,398	754,935	651,036	166,572	154,942
Other sources	83,282	95,270	43,782	12,941	5,864
Total	834,681	850,204	694,817	179,513	160,805
	Value (1,000 dollars)				
Belgium	66,311	51,827	36,953	9,796	4,701
Brazil	37,436	21,512	26,920	5,313	7,498
Canada	47,332	36,329	29,810	5,830	11,732
Finland	32,372	36,591	22,587	5,150	6,048
France	6,681	6,049	6,743	3,304	1,078
Germany	20,818	26,736	17,207	5,597	3,183
Italy	3,831	4,158	6,624	3,256	615
Japan	4,958	5,417	7,428	1,240	957
Korea	15,758	8,724	5,572	1,497	596
Mexico	10,768	15,143	6,505	1,281	4,808
Poland	11,955	9,521	13,309	1,970	1,689
Romania	15,281	12,476	14,578	9,265	2,315
Spain	24,250	28,367	26,871	7,998	2,793
Sweden	26,905	41,200	29,479	5,208	7,210
United Kingdom	13,008	18,287	13,224	1,821	2,391
Subtotal	337,665	322,339	263,811	68,528	57,616
Other sources	34,793	38,875	15,362	4,715	2,008
Total	372,457	361,215	279,174	73,242	59,624
	Unit value (per short ton)				
Belgium	$480.06	$454.33	$421.58	$458.96	$399.70
Brazil	369.76	408.35	398.93	408.41	360.32
Canada	438.34	392.01	387.47	356.90	349.75
Finland	439.39	439.34	405.90	428.92	368.05
France	572.36	543.25	501.81	489.82	489.54
Germany	488.42	449.50	447.14	429.80	517.80
Italy	423.42	412.74	387.92	384.30	366.65
Japan	624.00	632.84	606.81	568.60	664.05
Korea	459.81	408.41	366.95	366.12	371.61
Mexico	438.75	364.71	336.28	357.68	326.61
Poland	413.65	372.70	346.97	364.81	322.84
Romania	443.97	394.19	400.17	397.96	392.07
Spain	442.25	416.33	386.30	384.79	343.33
Sweden	497.31	451.41	431.37	440.58	385.12
United Kingdom	464.37	420.51	379.26	405.29	362.05
Average	449.38	426.98	405.22	411.40	371.85
Other sources	417.77	408.05	350.88	364.31	342.52
Average	446.23	424.86	401.79	408.01	370.78

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 13
Hot-rolled products: U.S. imports, by sources, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1991
	Quantity (short tons)				
Belgium	40,459	36,696	78,699	65,339	362
Brazil	173,734	136,550	93,708	12,774	41,896
Canada	598,539	597,053	597,372	120,099	223,825
France	356,112	454,364	270,720	62,001	98,206
Germany	224,473	304,089	242,909	76,606	59,237
Italy	66,793	95,268	93,965	22,346	34,507
Japan	293,116	197,889	151,248	50,848	28,414
Korea	221,625	619,091	716,634	177,596	176,515
Netherlands	247,678	213,966	240,137	35,795	57,941
New Zealand	22,016	45,435	22,462	8,536	12,871
Subtotal	2,244,543	2,700,402	2,507,854	631,940	733,774
Other sources	184,593	185,506	110,510	53,369	18,807
Total	2,429,137	2,885,907	2,618,364	685,309	752,581
	Value (1,000 dollars)				
Belgium	17,710	13,545	25,597	20,374	155
Brazil	65,126	43,200	31,031	4,248	12,183
Canada	258,459	238,419	220,923	46,780	76,929
France	150,003	172,130	97,284	23,156	34,540
Germany	101,481	110,952	91,062	28,442	20,254
Italy	26,077	32,403	30,786	7,767	11,574
Japan	141,779	85,927	66,566	21,080	12,737
Korea	86,163	223,104	246,748	64,582	60,767
Netherlands	96,101	72,068	76,575	12,902	19,268
New Zealand	8,164	15,474	7,463	2,722	3,747
Subtotal	951,063	1,007,222	894,035	232,055	252,155
Other sources	72,595	62,812	36,041	16,362	6,816
Total	1,023,658	1,070,035	930,076	248,417	258,971
	Unit value (per short ton)				
Belgium	$437.73	$369.12	$325.25	$311.82	$428.58
Brazil	374.86	316.36	331.14	332.57	290.80
Canada	431.82	399.33	369.83	389.52	343.70
France	421.22	378.84	359.35	373.49	351.72
Germany	452.08	364.87	374.88	371.28	341.92
Italy	390.41	340.13	327.64	347.59	335.42
Japan	483.70	434.22	440.11	414.58	448.25
Korea	388.78	360.37	344.31	363.64	344.26
Netherlands	388.01	336.82	318.88	360.44	332.54
New Zealand	370.84	340.58	332.25	318.90	291.09
Average	423.72	372.99	356.49	367.21	343.64
Other sources	393.27	338.60	326.13	306.59	362.39
Average	421.41	370.78	355.21	362.49	344.11

Source: Compiled from official statistics of the U.S. Department of Commerce.

The imports of Belgian hot-rolled products increased by 94.5 percent from 1989 to 1991 but decreased 99.4 percent between the interim periods. The increase in 1991 is partly explained by Sidmar's sale of ***.[159] If the one sale to *** were to be excluded from the 1991 imports, the increase from 1988 to 1991 would be *** percent.

Cold-rolled Products

As indicated in table 14, subject imports of cold-rolled products decreased irregularly by 7.0 percent from 1989 to 1991 and by 4.3 percent between the interim periods. Accounting for the largest share of imports of cold-rolled products in 1991, the Japanese argue that their imports are specialty products which do not compete with U.S. or other foreign products. In support of the argument that Japan sells in a high-end market and commands price premiums, counsel for NKK, Kobe Steel, and Nisshin Steel point to the higher average unit values for Japanese imports of cold-rolled products.[160] Table 14 shows that the United Kingdom was the only country to have higher unit values than Japan during 1989-91. Imports from Japan declined by 31.6 percent from 1989 to 1991 and by 16 percent between the interim periods.

Corrosion-resistant Products

Subject imports of corrosion-resistant products decreased by 7.4 percent from 1989 to 1991 and by 13.3 percent between the interim periods (table 15). Supplying primarily the automotive market, Canada and Japan are the largest foreign sources of corrosion-resistant products. The Canadian producer, Stelco, argues that its development of a weldable, zinc-protected steel gave it a competitive advantage over U.S. producers. Chrysler and General Motors are major purchasers/importers of Stelco's Z-line. In fact, Stelco attributes the 81.1 percent increase in imports from Canada between interim 1991 and interim 1992 to the rise in demand for Stelco's Z-line among U.S. automobile manufacturers.

Accounting for 39.1 percent of total imports during 1991, Japan is the major foreign supplier of coated sheet products to Japanese automobile manufacturers in the United States. The Japanese producers argue that the U.S. steel industry was not able to supply products with the design and part specifications demanded by the Japanese automobile manaufacturers.[161] During the past year, Japan entered into joint venture agreements with U.S. steel producers to manufacture coated sheet in the United States that would be more responsive to the North American automotive market. Imports of corrosion-resistant products from Japan decreased by 22.3 percent from 1989 to 1991 and by 14.4 percent between the interim periods. Counsel argues that with more Japanese production onshore, imports should continue to decline.[162]

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[159] ***. Postconference brief, Sidmar and TradeARBED, p. 13.
[160] Postconference brief, NKK, Kobe, et. al., pp. 16-25.
[161] TR, p. 387.
[162] Postconference brief, Kawasaki, Kobe, et. al., p. 42.

Table 14
Cold-rolled products: U.S. imports, by sources, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (short tons)				
Argentina	6,955	27,809	70,302	22,655	4,274
Australia	15,625	24,104	27,331	9,168	7,171
Austria	27,195	87,652	66,662	23,784	143
Belgium	88,895	105,322	121,879	10,776	18,129
Brazil	212,465	140,212	135,147	20,715	46,985
Canada	153,943	114,663	113,425	25,670	42,222
France	116,679	125,273	129,263	38,276	33,857
Germany	248,154	307,614	241,307	57,040	73,599
Italy	39,305	40,901	44,393	16,241	12,624
Japan[1]	534,749	435,663	365,961	98,513	82,676
Korea	80,051	119,059	111,071	40,180	41,517
Netherlands	123,964	156,206	153,440	33,188	36,697
New Zealand	25,724	32,212	15,827	9,367	0
Spain	59,447	25,026	20,568	6,933	5,979
Taiwan	42,740	59,431	31,808	20,820	127
United Kingdom	26,178	40,392	27,095	2,335	10,988
Subtotal	1,802,068	1,841,539	1,675,478	435,661	416,988
Other sources	60,870	99,071	65,985	19,750	10,416
Total	1,862,938	1,940,610	1,741,463	455,411	427,405
	Value (1,000 dollars)				
Argentina	3,240	10,918	28,253	8,833	1,659
Australia	7,696	11,380	11,713	4,019	2,921
Austria	13,637	37,373	26,166	8,379	137
Belgium	45,864	49,634	53,014	5,350	8,208
Brazil	106,671	60,360	59,981	9,337	18,776
Canada	80,448	58,743	55,394	13,085	20,304
France	62,463	63,005	61,452	18,576	15,745
Germany	138,808	160,423	118,721	30,293	35,095
Italy	19,000	17,987	18,770	7,167	4,992
Japan	313,785	251,631	214,556	56,508	50,054
Korea	40,629	54,882	49,757	18,220	17,774
Netherlands	59,156	70,368	65,298	14,383	15,447
New Zealand	12,177	15,518	6,827	4,048	0
Spain	29,581	12,163	10,115	3,451	2,819
Taiwan	21,640	27,763	15,917	9,860	282
United Kingdom	21,766	23,803	16,916	2,663	5,629
Subtotal	976,562	925,953	812,849	214,172	199,844
Other sources	41,373	48,813	35,102	10,273	5,784
Total	1,017,935	974,765	847,951	224,444	205,628
	Unit value (per short ton)				
Argentina	$465.84	$392.61	$401.87	$389.90	$388.10
Australia	492.56	472.15	428.56	438.43	407.34
Austria	501.45	426.38	392.51	352.30	957.31
Belgium	515.94	471.26	434.97	496.47	452.74
Brazil	502.06	430.49	443.82	450.74	399.61
Canada	522.58	512.31	488.38	509.72	480.89
France	535.34	502.94	475.41	485.32	465.04
Germany	559.36	521.51	491.99	531.09	476.84
Italy	483.41	439.76	422.82	441.31	395.48
Japan	586.79	577.58	586.28	573.60	605.43
Korea	507.54	460.96	447.97	453.46	428.12
Netherlands	477.20	450.49	425.56	433.36	420.94
New Zealand	473.37	481.74	431.37	432.10	[2]
Spain	497.61	486.03	491.77	497.80	471.53
Taiwan	506.32	467.15	500.42	473.60	2,223.55
United Kingdom	831.46	589.29	624.31	1,140.46	512.31
Average	541.91	502.81	485.14	491.60	479.26
Other sources	679.70	492.71	531.97	520.15	555.27
Average	546.41	502.30	486.92	492.84	481.11

[1] Imports of shadow mask steel, which were requested to be excluded from the petition (letter dated August 6, 1992), accounted for *** percent during 1989-90, *** percent in 1991, *** percent in January-March 1991, and *** percent in January-March 1992.
[2] Not applicable.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 15
Corrosion-resistant products: U.S. imports, by sources, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (short tons)				
Australia	143,497	121,230	149,813	53,893	29,346
Brazil	17,196	21,937	16,259	6,845	289
Canada	205,215	201,272	272,163	45,807	82,973
France	83,268	59,087	70,786	19,307	20,008
Germany	202,783	172,245	140,926	29,044	20,895
Japan	881,721	843,351	685,458	190,393	162,914
Korea	83,141	124,249	124,953	52,608	38,760
Mexico	97,771	109,118	78,928	24,704	23,126
New Zealand	19,048	23,995	30,544	18,812	1,821
Sweden	458	11,100	19,991	2,768	7,349
Taiwan	5,901	34,549	20,949	9,042	5,530
Subtotal	1,740,001	1,722,133	1,610,772	453,222	393,010
Other sources	130,752	147,959	142,713	41,104	28,738
Total	1,870,753	1,870,092	1,753,485	494,326	421,748
	Value (1,000 dollars)				
Australia	101,231	82,377	95,634	32,710	26,257
Brazil	9,346	12,089	9,138	3,938	1,342
Canada	122,258	119,994	150,246	26,546	53,163
France	51,856	36,666	40,776	11,382	12,406
Germany	132,284	121,733	89,621	18,678	18,560
Japan	620,530	597,258	472,788	127,237	125,201
Korea	60,985	89,757	83,075	34,961	32,092
Mexico	66,366	74,817	51,983	16,752	17,088
New Zealand	14,445	17,465	18,303	10,820	1,829
Sweden	558	6,082	9,904	1,495	5,483
Taiwan	4,202	23,612	13,614	5,826	3,683
Subtotal	1,184,061	1,181,850	1,035,081	290,347	297,106
Other sources	86,076	91,456	83,084	26,153	22,852
Total	1,270,137	1,273,306	1,118,166	316,499	319,957
	Unit value (per short ton)				
Australia	$705.46	$679.51	$638.36	$606.95	$894.75
Brazil	543.47	551.07	562.03	575.40	4,651.24
Canada	595.76	596.18	552.04	579.52	640.73
France	622.75	620.54	576.04	589.52	620.08
Germany	652.34	706.75	635.94	643.10	888.24
Japan	703.77	708.20	689.74	668.29	768.51
Korea	733.51	722.39	664.85	664.56	827.96
Mexico	678.79	685.66	658.61	678.12	738.92
New Zealand	758.33	727.86	599.23	575.16	1,004.67
Sweden	1,217.57	547.95	495.41	540.00	746.16
Taiwan	712.07	683.44	649.86	644.38	665.98
Average	680.49	686.27	642.60	640.63	755.98
Other sources	658.32	618.12	582.18	636.25	795.17
Average	678.94	680.88	637.68	640.26	758.65

Source: Compiled from official statistics of the U.S. Department of Commerce.

Market Penetration

Plate

Market penetration based on total U.S. producers' shipments (including intracompany transfers) and U.S. importers' imports is presented in table 16. As a group, the subject countries supplied 13.5 percent of the quantity of total U.S. consumption of plate in 1989, 12.8 percent in 1990, and 12.7 percent in 1991. Their combined share declined from 12.8 percent to 11.4 percent between the first quarters of 1991 and 1992. Market penetration based on U.S. producers' open-market shipments is presented in table 17.

Counsel for producers in France, Finland, Italy, Japan, Korea, Mexico, Poland, and Spain took the position that their imports met the tests of the negligibility exception to the cumulation requirement, essentially the negligible volume and market share of their imports, and the sporadic and isolated nature of their sales. Counsel for Belgium and Finland state that their imports have declined during the period of investigation; counsel for Finland state that imports from Finland are priced higher than the domestic like product. Counsel for Korea also state that their imports are concentrated geographically in the Western states. Counsel for Mexico net U.S. exports to Mexico with U.S. imports from Mexico to arrive at a negative number for import penetration; they further indicate that sales into the United States were concentrated geographically in the U.S. Southwest. Counsel for Spain indicate that imports from that country have declined to de minimis levels.

The Japanese argue that more than 58 percent of their imports of plate products in 1991 were a result of a single contract between *** and ***. According to ***, the TCMP plate supplied by *** was the only plate product which could meet the qualification specifications in the time constraints provided by ***.[163]

Hot-rolled Products

As indicated in table 18, the subject countries' share of the quantity of total apparent consumption for hot-rolled products increased from 5.0 percent in 1989 to 6.1 percent in 1991. This share decreased from 6.9 percent in January-March 1991 to 6.1 percent in January-March 1992. Market penetration based on U.S. producers' open-market shipments is presented in table 19.

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[163] Postconference brief, Squire, Sanders & Dempsey, exhibit 4, p. 2.

Table 16
Plate: Apparent U.S. consumption and market penetration, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Apparent consumption	5,555	5,889	5,114	1,300	1,362
	Value (million dollars)				
Apparent consumption	2,636	2,700	2,254	601	564
	Share of the quantity of U.S. consumption (percent)				
Producers' U.S. shipments	85.0	85.6	86.4	86.2	88.2
U.S. imports from--					
Belgium	2.5	1.9	1.7	1.6	.9
Brazil	1.8	.9	1.3	1.0	1.5
Canada	1.9	1.6	1.5	1.3	2.5
Finland	1.3	1.4	1.1	.9	1.2
France	.2	.2	.3	.5	.2
Germany	.8	1.0	.8	1.0	.5
Italy	.2	.2	.3	.7	.1
Japan	.1	.1	.2	.2	.1
Korea	.6	.4	.3	.3	.1
Mexico	.4	.7	.4	.3	1.1
Poland	.5	.4	.7	.4	.4
Romania	.6	.5	.7	1.8	.4
Spain	1.0	1.2	1.4	1.6	.6
Sweden	1.0	1.5	1.3	.9	1.4
United Kingdom	.5	.7	.7	.3	.5
Subtotal	13.5	12.8	12.7	12.8	11.4
Other sources	1.5	1.6	.9	1.0	.4
Total	15.0	14.4	13.6	13.8	11.8
	Share of the value of U.S. consumption (percent)				
Producers' U.S. shipments	85.9	86.6	87.6	87.8	89.4
U.S. imports from--					
Belgium	2.5	1.9	1.6	1.6	.8
Brazil	1.4	.8	1.2	.9	1.3
Canada	1.8	1.3	1.3	1.0	2.1
Finland	1.2	1.4	1.0	.9	1.1
France	.3	.2	.3	.5	.2
Germany	.8	1.0	.8	.9	.6
Italy	.1	.2	.3	.5	.1
Japan	.2	.2	.3	.2	.2
Korea	.6	.3	.2	.2	.1
Mexico	.4	.6	.3	.2	.9
Poland	.5	.4	.6	.3	.3
Romania	.6	.5	.6	1.5	.4
Spain	.9	1.1	1.2	1.3	.5
Sweden	1.0	1.5	1.3	.9	1.3
United Kingdom	.5	.7	.6	.3	.4
Subtotal	12.8	11.9	11.7	11.4	10.2
Other sources	1.3	1.4	.7	.8	.4
Total	14.1	13.4	12.4	12.2	10.6

Source: Compiled from data submitted in response to questionnaires of the U.S.International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table 17
Plate: Apparent open-market U.S. consumption and market penetration, 1989-91, January-March 1991, and January-March 1992

* * * * * * *

The percent of imports that respondents categorize as niche products varies. For POSCO (Korea), virtually all imports are claimed to be niche products, which are directed to one customer, UPI. Japanese producers claim that niche products account for a growing percentage of hot-rolled imports from Japan, reaching *** in the first quarter of 1992.[164] Following are the percentages for other respondents: ILVA (Italy)--***;[165] Hoogovens (Netherlands)--*** for *** and *** of imports overall;[166] Sollac (France)--***;[167] and IPSCO (Canada)--***.[168]

Counsel for Canadian producers make a distinct competition argument for hot-rolled steel shipped to the automotive industry, which accounts for *** of imports from Canada. Counsel argues that competitive conditions in the auto industry are such that offshore steel producers have chosen not to be active participants. The proximity of Canadian producers, according to counsel, allows them to provide just-in-time delivery, establish close working relationships with customers, and commit to the sustained effort needed to earn the required supplier qualifications from auto companies. Furthermore, according to counsel, hot-rolled imports from Canada do not displace sales from U.S. producers. Counsel argues that taken as an integrated market, U.S. steelmakers ship more to Canada than vice-versa, and indeed U.S. producers are taking sales away from Canadian steelmakers.[169]

Cold-rolled Products

The share of the cold-rolled market held by the subject countries increased slightly from 7.0 percent in 1989 to 7.5 percent in 1991 (table 20). During the interim periods, their market share declined from 8.6 percent in

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[164] Postconference brief, Willkie Farr & Gallagher on behalf of NKK et. al. (Japan), p. 9.

[165] Postconference brief, Rogers and Wells on behalf of ILVA (Italy), p. 6.

[166] Postconference brief of Powell, Goldstein, Frazer and Murphy on behalf of Hoogovens Groep BV (Netherlands), pp. 5-6, exhibits 1-7. Affidavits from several of Hoogoven's U.S. customers state the uniqueness of Hoogoven's product, although the percentage of Hoogoven's imports that these companies represent as a group cannot be determined.

[167] Postconference brief of LeBoeuf, Lamb, Leiby & MacRae on behalf of Usinor Sacilor et. al., pp. 9-12. The *** figure is broken down as follows: high strength low alloy--***, floor plates--***, special pickled and oiled--***, and 84-inch wide coil--***.

[168] Postconference brief, Willkie, Farr & Gallagher on behalf of Stelco et. al., p. 11.

[169] Ibid, pp. 2-10.

Table 18
Hot-rolled products: Apparent U.S. consumption and market penetration, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Apparent consumption	45,267	47,961	41,336	9,110	11,953
	Value (million dollars)				
Apparent consumption	16,534	16,305	13,211	3,052	3,792
	Share of the quantity of U.S. consumption (percent)				
Producers' U.S. shipments	94.6	94.0	93.7	92.5	93.7
U.S. imports from--					
Belgium	.1	.1	.2	.7	(1)
Brazil	.4	.3	.2	.1	.4
Canada	1.3	1.2	1.4	1.3	1.9
France	.8	.9	.7	.7	.8
Germany	.5	.6	.6	.8	.5
Italy	.1	.2	.2	.2	.3
Japan	.6	.4	.4	.6	.2
Korea	.5	1.3	1.7	1.9	1.5
Netherlands	.5	.4	.6	.4	.5
New Zealand	(1)	.1	.1	.1	.1
Subtotal	5.0	5.6	6.1	6.9	6.1
Other sources	.4	.4	.3	.6	.2
Total	5.4	6.0	6.3	7.5	6.3
	Share of the value of U.S. consumption (percent)				
Producers' U.S. shipments	93.8	93.4	93.0	91.9	93.2
U.S. imports from--					
Belgium	.1	.1	.2	.7	(1)
Brazil	.4	.3	.2	.1	.3
Canada	1.6	1.5	1.7	1.5	2.0
France	.9	1.1	.7	.8	.9
Germany	.6	.7	.7	.9	.5
Italy	.2	.2	.2	.3	.3
Japan	.9	.5	.5	.7	.3
Korea	.5	1.4	1.9	2.1	1.6
Netherlands	.6	.4	.6	.4	.5
New Zealand	(1)	.1	.1	.1	.1
Subtotal	5.8	6.2	6.8	7.6	6.6
Other sources	.4	.4	.3	.5	.2
Total	6.2	6.6	7.0	8.1	6.8

[1] Positive figure, but less than significant digits displayed.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table 19
Hot-rolled products: Apparent open-market U.S. consumption and market penetration, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar. -- 1991	Jan.-Mar. -- 1992
	Quantity (1,000 short tons)				
Apparent consumption	17,307	18,908	16,509	3,897	4,817
	Value (million dollars)				
Apparent consumption	6,516	6,550	5,431	1,336	1,567
	Share of the quantity of U.S. consumption (percent)				
Producers' domestic shipments	86.0	84.7	84.1	82.4	84.4
U.S. imports from--					
Belgium	.2	.2	.5	1.7	(1)
Brazil	1.0	.7	.6	.3	.9
Canada	3.5	3.2	3.6	3.1	4.6
France	2.1	2.4	1.6	1.6	2.0
Germany	1.3	1.6	1.5	2.0	1.2
Italy	.4	.5	.6	.6	.7
Japan	1.7	1.0	.9	1.3	.6
Korea	1.3	3.3	4.3	4.6	3.7
Netherlands	1.4	1.1	1.5	.9	1.2
New Zealand	.1	.2	.1	.2	.3
Subtotal	13.0	14.3	15.2	16.2	15.2
Other sources	1.1	1.0	.7	1.4	.4
Total	14.0	15.3	15.9	17.6	15.6
	Share of the value of U.S. consumption (percent)				
Producers' domestic shipments	84.3	83.7	82.9	81.4	83.5
U.S. imports from--					
Belgium	.3	.2	.5	1.5	(1)
Brazil	1.0	.7	.6	.3	.8
Canada	4.0	3.6	4.1	3.5	4.9
France	2.3	2.6	1.8	1.7	2.2
Germany	1.6	1.7	1.7	2.1	1.3
Italy	.4	.5	.6	.6	.7
Japan	2.2	1.3	1.2	1.6	.8
Korea	1.3	3.4	4.5	4.8	3.9
Netherlands	1.5	1.1	1.4	1.0	1.2
New Zealand	.1	.2	.1	.2	.2
Subtotal	14.6	15.4	16.5	17.4	16.1
Other sources	1.1	1.0	.7	1.2	.4
Total	15.7	16.3	17.1	18.6	16.5

[1] Positive figure, but less than significant digits displayed.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table 20
Cold-rolled products: Apparent U.S. consumption and market penetration, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar. 1991	Jan.-Mar. 1992
	Quantity (1,000 short tons)				
Apparent consumption	25,629	25,806	22,481	5,084	6,535
	Value (million dollars)				
Apparent consumption	12,317	12,031	10,222	2,373	2,955
	Share of the quantity of U.S. consumption (percent)				
Producers' U.S. shipments	92.7	92.5	92.3	91.0	93.5
U.S. imports from--					
Argentina	(1)	.1	.3	.4	.1
Australia	.1	.1	.1	.2	.1
Austria	.1	.3	.3	.5	(1)
Belgium	.3	.4	.5	.2	.3
Brazil	.8	.5	.6	.4	.7
Canada	.6	.4	.5	.5	.6
France	.5	.5	.6	.8	.5
Germany	1.0	1.2	1.1	1.1	1.1
Italy	.2	.2	.2	.3	.2
Japan	2.1	1.7	1.6	1.9	1.3
Korea	.3	.5	.5	.8	.6
Netherlands	.5	.6	.7	.7	.6
New Zealand	.1	.1	.1	.2	0
Spain	.2	.1	.1	.1	.1
Taiwan	.2	.2	.1	.4	(1)
United Kingdom	.1	.2	.1	(1)	.2
Subtotal	7.0	7.1	7.5	8.6	6.4
Other sources	.2	.4	.3	.4	.2
Total	7.3	7.5	7.7	9.0	6.5
	Share of the value of U.S. consumption (percent)				
Producers' U.S. shipments	91.7	91.9	91.7	90.5	93.0
U.S. imports from--					
Argentina	(1)	.1	.3	.4	.1
Australia	.1	.1	.1	.2	.1
Austria	.1	.3	.3	.4	(1)
Belgium	.4	.4	.5	.2	.3
Brazil	.9	.5	.6	.4	.6
Canada	.7	.5	.5	.6	.7
France	.5	.5	.6	.8	.5
Germany	1.1	1.3	1.2	1.3	1.2
Italy	.2	.1	.2	.3	.2
Japan	2.6	2.1	2.1	2.4	1.7
Korea	.3	.5	.5	.8	.6
Netherlands	.5	.6	.6	.6	.5
New Zealand	.1	.1	.1	.2	0
Spain	.2	.1	.1	.1	.1
Taiwan	.2	.2	.2	.4	(1)
United Kingdom	.2	.2	.2	.1	.2
Subtotal	8.0	7.7	8.0	9.0	6.8
Other sources	.3	.4	.3	.4	.2
Total	8.3	8.1	8.3	9.5	7.0

[1] Positive figure, but less than significant digits displayed.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

January-March 1991 to 6.4 percent in January-March 1992. Market penetration calculated from U.S. producers' open-market shipments is presented in table 21.

Counsel for Canadian producers make the same cumulation argument for cold-rolled that they made for hot-rolled products, except they extend the argument to the appliance industry as well as the automotive industry. That is, due to their proximity, Canadian steelmakers do not compete with offshore suppliers. Further, the integrated nature of the two markets has led to more sales opportunity for U.S. steelmakers in the Canadian market, not lost sales. Finally, many Canadian imports are reported to be shipped to customers that have relocated from Canada to the United States. Despite the move, many of these customers have continued to use Canadian steelmakers as suppliers. Imports that fall into this category should not, according to counsel, be considered to be a source of injury.

The percent of imports that allegedly fall into the category of niche products for each foreign producer varies, as follows: ILVA (Italy)--***;[170] Sidmar (Belgium)--***;[171] BHP (Australia)--***;[172] Union Steel (Korea)--*** for "deadflat" steel and *** for"pre-painted" steel;[173] Sollac--***;[174] An Mau (Taiwan)--***;[175] Hoogovens (Netherlands)--***;[176] and Thyssen (Germany)--***.[177] Counsel for Japanese steel producers state that *** of Japanese cold-rolled imports are of products for which there are no other foreign suppliers.[178]

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[170] Postconference brief, Rogers and Wells on behalf of ILVA (Italy), p. 14.

[171] Postconference brief of O'Melveny and Myers on behalf of Sidmar and TradeARBED (Belgium), p. 21.

[172] Postconference brief, O'Melveny and Myers on behalf of BHP et. al., pp. 34-35.

[173] Postconference brief, Morrison and Foerster on behalf of Korea Iron and Steel Association, Appendix 1.

[174] Postconference brief, LeBoeuf, Lamb, Leiby & MacRae on behalf of Usinor Sacilor et. al., p. 27.

[175] Postconference brief, Willkie, Farr, and Gallagher on behalf of An Mau Steel and China Steel (Taiwan), p. 13. As imports from An Mau account for *** of Taiwan's cold-rolled exports, the overall figure for Taiwan is ***.

[176] Postconference brief of Powell, Goldstein, Frazer and Murphy on behalf of Hoogovens (Netherlands), pp. 7, 9.

[177] Postconference brief of Hogan and Hartson on behalf of Hoesch AG et. al., p. 10.

[178] Postconference brief on cold-rolled of Willkie Farr & Gallagher et. al. on behalf of NKK et. al. (Japan), p. 27. Calculations using data in the brief indicate that *** of Japanese cold-rolled imports were not produced domestically during 1989-91, according to respondents. The figure *** to *** in the first quarter of 1992. Counsel on behalf of Japanese producers adds that as the U.S. industry modernizes and is able to compete in new segments of the high-value market, it takes away sales from Japan. See pp. 7, 43, 60, and exhibits 10-12.

Table 21
Cold-rolled products: Apparent open-market U.S. consumption and market penetration, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Apparent consumption	13,795	13,767	11,959	2,757	3,450
	Value (million dollars)				
Apparent consumption	6,804	6,535	5,507	1,303	1,565
	Share of the quantity of U.S. consumption (percent)				
Producers' domestic shipments	86.5	85.9	85.4	83.5	87.6
U.S. imports from--					
Argentina	.1	.2	.6	.8	.1
Australia	.1	.2	.2	.3	.2
Austria	.2	.6	.6	.9	(1)
Belgium	.6	.8	1.0	.4	.5
Brazil	1.5	1.0	1.1	.8	1.4
Canada	1.1	.8	.9	.9	1.2
France	.8	.9	1.1	1.4	1.0
Germany	1.8	2.2	2.0	2.1	2.1
Italy	.3	.3	.4	.6	.4
Japan	3.9	3.2	3.1	3.6	2.4
Korea	.6	.9	.9	1.5	1.2
Netherlands	.9	1.1	1.3	1.2	1.1
New Zealand	.2	.2	.1	.3	0
Spain	.4	.2	.2	.3	.2
Taiwan	.3	.4	.3	.8	(1)
United Kingdom	.2	.3	.2	.1	.3
Subtotal	13.1	13.4	14.0	15.8	12.1
Other sources	.4	.7	.6	.7	.3
Total	13.5	14.1	14.6	16.5	12.4
	Share of the value of U.S. consumption (percent)				
Producers' domestic shipments	85.0	85.0	84.5	82.8	86.9
U.S. imports from--					
Argentina	(1)	.2	.5	.7	.1
Australia	.1	.2	.2	.3	.2
Austria	.2	.6	.5	.6	(1)
Belgium	.7	.8	1.0	.4	.5
Brazil	1.6	.9	1.1	.7	1.2
Canada	1.2	.9	1.0	1.0	1.3
France	.9	1.0	1.1	1.4	1.0
Germany	2.1	2.5	2.2	2.3	2.2
Italy	.3	.3	.3	.5	.3
Japan	4.6	3.9	3.9	4.3	3.2
Korea	.6	.8	.9	1.4	1.1
Netherlands	.9	1.1	1.2	1.1	1.0
New Zealand	.2	.2	.1	.3	0
Spain	.4	.2	.2	.3	.2
Taiwan	.3	.4	.3	.8	(1)
United Kingdom	.3	.4	.3	.2	.4
Subtotal	14.4	14.2	14.9	16.4	12.8
Other sources	.6	.8	.6	.8	.4
Total	15.0	15.0	15.5	17.2	13.1

[1] Positive figure, but less than significant digits displayed.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Corrosion-resistant Products

As indicated in table 22, the subject countries' share of total apparent consumption for corrosion-resistant products increased slightly from 14.4 percent in 1989 to 14.9 percent in 1991. This share declined from 18.3 percent in January-March 1991 to 13.2 percent in January-March 1992. Market penetration calculated from U.S. producers' open-market shipments is presented in table 23.

Counsel for Brazil, France, New Zealand, Sweden, and Taiwan argue that their imports of corrosion-resistant products are negligible and should not be cumulated. Counsel for Australia argues that 80 percent of the Australian imports (zincalum, painted, and non-commodity galvanized) supply niche markets.[179] Similarly, Mexico's counsel argues that 60 to 70 percent of its imports of corrosion-resistant products are thin gauge, of which there is no U.S. production. Additionally, counsel for Mexico points out that 60 percent of its corrosion-resistant products are made from U.S. hot-rolled and cold-rolled sheets which were exported to Mexico with the knowledge that the products would be converted into corrosion-resistant sheets for sale in the United States.[180] Counsel for Japan also argues that its thin gauge production, which accounts for about 11 percent of imports, does not compete in the United States. In addition to the thin gauge market, Japan notes that 60 percent of its imports are sold to the automotive market and are non-competitive for reasons which are described in the "Description" section.

Current Import Orders

As indicated in the following tabulation, reported orders for the subject products which U.S. importers have placed for delivery after March 31, 1992, totaled approximately 2.5 million short tons. These orders were placed by 93 U.S. importers which provided import data in response to the Commission's questionnaire. Deliveries on these orders were scheduled through December 1992.

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[179] TR, p. 416.
[180] Postconference brief, Willkie Farr & Gallagher on behalf of IMSA, p. 10.

Table 22
Corrosion-resistant products: Apparent U.S. consumption and market penetration, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar. -- 1991	Jan.-Mar. -- 1992
	Quantity (1,000 short tons)				
Apparent consumption	12,059	11,892	10,804	2,481	2,980
	Value (million dollars)				
Apparent consumption	7,426	7,320	6,450	1,499	1,803
	Share of the quantity of U.S. consumption (percent)				
Producers' U.S. shipments	84.5	84.3	83.8	80.1	85.8
U.S. imports from--					
Australia	1.2	1.0	1.4	2.2	1.0
Brazil	.1	.2	.2	.3	(1)
Canada	1.7	1.7	2.5	1.8	2.8
France	.7	.5	.7	.8	.7
Germany	1.7	1.4	1.3	1.2	.7
Japan	7.3	7.1	6.3	7.7	5.5
Korea	.7	1.0	1.2	2.1	1.3
Mexico	.8	.9	.7	1.0	.8
New Zealand	.2	.2	.3	.8	.1
Sweden	(1)	.1	.2	.1	.2
Taiwan	(1)	.3	.2	.4	.2
Subtotal	14.4	14.5	14.9	18.3	13.2
Other sources	1.1	1.2	1.3	1.7	1.0
Total	15.5	15.7	16.2	19.9	14.2
	Share of the value of U.S. consumption (percent)				
Producers' U.S. shipments	83.0	82.7	82.8	78.9	82.3
U.S. imports from--					
Australia	1.4	1.1	1.5	2.2	1.5
Brazil	.1	.2	.1	.3	.1
Canada	1.6	1.6	2.3	1.8	2.9
France	.7	.5	.6	.8	.7
Germany	1.8	1.7	1.4	1.2	1.0
Japan	8.3	8.1	7.3	8.5	6.9
Korea	.8	1.2	1.3	2.3	1.8
Mexico	.9	1.0	.8	1.1	.9
New Zealand	.2	.2	.3	.7	.1
Sweden	(1)	.1	.2	.1	.3
Taiwan	.1	.3	.2	.4	.2
Subtotal	15.9	16.1	16.0	19.4	16.5
Other sources	1.2	1.2	1.3	1.7	1.3
Total	17.0	17.3	17.2	21.1	17.7

[1] Positive figure, but less than significant digits displayed.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table 23
Corrosion-resistant products: Apparent open-market U.S. consumption and market penetration, 1989-91, January-March 1991, and January-March 1992

* * * * * * *

Inventories of U.S. Importers

End-of-period inventories of U.S. importers of certain flat-rolled carbon steel products are presented in table 24.

ABILITY OF FOREIGN PRODUCERS TO GENERATE EXPORTS AND THE AVAILABILITY OF EXPORT MARKETS OTHER THAN THE UNITED STATES

The Commission requested certain information from counsel for producers in Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, Netherlands, New Zealand, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom. The data supplied are presented in tables 25-75 and are discussed below.

The Industry in Argentina (Cold-rolled)

Counsel for Propulsora Siderurgica and Sociedad Mixta Siderurgia Argentina (SOMISA) provided data in response to the Commission's request for information. According to counsel, these producers account for approximately *** of total Argentine cold-rolled product production. Data for these firms are presented in table 25.

Between 1989 and 1991, cold-rolled capacity in Argentina ***; it is projected to *** during 1992. Production *** from 1989 to 1991 and capacity utilization *** in 1989 to *** in 1991 for cold-rolled products.

Exports of cold-rolled products to the United States *** from 1989 to 1991 from a base of ***. Cold-rolled exports to the United States as a percentage of total exports *** in 1989 to *** in 1991. Other major markets for Argentine exports are ***.

In Argentina, the economy is generally improving after implementation of the fourth economic plan since July 1989, stimulating domestic consumption and reducing inflation. Among recent developments to combat inflation and recession are actions intended to eliminate indexation, authorize a change in national currency, and alter exchange rate policy.[181] According to counsel the stringent structural changes, including the pegging of the Argentine peso at

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[181] WEFA Group, *U.S. & World Steel Executive Report*, May 31, 1992, p. 166.

Table 24
Certain flat-rolled carbon steel products: End-of-period inventories of U.S. importers, by products and by sources, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (short tons)				
Plate:					
Belgium	3,253	6,372	3,304	1,730	61
Brazil	833	760	3,287	253	3,749
Canada	234	0	2,166	985	5,295
Finland	2,053	5,960	3,655	2,454	1,933
France	0	0	0	0	0
Germany	12,228	8,798	3,714	402	211
Italy	3,921	8,879	2,527	1,853	13
Japan	4	214	26	10	9
Korea	0	1,095	0	0	554
Mexico	0	0	0	0	0
Poland	751	207	0	107	0
Romania	0	12,250	7,027	9,233	4,377
Spain	356	0	0	0	0
Sweden	3,160	5,237	2,327	1,982	2,041
United Kingdom	3,900	2,800	3,000	2,900	3,000
Subtotal	30,693	52,572	31,033	21,909	21,243
Other sources	4,441	35	409	52	1,019
Total	35,134	52,607	31,442	21,961	22,262
Hot-rolled products:					
Belgium	1,753	1,287	961	1,223	260
Brazil	6,517	4,428	8,695	292	3,365
Canada	3,854	2,300	3,714	1,658	14,756
France	584	1,000	1,458	0	0
Germany	24,933	33,074	29,943	25,866	29,577
Italy	14,191	18,734	25,307	9,654	15,620
Japan	10,497	13,629	8,737	14,759	9,580
Korea	607	1,039	2,029	0	0
Netherlands	(1)	(1)	(1)	(1)	(1)
New Zealand	560	2,291	646	43	337
Subtotal	63,496	77,782	81,490	53,495	73,495
Other sources	1,594	1,559	1,366	4,164	508
Total	65,090	79,341	82,856	57,659	74,003
Cold-rolled products:					
Argentina	906	1,166	4,694	896	1,494
Australia	0	0	0	0	0
Austria	479	539	476	278	498
Belgium	16,007	23,465	26,066	15,794	8,243
Brazil	3,883	7,992	4,758	6,376	2,962
Canada	2,745	3,549	5,814	3,340	7,595
France	506	413	483	0	0
Germany	48,212	60,309	52,430	50,993	47,622
Italy	18,824	15,308	9,571	9,781	3,112
Japan	16,445	18,008	13,205	15,437	13,537

Table 24--Continued
Certain flat-rolled carbon steel products: End-of-period inventories of U.S. importers, by products and by sources, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (short tons)				
Cold-rolled products-Cont.:					
Korea	4,673	3,417	1,713	731	402
Netherlands	(1)	(1)	(1)	(1)	(1)
New Zealand	234	398	754	122	(1)
Spain	0	0	0	0	0
Taiwan	906	692	236	444	0
United Kingdom	495	724	525	816	532
Subtotal	114,315	135,980	120,725	105,008	85,997
Other sources	9,388	8,252	6,855	7,051	2,300
Total	123,703	144,232	127,580	112,059	88,297
Corrosion-resistant products:					
Australia	316	417	4,528	0	9,255
Brazil	433	2,394	331	1,450	400
Canada	1,771	4,136	12,484	7,223	16,629
France	937	1,236	266	0	0
Germany	42,266	48,126	48,268	51,966	42,437
Japan	40,900	45,196	46,402	46,283	47,926
Korea	3,036	3,155	3,412	1,693	1,184
Mexico	10,234	6,760	3,218	11,541	5,015
New Zealand	212	1,296	452	3,047	131
Sweden	0	0	0	0	0
Taiwan	183	673	784	496	965
Subtotal	100,288	113,389	120,145	123,699	123,942
Other sources	4,227	1,959	6,842	1,733	5,272
Total	104,515	115,348	126,987	125,432	129,214
	Ratio to total shipments of imports (percent)				
Plate:					
Belgium	4.3	10.7	5.3	3.2	0.1
Brazil	2.1	2.4	7.7	.6	11.9
Canada	1.4	0	7.4	5.3	6.1
Finland	7.9	10.7	8.3	8.2	1.9
France	0	0	0	0	0
Germany	16.9	21.2	11.0	.8	.7
Italy	10.3	39.4	10.6	5.3	(2)
Japan	.1	3.1	.3	.2	.3
Korea	0	0	0	0	28.7
Mexico	0	0	0	0	0
Poland	6.8	1.3	0	.8	0
Romania	0	74.4	52.3	76.5	32.8
Spain	6.1	0	0	0	0
Sweden	8.3	8.2	3.8	4.3	5.8
United Kingdom	234.4	117.6	216.8	207.1	207.8
Average	7.1	14.6	8.5	6.5	5.4
Other sources	24.0	.1	3.9	.4	7.2
Average	8.0	13.6	8.4	6.3	5.5

Table 24--Continued
Certain flat-rolled carbon steel products: End-of-period inventories of U.S. importers, by products and by sources, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	Jan.-Mar.-- 1992
	Ratio of total imports to shipments				
	Percent				
Hot-rolled products:					
Belgium	40.7	3.0	2.0	.7	9.3
Brazil	5.9	8.2	16.9	.8	3.1
Canada	1.4	.6	.9	.5	1.8
France	.2	.2	.5	0	0
Germany	15.7	19.5	18.0	12.0	18.7
Italy	22.8	19.6	27.1	9.2	13.1
Japan	3.4	6.5	4.8	6.6	6.5
Korea	.3	.2	.3	0	0
Netherlands	(1)	(1)	(1)	(1)	(1)
New Zealand	16.5	4.8	2.8	.1	.6
Average	4.4	3.7	4.0	2.3	2.7
Other sources	2.4	2.6	3.2	10.3	1.3
Average	4.3	3.7	3.9	2.5	2.7
Cold-rolled products:					
Argentina	11.8	3.5	9.7	1.9	5.0
Australia	0	0	0	0	0
Austria	1.4	.5	.9	.4	22.7
Belgium	27.2	24.5	22.8	21.3	5.7
Brazil	3.6	8.7	4.9	5.7	2.8
Canada	5.3	7.2	8.9	6.9	7.1
France	.5	.3	.4	0	0
Germany	27.2	28.5	26.7	22.2	19.3
Italy	67.2	29.9	21.2	16.5	5.8
Japan	4.3	5.1	4.6	5.3	5.5
Korea	8.6	5.5	3.4	.3	.5
Netherlands	(1)	(1)	(1)	(1)	(1)
New Zealand	196.6	1.1	5.8	.4	(1)
Spain	0	0	0	0	0
Taiwan	10.7	4.1	1.3	1.1	0
United Kingdom	20.2	38.5	38.3	74.7	33.9
Average	10.9	11.1	10.7	8.2	7.4
Other sources	23.8	15.9	18.2	27.9	7.1
Average	11.4	11.3	10.9	8.6	7.4
Corrosion-resistant products:					
Australia	.2	.3	3.1	0	6.2
Brazil	5.7	12.6	2.6	13.8	2.9
Canada	3.8	9.2	11.3	16.4	6.9
France	1.0	1.8	.4	0	0
Germany	24.0	31.1	29.6	43.8	23.3
Japan	5.2	5.4	6.6	6.4	6.2
Korea	8.2	5.1	6.2	1.9	1.3
Mexico	19.4	13.0	5.0	20.2	7.1
New Zealand	41.2	6.4	1.4	4.0	1.0
Sweden	0	0	0	0	0
Taiwan	4.4	3.6	7.2	2.8	13.4
Average	7.4	8.1	8.6	8.5	7.4
Other sources	14.5	3.9	13.8	3.9	9.1
Average	7.6	7.9	8.8	8.4	7.4

[1] Not available.
[2] Positive figure, but less than significant digits displayed.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 25
Cold-rolled products: Argentina's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

1-to-1 to the U.S. dollar even while Argentine inflation continues, gives the dollar very low value, making the U.S. market unattractive to Argentine exporters.[182]

One of the two major steel firms has reduced capacity substantially. In late 1991, one of SOMISA's two furnaces was closed and the work force was reduced by 60 percent, from 13,000 to approximately 5,500 workers. The firm has paid $163 million in termination indemnities to the workers, an indication, according to counsel, that the workforce reduction is permanent. The firm has also closed two of its four rolling mills. SOMISA, a state-owned steelmaker, is scheduled to be privatized in September 1992 and, according to counsel, ***.[183]

The Industry in Australia (Cold-rolled and Corrosion-resistant)

BHP Steel, one of three core business groups of Broken Hill Proprietary Ltd., is the only integrated steel producer in Australia, with an annual crude steelmaking capacity of about 6.7 million metric tons. The Slab & Plate Products Division (with a facility in Port Kembla) is the biggest steel producer in the group. About half of the division's output is consumed by BHP's Coated Products Division, which includes carbon steel facilities in Port Kembla and Western Port for annealing, galvanizing (both hot dip and electrolytic), painting, plastic laminating, and other finishing operations. The remainder consists of products for domestic and export markets: slabs, hot-rolled strip, plate, tinplate, and strapping for the packaging industry. BHP, the world's third largest galvanized sheet producer, accounts for all of Australia's capacity to produce cold-rolled and corrosion-resistant carbon steel products and all of total Australian steel exports to the United States. Data on the industry in Australia are presented in tables 26-27.

Table 26
Cold-rolled products: Australia's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 27
Corrosion-resistant products: Australia's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

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[182] Postconference brief of Baker & McKenzie on behalf of SOMISA (Argentina), pp. 2, 9.
[183] Ibid., pp. 12-14.

Capacity to produce cold-rolled products in Australia *** during 1989-91 at about *** short tons, *** to *** by approximately *** percent to *** short tons during 1992-93. Capacity to produce corrosion-resistant products *** during 1989-91 *** short tons and is projected *** percent to *** short tons during 1992-93.

Production of cold-rolled products *** percent from 1989 to 1990, *** percent from 1990 to 1991. Production *** through the first quarter of 1992 and is projected to *** percent during 1992-93. Production of corrosion-resistant products *** percent from 1989 to 1991, *** percent during 1992-93.

Capacity utilization for cold-rolled products *** percent in 1989 to *** percent in 1990 *** percent in 1991. Capacity utilization is projected to *** percent in 1992-93. Capacity utilization for corrosion-resistant products *** percent in 1989 to *** percent in 1991. Further *** in capacity utilization are projected, from *** percent in 1992 to *** percent in 1993.

Australia's exports to the United States of cold-rolled products *** percent from 1989 to 1991, and are projected to *** by *** percent from 1992 to 1993. Exports to other countries ***. Exports of cold-rolled products to the United States accounted for *** percent of total exports in 1989, *** to *** percent in 1991. This ratio is projected to *** at about *** percent during 1992-93. Australia's exports of corrosion-resistant steel to the United States *** by *** percent from 1989 to 1991 and are projected to *** during 1992-93. Exports of corrosion-resistant steel to the United States accounted for *** percent of total exports in 1989, *** to *** percent in 1991. This ratio is projected to *** at about *** percent during 1992-93.

***. It will be capable of producing a range of galvanized and galvannealed finishes including automotive exterior sheet steel.[184] According to BHP, this expansion is to serve demand in domestic markets (construction, appliance, and automotive) and in non-U.S. markets.[185] BHP reportedly expects to increase its steel exports (particularly value-added exports) over the next few years as a result of both anticipated marketing opportunities in the Asia-Pacific region and increased global competitiveness stemming from its investment program over the past 5 years. Beginning in 1966, BHP established a network of joint ventures in rolling and finishing operations in Taiwan, Indonesia, Malaysia, and Singapore. ***. BHP notes that these joint ventures assure it of an expanding export market.[186]

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[184] The WEFA Group, *Conquering World Steel Markets* - Volume II, 1990.

[185] BHP stated that it made a strategic decision to build additional capacity to better serve its core Australian market. ***. Postconference brief of O'Melvany and Myers on behalf of BHP Steel, pp. 29-31.

[186] BHP also notes that any surge in exports to the United States would be inconsistent with its strategy to improve service to domestic markets. Such increased exports would require a commitment of capacity at least 4 months in advance, ***. Postconference brief on behalf of BHP Steel, p. 31.

The Industry in Austria (Cold-rolled)

Voest-Alpine Stahl AG and its wholly-owned subsidiary, Voest-Alpine Stahl Linz Gmbh, were named in the petition as the Austrian producer. Data were provided to the Commission by the company through counsel, and are presented in table 28. The petition and the data omit Martin Miller, a stand-alone cold-rolling company, for which capacity and production are unknown.[187]

Table 28
Cold-rolled products: Austria's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

* * * * * * *

Capacity and production *** by nearly ***, respectively, during 1989-91; capacity utilization *** irregularly by approximately *** during the period. Reportedly, no capacity expansion of liquid steelmaking or cold-rolling is being planned in Austria. The focus of investment is the improvement of process efficiencies and ***.[188]

During 1989-91, the ratio of export to total shipments *** by approximately *** to ***. Exports to the U.S. market *** to a total of *** in 1991, representing *** of *** to *** of total shipments, while exports to other markets, mainly those of the EC, *** to *** of total shipments. One reason for this *** has been the near-closure of markets in the former U.S.S.R. and Central and Eastern Europe because of political and economic changes in those countries.

The Industry in Belgium (Plate, Hot-rolled, and Cold-rolled)

Sidmar NV, S.A. Fabrique de Fer de Charleroi, S.A. Forges de Clabecq, S.A. Cockerill Sambre, and Usines Gustaves Boel were named in the petition as Belgian producers and exporters of hot-rolled, cold-rolled, and plate. Another company, Bundy SA, is reportedly a stand-alone cold-rolling strip mill, but its production capacity is unknown.[189] Counsel provided data for the first three companies only,[190] as presented in tables 29-31.

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[187] *Iron and Steel Works of the World*, (London: Metal Bulletin, 1991), pp. 13-16.

[188] ***.

[189] *Iron and Steel Works of the World*, pp. 18-27.

[190] A comparison with production capacity for 1991 listed in *Iron and Steel Works of the World* indicates that company data submitted to the Commission account for approximately *** percent of total hot-rolled, *** percent of cold-rolled, and *** percent of plate capacity.

Table 29
Plate: Belgium's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

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Table 30
Hot-rolled products: Belgium's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

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Table 31
Cold-rolled products: Belgium's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

There were *** in reported capacity for the three subject products during the period of investigation. Production *** by approximately *** and *** for cold-rolled and plate, respectively; reportedly, there was a *** in the production of hot rolled. Rates of capacity utilization also *** during the period of investigation: by almost *** for cold-rolled, by approximately *** for plate, and by *** for hot-rolled.

Export shipments of cold-rolled and plate represent a large percentage of total shipments, more than ***, while those of hot-rolled represent about *** of total shipments in 1991. Total exports of hot-rolled *** by *** while exports of cold-rolled *** and those of plate *** during 1989-91. Exports to the United States *** in the case of cold- and hot-rolled *** during 1989-91. Exports of plate to the United States *** by approximately *** during the period. Exports to the United States represent *** fraction of Belgium's exports, which generally are shipped to other EC-member countries:[191] for hot-rolled, cold-rolled, and plate, these are ***, ***, and *** respectively. ***.

Reportedly several of the companies in Belgium are in the process of restructuring, which may have the effect of reducing production capacity.[192] One of the producers, ***, reportedly is commissioning a new production facility during 1992, producing steel to closer tolerances and in greater widths.

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[191] *** indicated in its questionnaire response that plate exports were shipped to more geographically diverse destinations beyond the EC, including countries in the ***.

[192] ***. Post-conference submission of LeBoeuf, Lamb, Leiby & MacRae on behalf of Clabecq, p. 6.

The Industry in Brazil (Plate, Hot-rolled, Cold-rolled, and Corrosion-resistant)

Counsel for Usinas Siderurgicas de Minas Gerais, S.A. (USIMINAS) and Companhia Siderurgica Paulista (COSPIA) provided data in response to the Commission's request for information. The producers account for 63 percent of flat-rolled product production.[193] Neither firm produces corrosion-resistant products. Data for these firms are presented in tables 32-34.

Table 32
Plate: Brazil's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

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Table 33
Hot-rolled products: Brazil's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 34
Cold-rolled products: Brazil's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Between 1989 and 1991, capacity for plate, hot-rolled products, and cold-rolled products ***. Plate production *** from 1989 and 1991, hot-rolled production ***, and cold-rolled production *** in the corresponding period. Plate capacity utilization *** in 1989 to *** in 1991. Hot-rolled capacity utilization *** in 1989 to *** in 1991. Cold-rolled capacity utilization *** in 1989 to *** in 1991.

Exports of plate products to the United States *** from 1989 to 1991. Plate exports to the United States as a percentage of total exports *** in 1989 to *** in 1991. Exports of hot-rolled products to the United States *** from 1989 to 1991. Hot-rolled exports to the United States as a percentage of total exports *** during 1989-91. Exports of cold-rolled products to the United States *** from 1989 to 1991. Cold-rolled exports to the United States as a percentage of total exports *** in 1989 to *** in 1991. Other major markets for Brazilian exports are ***.

USIMINAS was privatized in early 1992 and may itself participate in the privatization of other Brazilian steel firms. According to the firm's

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[193] U.S. Department of State Telegram, July 15, 1992, Rio de Janeiro, message reference No. 225369.

president, USIMINAS made net profits of $62 million in 1991, which allowed the company to continue with its investment program, improve its installation, meet environmental regulations more fully, and pay off some of its long-term debt.[194]

Companhia Siderurgica Nacional (CSN), ***, is scheduled to be privatized at the end of 1992 or the beginning of 1993. During 1991 the company underwent a cost reduction program that cut 6,000 jobs, leaving the company with 17,000 workers at the end of 1991.[195] The firm's capacity to make corrosion-resistant products is approximately 770,000 tons per year (tpy).[196]

The Industry in Canada (Plate, Hot-rolled, Cold-rolled, and Corrosion-resistant)

Counsel for Stelco, Inc., Dofasco, Inc., IPSCO, Inc., and Algoma Steel, Inc. provided data in response to the Commission's request for information. According to counsel, these producers account for 82 percent of total Canadian production of hot-rolled steel products, 74 percent of total cold-rolled production, 98 percent of total corrosion-resistant production, and 100 percent of plate production. Data for these firms are presented in tables 35-38. No data were collected from Sidbec-Dosco, Inc., which publicly available sources suggest has approximately 550,000 tons of combined hot- and cold-rolled capacity.[197]

Table 35
Plate: Canada's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

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Table 36
Hot-rolled products: Canada's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

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Table 37
Cold-rolled products: Canada's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

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[194] *Metal Bulletin*, Apr. 16, 1992, p. 24.
[195] *Metal Bulletin*, Apr. 27, 1992, p. 20.
[196] *Iron and Steel Works of the World*, p. 38.
[197] Energy, Mines and Resources Canada, *Metallurgical Works in Canada: Primary Iron and Steel, 1991*, MR 228, 1991, pp. 17-18.

Table 38
Corrosion-resistant products: Canada's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

* * * * * * *

Between 1989 and 1991, plate capacity ***, hot-rolled capacity ***, cold-rolled capacity ***, and corrosion-resistant capacity ***.[198] Plate production *** from 1989 and 1991, hot-rolled production ***, cold-rolled production ***, and corrosion-resistant production ***. Plate capacity utilization *** percent in 1989 to *** percent in 1991. Hot-rolled capacity utilization *** percent in 1989 to *** percent in 1991. Cold-rolled capacity utilization *** percent in 1989 to *** percent in 1991. Corrosion-resistant capacity utilization *** percent in 1989 to *** percent in 1991.

Exports of plate products to the United States *** percent from 1989 to 1991. Plate exports to the United States as a percentage of total exports *** percent in 1989 to *** percent in 1991. Exports of hot-rolled products to the United States *** percent from 1989 to 1991. Hot-rolled exports to the United States as a percentage of total exports *** percent in 1989 to *** percent in 1991. Exports of cold-rolled products to the United States *** percent from 1989 to 1991. Cold-rolled exports to the United States as a percentage of total exports *** percent in 1989 to *** percent in 1991. Exports of corrosion-resistant products to the United States *** percent from 1989 to 1991. Corrosion-resistant exports to the United States as a percentage of total exports *** percent between 1989 and 1991. Other major markets for Canadian exports are ***.

The Canadian economy has suffered from a severe economic recession since 1990. Because of the resulting weak flat-rolled market, Ipsco has shifted its product emphasis to pipe.[199] Algoma has been the main victim of the recession, going into the Canadian equivalent of Chapter 11. Dofasco, the former owner of Algoma, refused to continue funding the ailing company. In an effort to keep Algoma viable and maintain employment, the Ontario Government, the Canadian Steelworkers Union, Algoma, and various banking representatives reached an agreement in February 1992. Under this agreement 60 percent of the voting stock would be turned over to employees in return for pay cuts, with the remaining 40 percent going to banks holding Algoma's credit. In addition, Dofasco will pay Can$30 million ($25.2 million[200]) to Algoma, receive a Can$150 million ($126.2 million) tax loss, and forgive over Can$200 million ($168.3 million) in loans. The Province of Ontario is to provide loan guarantees and worker retraining.[201] Despite this agreement, most people in the industry believe Algoma will be forced to exit some of its product lines, most likely structurals. The strip mills remain the most viable part of Algoma and are

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[198] No discussion of capacity projections is included because not all Canadian producers provided these data.

[199] The WEFA Group, *U.S. & World Steel Executive Report*, May 31, 1992, p. 101.

[200] At exchange rate as of July 27, 1992, *New York Times*, July 28, 1992, p. D16.

[201] U.S. Department of State Telegram, Mar. 3, 1992, Toronto, message reference No. 00942.

unlikely to be closed; however, the shutdown of other products would free raw steel for hot-rolled production.

Significant Canadian galvanizing capacity has been added recently. In April 1991, Sidbec-Dosco and Dofasco started up a new line, under the name Sorevco,[202] with capacity to produce 125,000 tons per year (tpy) of hot-dip galvanized sheet up to 50 inches wide. The intended markets for this new production are Quebec, eastern Ontario, the Atlantic provinces, and northern New England.[203] In October 1991 a joint venture between Stelco (60 percent) and MC Steel Operations Inc., a subsidiary of Mitsubishi, opened. This facility has 400,000 tpy of capacity.[204] Finally, in a joint venture with NKK and National Steel, Dofasco has begun construction of a 400,000 tpy hot-dip galvanizing line in Windsor, Ontario with a target start-up date in February 1993. The new line will operate as a toll coating facility for Dofasco and National, and production is targeted at the outer auto body panel market.[205]

Dofasco has increased its cold-rolled capacity with the addition of a 1,200,000 tpy capacity cold mill with coupled pickling line, scheduled for start-up in early 1992. No increase in hot-rolled capacity is planned, which will result in increased hot-rolled shipments.[206] Sidbec-Dosco is also increasing cold-rolled capacity, with the installation of a second cold reduction mill at Contrecoeur with 250,000 tpy capacity. Despite some pressure, according to president and CEO John LeBoutillier, there is no question of privatizing the Quebec-owned mill.[207]

The Industry in Finland (Plate)

Counsel for Rautaruukii Oy provided data in response to the Commission's request for information. According to counsel, this producer accounts for 100 percent of total Finnish plate product production. Data for this firm are presented in table 39.

Table 39
Plate: Finland's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

[202] "Dofasco Tracks Steel Globalization," *Metal Bulletin Monthly*, Jan. 1991, pp. 58-62.
[203] Henry Cooke, "Sidbec Seeks Cuts by Consensus," *Metal Bulletin Monthly*, Dec. 1991, pp. 75-77.
[204] "Stelco to Start 'Z-line;' Auto is Prime Market," *American Metal Market*, Oct. 9, 1991, p. 16.
[205] "Dofasco Tracks Steel Globalization," pp. 58-62.
[206] Ibid.
[207] Henry Cooke, "Sidbec Seeks Cuts by Consensus," pp. 75-77.

Between 1989 and 1991, plate capacity in Finland *** and it is projected to *** during 1992 and 1993. Production *** from 1989 to 1991 and capacity utilization *** in 1989 to *** in 1991 for plate products.

Exports of plate products to the United States *** from 1989 to 1991. Plate exports to the United States as a percentage of total exports *** in 1989 to *** in 1991. Other major markets for Finnish exports are ***.

Counsel for Rautaruukki Oy states that the firm's capacity has remained constant and there are no plans to increase it. Counsel states further that the firm does not plan to alter its marketing program by decreasing sales to other countries and increasing sales to the United States.[208]

The Industry in France (Plate, Hot-rolled, Cold-rolled, and Corrosion-resistant)

Counsel for Usinor-Sacilor, Sollac, and Paturle Aciers, SA provided data in response to the Commission's request for information. According to counsel, these producers account for 100 percent of French plate production, 100 percent of total production of hot-rolled steel products, over 85 percent of total cold-rolled production,[209] and 75 percent of total corrosion-resistant production. Data for these firms are presented in tables 40-43.

Table 40
Plate: France's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 41
Hot-rolled products: France's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

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Table 42
Cold-rolled products: France's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

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[208] Postconference brief of Ackerson & Bishop on behalf of Rautaruukki Oy (Finland), p. 19.

[209] *** did not submit information about its market share.

Table 43
Corrosion-resistant products: France's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Between 1989 and 1991, capacity for plate, hot-rolled products, cold-rolled products, and corrosion-resistant products ***.[210] Plate production *** from 1989 to 1991, hot-rolled production ***, cold-rolled production ***, and corrosion-resistant production ***.

Exports of plate products to the United States *** from 1989 to 1991. Plate exports to the United States as a percentage of total shipments *** from percent in 1989 to *** in 1991. Exports of hot-rolled products to the United States *** percent from 1989 to 1991. Hot-rolled exports to the United States as a percentage of total shipments *** in 1989 to *** in 1991. Exports of cold-rolled products to the United States *** from 1989 to 1991. Cold-rolled exports to the United States as a percentage of total shipments *** in 1989 to *** in 1991. Exports of corrosion-resistant products to the United States *** during 1989-91. Other major markets for French exports are ***.

The Industry in Germany (Plate, Hot-rolled, Cold-rolled, and Corrosion-resistant)

Counsel for Hoesch AG, Hoesch Stahl AG, Hoesch Export AG and Hoesch America Inc. (Hoesch), Preussag Stahl, Thyssen Stahl A.G. and Thyssen Inc., Krupp Stahl AG, Klockner Stahl GmbH, and AG der Dillinger Hüttenwerke provided data in response to the Commission's request for information. According to counsel, these producers account for 88.3 percent of total German plate production, 81.0 percent of production of hot-rolled steel products, 74.4 percent of total cold-rolled production, and 74.0 percent of total corrosion-resistant production. Data for these firms are presented in tables 44-47.

Between 1989 and 1991, plate capacity decreased 0.5 percent, hot-rolled capacity increased 0.9 percent, cold-rolled capacity remained constant, and corrosion-resistant capacity remained constant.[211] Plate production increased by 4.7 percent from 1989 and 1991, hot-rolled production fell by 32.9 percent, cold-rolled production fell by 29.5 percent, and corrosion-resistant production decreased by 21.6 percent. Plate capacity utilization rose from 74.1 percent in 1989 to 79.4 percent in 1991. Hot-rolled capacity utilization fell from 54.9 percent in 1989 to 51.1 percent in 1991. Cold-rolled capacity utilization fell from 59.0 percent in 1989 to 51.0 percent in 1991. Corrosion-resistant capacity utilization remained constant between 1989 and 1991.

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[210] No discussion of capacity projections is included because not all French producers provided these data.

[211] No discussion of capacity projections is included because not all German producers provided these data.

Table 44
Plate: Germany's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Capacity	3,252	3,214	3,149	801	758
Production	2,771	2,448	2,400	648	550
End-of-period inventories	52	52	59	56	61
Shipments:					
Home market	1,744	1,424	1,482	392	365
Exports to--					
The United States	51	66	38	12	6
All other markets	981	967	870	240	179
Total exports	1,032	1,034	908	252	185
Total shipments	2,776	2,458	2,390	643	550
	Ratios and shares (percent)				
Capacity utilization	85.2	76.2	76.2	80.8	72.5
Inventories to production	4.2	4.7	5.1	4.8	5.5
Inventories to total shipments	4.1	4.7	5.1	4.8	5.5
Share of total quantity of shipments:					
Home market	62.8	57.9	62.0	60.9	66.3
Exports to--					
The United States	1.8	2.7	1.6	1.8	1.2
All other markets	35.3	39.4	36.4	37.3	32.5

Note.--Because of rounding, figures may not add to the totals shown. Capacity utilization and inventory ratios are calculated from the unrounded data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 45
Hot-rolled products: Germany's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Capacity	13,297	13,556	13,530	3,424	3,564
Production	7,297	6,957	6,911	1,750	1,903
End-of-period inventories	135	203	188	181	157
Shipments:					
Home market	3,974	3,569	4,123	1,127	1,157
Exports to--					
The United States	144	210	162	31	49
All other markets	2,660	2,458	2,151	524	589
Total exports	2,804	2,669	2,313	556	639
Total shipments	6,778	6,238	6,436	1,683	1,796
	Ratios and shares (percent)				
Capacity utilization	54.9	51.3	51.1	51.1	53.4
Inventories to production	7.7	12.6	12.4	10.1	8.6
Inventories to total shipments	7.8	13.2	12.2	9.7	8.1
Share of total quantity of shipments:					
Home market	58.6	57.2	64.1	67.0	64.4
Exports to--					
The United States	2.1	3.4	2.5	1.9	2.7
All other markets	39.2	39.4	33.4	31.2	32.8

Note.--Because of rounding, figures may not add to the totals shown. Capacity utilization and inventory ratios are calculated from the unrounded data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 46
Cold-rolled products: Germany's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Capacity	7,346	7,297	7,173	1,807	1,739
Production	4,333	3,842	3,657	962	926
End-of-period inventories	29	36	44	39	33
Shipments:					
Home market	2,207	2,048	2,023	538	511
Exports to--					
The United States	154	223	181	42	61
All other markets	1,938	1,596	1,440	359	344
Total exports	2,092	1,818	1,621	401	405
Total shipments	4,299	3,866	3,645	939	916
	Ratios and shares (percent)				
Capacity utilization	59.0	52.7	51.0	53.3	53.3
Inventories to production	3.9	5.6	7.2	6.6	5.6
Inventories to total shipments	3.8	5.6	7.3	6.8	5.2
Share of total quantity of shipments:					
Home market	51.3	53.0	55.5	57.3	55.8
Exports to--					
The United States	3.6	5.8	5.0	4.4	6.6
All other markets	45.1	41.3	39.5	38.2	37.6

Note.--Because of rounding, figures may not add to the totals shown. Capacity utilization and inventory ratios are calculated from the unrounded data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 47
Corrosion-resistant products: Germany's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Capacity	3,934	3,999	4,166	1,018	1,014
Production	3,509	3,483	3,721	936	983
End-of-period inventories	56	71	96	73	81
Shipments:					
Home market	2,171	2,217	2,408	603	652
Exports to--					
The United States	178	146	142	38	31
All other markets	1,143	1,073	1,119	301	313
Total exports	1,321	1,219	1,261	339	344
Total shipments	3,492	3,436	3,670	942	996
	Ratios and shares (percent)				
Capacity utilization	89.2	87.1	89.3	91.9	97.0
Inventories to production	12.5	16.0	18.5	14.5	20.9
Inventories to total shipments	12.8	16.6	19.4	14.7	18.2
Share of total quantity of shipments:					
Home market	62.2	64.5	65.6	64.0	65.5
Exports to--					
The United States	5.1	4.2	3.9	4.0	3.1
All other markets	32.7	31.2	30.5	32.0	31.4

Note.--Because of rounding, figures may not add to the totals shown. Capacity utilization and inventory ratios are calculated from the unrounded data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Exports of plate products to the United States fell by 25.4 percent from 1989 to 1991. Plate exports to the United States as a percentage of total exports fell from 4.9 percent in 1989 to 4.2 percent in 1991. Exports of hot-rolled products to the United States rose by 12.5 percent from 1989 to 1991. Hot-rolled exports to the United States as a percentage of total exports rose from 5.1 percent in 1989 to 7.0 percent in 1991. Exports of cold-rolled products to the United States rose by 17.5 percent from 1989 to 1991. Cold-rolled exports to the United States as a percentage of total exports rose from 7.4 percent in 1989 to 11.2 percent in 1991. Exports of corrosion-resistant products to the United States decreased by 20.2 percent from 1989 to 1991. Corrosion-resistant exports to the United States as a percentage of total exports fell from 13.5 percent to 11.3 percent between 1989 and 1991. Other major markets for German exports are the ***.

Unlike many of its foreign competitors, the German steel industry did not undergo any significant rationalization during the 1980s. Although economic and financial pressures to restructure were somewhat offset by the buoyant market conditions of the late 1980s, recent poor market conditions continue to motivate companies to merge certain operations, enter into joint ventures, and further diversify. Industry analysts have suggested that the German industry exhibits redundancy among a range of facilities, including plate and hot-strip mills, which are likely to necessitate high modernization costs and result in falling product prices during periods of weak demand.[212] Increased concentration in the German steel industry, such as the anticipated takeover of Hoesch by Krupp, is believed to be a necessary step in rationalizing excess capacity.[213]

Much recent German investment has been in their corrosion-resistant lines. For example, Krupp has purchased its first hot-dip galvanizing line.[214] ***.

Privatization of major mills in the former German Democratic Republic is almost complete, including Krupp's recent takeover of EKO Stahl, the GDR's biggest producer.[215] EKO's facilities will increase Krupp's capacity to about *** tons. ***. Although the European Community has authorized state aid to the steel industry in the former German Democratic Republic, aid is permitted only if it achieves a reduction in production capacity. According to the respondents, this suggests that German capacity in flat-rolled products will decline.[216]

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[212] U.S. International Trade Commission, *Quarterly Report on the Status of the Steel Industry*, USITC publication 2386, June 1991, pp. ii-iii.

[213] Stuart Penson, "Steel: Other Factors Offset Benefits of Unification," *Metal Bulletin Monthly*, June 1992, p. 77.

[214] "Krupp Expands on All Fronts," *Metal Bulletin Monthly*, June 1992, pp. 80-83.

[215] Stuart Penson, "Steel: Other Factors Offset Benefits of Unification," p. 77.

[216] Postconference brief of Hogan & Hartson, on behalf of Hoesch AG, et. al. (Germany), pp. 1-2.

The Industry in Italy (Plate, Hot-rolled, and Cold-rolled)

Counsel for ILVA and Falck provided data in response to the Commission's request for information. Data for these firms are presented in tables 48-50. Although these firms are the major flat-rolled steelmakers in Italy, no data were collected for several other smaller producers.[217] ILVA and Falck account for an estimated ***.

Table 48
Plate: Italy's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

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Table 49
Hot-rolled products: Italy's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 50
Cold-rolled products: Italy's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Between 1989 and 1991, ***. During the same period, plate production *** and hot-rolled and cold-rolled production each ***. Capacity utilization *** for plate mills, *** for hot-strip mills, and *** for cold-strip mills.

Exports of plate products to the United States during 1989-91 ***, and as a percentage of total exports ***. Hot-rolled exports to the United States *** during 1989-91, and as a percentage of total hot-rolled exports *** in 1989 to *** in 1991. Cold-rolled exports to the United States *** percent during 1989-91, and as a percentage of total cold-rolled exports ***. Other major export markets besides the United States are ***.

Exports to the United States are projected to ***.

As the Italian steel industry is undergoing a rationalization program, certain facilities are being closed as new ones are coming on line. ***.

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[217] Other companies believed to be producing subject products are Albasider, Arvedi-Acciaieria, Bonaiti, Trafilerie Vittoria, Novamet, Forsidera, Officine di Crocetta, Produttori Reggetta Nastri, Redaelli Tecna, Cesare Rizzato, and Siderurgica Villavernia.

The Industry in Japan (Plate, Hot-rolled, Cold-rolled, and Corrosion-resistant)

Counsel for nine Japanese steel producers (Japan Steel Works, Hitachi Metals, Kawasaki Steel, Kobe Steel, Nippon Steel, Nisshin, NKK, Sumitomo, Toyo Kohan) provided data in response to the Commission's request for information. Data for these firms are presented in tables 51-54.[218] Although these firms include all the major flat-rolled steelmakers in Japan, no data were collected for several other smaller producers.[219] It is not known on a product line basis how much these non-reporting producers account for in terms of production, although it is believed to be under 5 percent.[220]

Between 1989 and 1991, capacity for plate, hot-rolled, and cold-rolled remained fairly constant, while corrosion-resistant capacity increased by 15 percent. Plate production increased by 10 percent during 1989-91, hot-rolled and cold-rolled production remained fairly constant, and corrosion-resistant increased by 11 percent.

Exports of plate products to the United States during 1989-91 increased by 19 percent, and plate exports to the United States as a percentage of total exports increased from 0.95 percent in 1989 to 1.36 percent in 1991. Hot-rolled exports to the United States fell by 50 percent during 1989-91, and as a percentage of total hot-rolled exports fell from 10.1 percent in 1989 to 8.4 percent in 1991. Cold-rolled exports to the United States fell by 24 percent during 1989-91, although as a percentage of total cold-rolled exports, they remained about the same. Corrosion-resistant exports to the United States fell 11 percent, and as a percentage of total corrosion-resistant exports fell from 39 percent to 34 percent. Other major export markets for Japanese steel producers are China, Korea, and the countries of south and southeast Asia.

The Japanese steel industry benefitted from strong domestic demand in 1989 and 1990, although a slowdown in economic activity in 1991 led to reduced profits and forced some producers to cancel or postpone major capital investment projects and limit future investment plans.[221] Of the plans that have not been cancelled, most are in the corrosion-resistant category. A new *** will increase corrosion-resistant capacity by ***.[222] ***.

***. Tokyo Steel, according to petitioners, recently started up a 1 million tpy hot strip mill.[223]

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[218] ***.

[219] Other firms believed to be producing subject products are Daido Steel, Daido Steel Sheet, Igeta Steel Sheet, Kawatetsu Galvanizing, Nakayama Steel, Nippon Kinzoku, Taiyo Steel, Toho Sheet and Frame, Tokai Steel Works, Tokyo Steel Manufacturing, Topy Industries, and Yodogawa Steel Works.

[220] *** did not provide an estimate of its production as a percent of total Japanese production and totals could not be calculated.

[221] "Japan's Big Five Go Careful on Spending," *Metal Bulletin*, May 4, 1992, p. 15.

[222] Questionnaire response, ***, p. 3.

[223] Petitioners' postconference brief, p. 119.

Table 51
Plate: Japan's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Capacity	8,811	8,836	8,631	2,159	2,210
Production	7,653	8,301	8,430	2,054	2,025
End-of-period inventories	322	319	321	293	266
Shipments:					
Home market	6,691	7,433	7,559	1,852	1,851
Exports to--					
The United States	9	9	11	3	1
All other markets	985	837	817	197	219
Total exports	994	847	828	200	220
Total shipments	7,685	8,280	8,387	2,052	2,070
	Ratios and shares (percent)				
Capacity utilization	86.9	93.9	97.7	95.1	91.7
Inventories to production	4.8	4.4	4.4	4.1	3.8
Inventories to total shipments	4.8	4.4	4.4	4.1	3.7
Share of total quantity of shipments:					
Home market	87.1	89.8	90.1	90.2	89.4
Exports to--					
The United States	.1	.1	.1	.1	(1)
All other markets	12.8	10.1	9.7	9.6	10.6

[1] Positive figure, but less than significant digits displayed.

Note.--Because of rounding, figures may not add to the totals shown. Capacity utilization and inventory ratios are calculated from the unrounded data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 52
Hot-rolled products: Japan's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Capacity	57,925	57,447	57,822	23,674	14,065
Production	56,187	55,377	56,049	14,154	13,026
End-of-period inventories	703	753	621	698	559
Shipments:					
Home market	53,554	53,510	54,509	13,772	12,775
Exports to--					
The United States	266	201	133	42	30
All other markets	2,364	1,616	1,447	394	283
Total exports	2,631	1,817	1,580	437	313
Total shipments	56,185	55,328	56,089	14,209	13,088
	Ratios and shares (percent)				
Capacity utilization	97.0	96.4	96.9	59.8	92.6
Inventories to production	1.4	1.6	1.3	1.4	1.2
Inventories to total shipments	1.4	1.6	1.3	1.4	1.2
Share of total quantity of shipments:					
Home market	95.3	96.7	97.2	96.9	97.6
Exports to--					
The United States	.5	.4	.2	.3	.2
All other markets	4.2	2.9	2.6	2.8	2.2

Note.--Because of rounding, figures may not add to the totals shown. Capacity utilization and inventory ratios are calculated from the unrounded data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 53
Cold-rolled products: Japan's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Capacity	24,891	25,439	25,171	6,312	6,130
Production	24,475	23,971	24,393	6,106	5,792
End-of-period inventories	498	492	500	480	488
Shipments:					
Home market	20,078	20,778	20,976	5,305	4,985
Exports to--					
The United States	474	425	362	103	90
All other markets	3,868	2,773	3,048	717	729
Total exports	4,342	3,199	3,410	820	819
Total shipments	24,420	23,977	24,386	6,124	5,803
	Ratios and shares (percent)				
Capacity utilization	98.3	94.2	96.9	96.7	94.5
Inventories to production	2.4	2.4	2.4	2.3	2.5
Inventories to total shipments	2.4	2.4	2.4	2.3	2.5
Share of total quantity of shipments:					
Home market	82.2	86.7	86.0	86.6	85.9
Exports to--					
The United States	1.9	1.8	1.5	1.7	1.5
All other markets	15.8	11.6	12.5	11.7	12.6

Note.--Because of rounding, figures may not add to the totals shown. Capacity utilization and inventory ratios are calculated from the unrounded data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 54
Corrosion-resistant products: Japan's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Capacity	10,157	10,600	11,459	2,858	2,922
Production	9,944	10,407	11,018	2,765	2,635
End-of-period inventories	431	520	579	548	537
Shipments:					
Home market	7,846	8,518	8,879	2,246	2,168
Exports to--					
The United States	781	778	698	196	190
All other markets	1,223	1,021	1,383	296	318
Total exports	2,004	1,799	2,081	492	508
Total shipments	9,851	10,317	10,960	2,738	2,677
	Ratios and shares (percent)				
Capacity utilization	97.9	98.2	96.2	96.7	90.2
Inventories to production	5.2	6.0	6.3	5.9	6.1
Inventories to total shipments	5.3	6.1	6.3	6.0	6.0
Share of total quantity of shipments:					
Home market	79.7	82.6	81.0	82.0	81.0
Exports to--					
The United States	7.9	7.5	6.4	7.2	7.1
All other markets	12.4	9.9	12.6	10.8	11.9

Note.--Because of rounding, figures may not add to the totals shown. Capacity utilization and inventory ratios are calculated from the unrounded data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Further, after the poor performance of steel companies in 1986, they announced plans to restructure, reduce capacity, and diversify into non-steel areas (e.g., electronics and biotechnology). Although the major companies did shut down several mills and blast furnaces, many capacity reduction plans were curtailed when steel demand improved in the late 1980s. ***.

The Industry in Korea (Plate, Hot-rolled, Cold-rolled, and Corrosion resistant)

Data on operations producing flat-rolled carbon steel products in the Korean steel industry were provided by Pohang Iron and Steel Co., Ltd. (POSCO), Korea Iron and Steel Co., Ltd., Union Steel, Dongbu Steel, Pohang Steel Industry, Pohang Coated Steel Co., and Dongkuk Steel Mill Co., Ltd. These companies are believed to account for virtually all of Korea's production of plate, hot-rolled, and cold-rolled products and about 95 percent of Korea's output of corrosion-resistant steel. Dong Yang Tinplate Industrial Co. Ltd. is also believed to produce a relatively small amount of corrosion-resistant steel. Data on these industries in Korea are presented in tables 55-58.

Table 55
Plate: Korea's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 56
Hot-rolled products: Korea's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 57
Cold-rolled products: Korea's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 58
Corrosion-resistant products: Korea's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Overall steelmaking capacity in Korea was 25.5 million tons in 1991.[224] Growth in the Korean steel industry has followed the rapid growth of the Korean economy based on a series of Five-Year Economic Development Plans. In 1973, the first integrated steel mill, POSCO, was completed. POSCO is the largest steel producer in Korea and the only steel company in that country to operate fully integrated mills, at Pohang and Kwangyang. POSCO's corporate organization is both quasi-governmental and private; its government ownership is held primarily by the Ministry of Finance and the Government's Korea Development Bank. POSCO was partly privatized in June 1988. ***.[225]

Capacity to produce plate in Korea *** percent during 1989-91 and is projected to *** during 1992-93. Production capacity for hot-rolled products *** percent during 1989-91 and is projected to *** percent during 1991-93. Capacity to produce cold-rolled products *** percent during 1989-91 and is projected to *** percent during 1991-93. Production capacity for corrosion-resistant products *** by *** percent during 1989-91, and is projected to *** percent during 1991-93.

Production of plate *** steadily by *** percent from 1989 to 1991, but is projected to *** percent during 1991-93. Production of hot-rolled products *** percent from 1989 to 1991 and is projected *** percent during 1991-93. Cold-rolled product production *** percent during 1989-91, and is projected to *** percent during 1991-93. Production of corrosion-resistant products *** percent from 1989 to 1991, and is projected *** percent during 1991-93.

Capacity utilization for plate *** percent in 1989 to *** percent in 1991. The utilization rate is projected *** percent in 1992, then *** to *** percent in 1993. Capacity utilization for hot-rolled products *** percent in 1990 and is projected to *** percent by 1993. The utilization rate for cold-rolled products reached *** during 1989-91 and is projected to *** during 1992-93. Capacity utilization for corrosion-resistant products *** percent in 1989 to *** percent in 1991 and is projected to *** percent in 1993.

Korea's exports of plate to the United States *** percent from 1989 to 1991, but are projected to *** percent in 1992 then *** percent in 1993. Exports to all other markets *** percent between 1989 and 1991, but are projected to *** percent during 1991-93. Exports to the United States accounted for *** percent of total exports in 1989, *** to *** percent in 1991. This ratio is projected to *** percent during 1992-93. Korea's exports of hot-rolled products to the United States *** percent from 1989 to 1991 and are projected to *** percent by 1993. Exports to all other markets ***. Exports to the United States accounted for *** percent of total exports in 1989, *** percent in 1991. This ratio is projected to *** during 1992-93. Exports to the United States of cold-rolled products *** in 1990 at *** short tons, then *** percent in 1991. Exports to the United States are projected to *** by *** percent during 1991-93. Exports to all other markets *** percent from 1989 to 1991, and are projected to *** percent during 1991-93. Exports

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[224] Korea Development Bank, "Quarterly Industrial Review: Iron and Steel Industry in Korea," Sept. 1991.

[225] OECD, Directorate for Science, Technology and Industry, "Two-Yearly Report on Developments in Steelmaking Capacity in Non-OECD Countries," Apr. 7, 1992.

of cold-rolled products to the United States accounted for *** percent of total exports in 1989, *** to *** percent in 1991. This ratio is projected *** percent in 1992 and to *** percent in 1993. Korea's exports of corrosion-resistant products to the United States *** in 1990 at *** short tons, then *** percent in 1991. Exports to the United States are projected to *** during 1991-93. Exports to all other markets *** percent from 1989 to 1991 and are projected to *** percent in 1992 before *** percent in 1993. Exports of corrosion-resistant products to the United States accounted for *** percent of total exports in 1989, *** percent in 1991. This ratio is projected to *** at about *** percent during 1992-93.

Korean steelmakers have reportedly unilaterally decided to restrain exports to the United States of nine steel products (including coated sheets, pipes and tubes, nails, and stainless products) for 1 year beginning April 1, 1992.[226]

As shown in tables 55-58, *** is expected in Korea, led by ***. Reportedly, much of this expansion is to satisfy demand in Korea's home market. The completion by the end of 1992 of POSCO's 4th stage of expansion at its Kwangyang Works will raise the company's annual steelmaking capacity to about 19 million metric tons and will expand its hot-strip capacity by 3.4 million metric tpy.[227] Capacity at the Kwangyang facility's cold-rolling mill is scheduled to expand by *** million metric tpy in 1992.[228] Dongkuk Steel has commissioned new facilities at its Pohang plant, which should increase its output to more than 800,000 metric tons in 1992.[229] Union Steel plans to double the color-coated galvanizing capacity at its Pusan Works by adding a 100,000 tpy line; start-up is scheduled for July 1993.[230] According to a Union Steel official, 70 percent of the plant's output will go to building applications in Korea; the remainder will be exported to Southeast Asia.[231]

With respect to hot-rolled products, counsel for Korean respondents has stated that projected increases in Korea's capacity for and production of hot-rolled products is to supply increased domestic consumption (including increased cold-rolled production) and to non-U.S. exports. ***.[232]

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[226] "Koreans Agree to Steel Curbs," *Financial Times*, July 23, 1992.

[227] "Posco Blast Furnace Utilizes New Technology," *American Metal Market*, Apr. 3, 1992; and "Japan to Cease Coil Exports to Korea," *Metal Bulletin*, Mar. 16, 1992.

[228] OECD, "Two-Yearly Report on Developments in Steelmaking Capacity in Non-OECD Countries".

[229] "Posco Reduces Plate Exports by 10% This Year," *Metal Bulletin*, Apr. 2, 1992.

[230] "Union Steel Expands Color-Coating," *Metal Bulletin*, Apr. 2, 1992.

[231] Ibid.

[232] Questionnaire response of POSCO and postconference brief of Morrison and Foerster on behalf of Korea Iron and Steel Association et. al., Part I, p. 37.

With respect to cold-rolled products, increases in capacity are projected to be utilized primarily in the home market and in export markets other than the United States.[233] With respect to exports to the United States of corrosion-resistant products, counsel for Korean respondents stated that in most cases, U.S.-Korean supply relationships are based on ***.[234] Product differentiations, competitive domestic prices, transportation costs, and other factors work to limit Korean access to the coated market to a narrow range of specialized product and geographic niches.[235]

The Industry in Mexico (Plate and Corrosion-resistant)

Counsel for Galvak, S.A., Industria Monterrey, S.A. (IMSA), and Altos Hornos de Mexico, S.A. (AHMSA) provided data in response to the Commission's request for information. The percent of total Mexican plate and corrosion-resistant product production represented by these firms is not available. However, from the data reported, the firms appear to account for virtually all of the plate exports from Mexico to the United States and between 73 and 90 percent of the corrosion-resistant exports per year over the past three years. Data for these firms are presented in tables 59-60.

Table 59
Plate: Mexico's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 60
Corrosion-resistant products: Mexico's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Between 1989 and 1991, plate capacity in Mexico *** percent and corrosion-resistant capacity *** percent. Plate production in Mexico *** and corrosion-resistant production *** during 1989-91. Plate capacity utilization *** in 1989 to *** in 1991. Corrosion-resistant capacity utilization *** in 1989 to *** percent in 1991.

Exports of plate products to the United States *** from 1989 to 1991. Plate exports to the United States as a percentage of total exports *** percent in 1989 to *** in 1991. For corrosion-resistant products, exports to

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[233] Postconference brief of Morrison and Foerster on behalf of Korea Iron and Steel Institute et. al., Part III, p. 5.
[234] Postconference brief of Morrison and Foerster on behalf of Korea Iron and Steel Institute et. al., Part IV, pp. 6-7.
[235] Ibid.

the United States *** between 1989 and 1991. Corrosion-resistant product exports to the United States as a percentage of total exports *** percent in 1989 to *** in 1991. Other markets for Mexican exports are ***.

As noted above, capacity expansion is projected. In the corrosion-resistant area, ***; according to the respondent most of this new production is destined for the rapidly expanding Mexican market. Also, IMSA is modernizing its Aceros Planos mill and will start producing coils and plate for the Mexican automotive and construction market in mid-1993.[236]

In November 1991, Sidermex, the state holding company for steelmaking operations, was split into three parts and sold to private investors. The largest sale was for AHMSA, which is expected to continue as an integrated steelmaker with a varied product mix.[237] Steps to increase efficiency were taken even before the firm was sold. In December 1988, AHMSA employed 21,429 workers; by October 1991 the payroll had been reduced to 12,458. Another 1,500 workers are expected to be cut during 1992.[238]

The Industry in the Netherlands (Hot-rolled and Cold-rolled)

Counsel for Hoogovens Groep BV (Hoogovens) provided data in response to the Commission's request for information. According to counsel, Hoogovens accounts for approximately 100 percent of total production of flat-rolled carbon steel products in the Netherlands. Data for this firm are presented in tables 61-62.

Table 61
Hot-rolled products: Netherlands' capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, and January-March 1992

* * * * * * *

Table 62
Cold-rolled products: Netherlands' capacity, production, inventories, capacity utilization, and shipments, 1989-91, and January-March 1991, January-March 1992

* * * * * * *

Between 1989 and 1991, capacity in hot-rolled steel *** while capacity in cold-rolled steel ***. Hot-rolled capacity is projected to *** percent in 1993, due to ***. During the same period, hot-rolled production *** percent and cold-rolled production *** percent. Hot-rolled capacity utilization ***. Cold-rolled capacity utilization ***.

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[236] *Metal Bulletin*, June 15, 1992, p. 24.
[237] *33Metal Producing*, May 1992, p. 25.
[238] *Iron and Steel Magazine*, June 1992, p. 30.

Exports of hot-rolled products to the United States *** from 1989 to 1991, but first quarter results from 1992 show a *** over first quarter 1991. Exports of hot-rolled products to the United States as a percentage of total exports ***. Exports of cold-rolled products to the United States *** from 1989 to 1991. Cold-rolled exports to the United States as a percentage of total exports *** from *** percent in 1989 to *** percent in 1991. Other major destinations of exports from the Netherlands are ***.

Counsel for Hoogovens argues that it has been a reliable supplier to a small group of customers for over 30 years,[239] acquiring no new hot-roll customers in *** years and no new cold-roll customers in *** years.[240] According to Hoogovens, a substantial proportion of shipments to the United States *** do not compete with U.S. product.[241] ***.[242]

According to various public sources, investment in flat-rolled production has continued. In an effort to promote modernization in the European steel industry, in 1989 the European Economic Commission announced an $84.5 million loan to Hoogovens to speed up a 5-year-old investment program.[243] The company has commissioned a new continuous annealing line, worth £12 million ($23 million)[244] with an annual capacity of 300,000 metric tons (330,693 short tons)[245] and has planned construction of a new continuous galvanizing line, with the help of Nippon Steel Corp.[246] Hoogovens plans to close its 45 year-old Walseri West heavy plate mill around the end of 1992.[247] The changes may affect the makeup of Hoogovens' domestic and foreign shipments, leading to a possible decline in plate shipments, while shipments of cold-rolled and corrosion-resistant steel products increase.

The Industry in New Zealand (Hot-rolled, Cold-rolled, and Corrosion-resistant)

Counsel for New Zealand Steel Limited (NZS) provided data in response to the Commission's request for information. According to counsel, NZS accounts for approximately 100 percent of total production of flat-rolled carbon steel products in the New Zealand. Data for NZS are presented in tables 63-65.

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[239] TR, testimony of Mr. Suchman, p. 276.

[240] Postconference brief of Powell, Goldstein, Frazer, and Murphy, on behalf of Hoogovens, p. 3.

[241] Ibid., pp. 5, 9.

[242] Questionnaire response of Hoogovens, p. 5.

[243] "EEC Loans Hoogovens $84.5M," *American Metal Market*, Nov. 14, 1989, p. 7.

[244] At exchange rate as of July 27, 1992, *New York Times*, July 28, 1992, p. D16.

[245] "Netherlands: Investing in a Flat Market," *Steel Times*, Sept. 1991, p. 512.

[246] The WEFA Group, *U.S. & World Steel Executive Report*, May 31, 1992, p. 112.

[247] "Hoogovens Gets Job to Supply Hot-roll Coil to Usinor Sacilor," *American Metal Market*, Apr. 23, 1992, p. 4.

Table 63
Hot-rolled products: New Zealand's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 64
Cold-rolled products: New Zealand's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 65
Corrosion-resistant products: New Zealand's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Between 1989 and 1991, capacity in hot-rolled steel *** percent, capacity in cold-rolled steel ***, and capacity in corrosion-resistant steel ***. Hot- and cold-rolled capacity is projected to ***. ***.

Hot-rolled production *** from 1989 to 1991, cold-rolled production *** percent, and corrosion-resistant production *** percent. During January-March 1992 compared with the same period in 1991 *** in production of cold-rolled and corrosion-resistant steel products, which ***, respectively. Hot-rolled capacity utilization ***. Cold-rolled capacity utilization ***. Corrosion-resistant capacity utilization ***.

Exports of hot-rolled products to the United States *** percent from 1989 to 1990 and ***. Exports to the United States during January-March 1992 *** from exports during January-March 1991. Hot-rolled exports to the United States as a percentage of total exports ***. Exports of cold-rolled products to the United States *** from 1989 to 1991. Exports to the United States during January-March 1992 *** during January-March 1991. Cold-rolled exports to the United States as a percentage of total exports ***. Exports of corrosion-resistant products to the United States *** from 1989 to 1991. Exports to the United States during January-March 1992 *** from exports during January-March 1991. Corrosion-resistant exports to the United States as a percentage of total exports *** in 1991. Other major markets for NZS' flat-rolled products are ***.

In 1989, NZS introduced a NZ$67 million ($36.5 million[248]) upgrade of its facilities. The modernization, scheduled for completion in 1991, was

[248] At exchange rate as of July 27, 1992, *New York Times*, July 28, 1992, p. D16.

concentrated in smelting and refining operations and included an upgrade of computer systems. Following the collapse of the domestic market in late 1990-early 1991, a survival plan was announced, leading to 500 employees (out of 2,200) taking "voluntary redundancy" at the end of 1990; putting several subsidiaries, including the pipe and tube division, on the market; and changing the geographical emphasis of export markets.[249] This last step led to a temporary exit from the U.S. market. NZS recently obtained a $235 million loan for use in restructuring existing debt.[250]

The Industry in Poland (Plate)

Huta Czestochowa, Huta Batory, and Huta im. Tadeusza Sendzimira (Sendzimir Iron and Steel Works) were named in the petition as Polish producers and exports of plate. Counsel for respondents provided data, presented in table 66, for these mills and for Huta Pokoj, S.A., and Huta Ostrowiec.

Plate capacity in Poland fell by nearly one-third during 1989-91 and is projected to decline further during 1992-93.[251] [252] Production fell by 40 percent during the period to 927,000 short tons in 1991. Capacity utilization declined by 6 percentage points during 1989-91 to 44 percent at the end of the period.

Exports, which accounted for approximately 28 percent of total shipments in 1991, gained in importance as total shipments declined. Total exports remained at approximately the same level, 250,000 short tons, during each of the 3 years, 1989-91. Exports to the United States increased by 71 percent to 36,000 short tons during 1989-91, and represented nearly 14 percent of total exports in 1991. Poland's exports to other countries, mainly EC-members, declined by 6 percent to 216,000 short tons in 1991. Quotas on imports from Poland into the EC reportedly were to be reduced or eliminated as part of an aid package,[253] although Eurofer (the association of European steel mills) has reportedly called for the reestablishment of quantitative restrictions.[254] Reportedly, the largest rises for the 2-month period of January-February between 1991 and 1992 in EC import license applications were for cold-reduced sheet, hot-rolled coils, and plate.[255]

Total crude steel production fell by roughly one-third during 1989-91 as a consequence of national economic restructuring and industry efforts at

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[249] "NZ Steel Trims its Sales to Catch Changing Trade Winds," *Metal Bulletin Monthly*, July 1991, pp. 83-85.

[250] The WEFA Group, *U.S. & World Steel Executive Report*, May 31, 1992, pp. 150-152.

[251] ***.

[252] ***.

[253] Wilfried von Bulow, "Gains Seen in Global Steel Trade Relations," *American Metal Market*, May 14, 1992, p. 10.

[254] Mark Thompson and Dilip Lal, "Rising E Europe Imports Increase EC Fears," *News Focus--East European Steel Exports*, Petitioners' postconference brief, vol. 2A, exhibit 53.

[255] Ibid.

Table 66
Plate: Poland's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

Item	1989	1990	1991	Jan.-Mar.-- 1991	Jan.-Mar.-- 1992	Projected-- 1992	Projected-- 1993
	Quantity (1,000 short tons)						
Capacity	3,120	2,786	2,096	547	425	1,877	1,817
Production	1,552	1,253	927	307	198	916	959
End-of-period inventories	21	24	32	24	30	42	37
Shipments:							
Home market	1,301	979	666	248	145	676	694
Exports to--							
The United States	21	29	36	15	5	28	28
All other markets	229	242	216	42	50	211	216
Total exports	250	271	252	57	55	239	244
Total shipments	1,551	1,251	918	305	200	916	939
	Ratios and shares (percent)						
Capacity utilization	49.8	45.0	44.2	56.0	46.6	48.8	52.8
Inventories to production	4.6	6.1	4.1	6.6	4.5	10.4	9.0
Inventories to total shipments	4.6	6.2	4.1	6.6	4.5	10.4	9.1
Share of total quantity of shipments:							
Home market	83.9	78.3	72.5	81.3	72.4	73.9	74.0
Exports to--							
The United States	1.3	2.3	3.9	5.1	2.5	3.1	3.0
All other markets	14.8	19.4	23.6	13.6	25.2	23.1	23.0

Note.--Because of rounding, figures may not add to the totals shown. Capacity utilization and inventory ratios are calculated from the unrounded data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

modernization.[256] Polish steelmakers are not planning to increase raw steelmaking capacity during the decade of the 1990s; instead, some production capacity is being reduced permanently through the closure of obsolete open-hearth steelmaking units. In addition, inter-firm debt has expanded significantly and a number of suppliers and customers have defaulted, which has reportedly caused the temporary closure of rolling mills at Huta Warszawa and Huta Batory, including the closure of their universal plate mills.[257] Modernization and reorganization are focused on the need to reduce production costs, improve environmental protection, improve quality, and respond to changing domestic steel consumption conditions, although some of the modernization may increase production capacity.[258]

The Industry in Romania (Plate)

CSR SA Resita (Resita Steel Works) and Sidex SA Galati (Galati Combinat Dierurgic) were named in the petition as producers, and Metalexportimport SA was named as an exporter of carbon steel plate in Romania. The Commission received a response to its questionnaire from Metalexportimport which provided data for Galati.[259] Galati reportedly accounts for approximately *** percent of plate capacity in Romania.[260] Data on the industry in Romania are presented in table 67.

Table 67
Plate: Romania's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

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[256] The Government of Poland made price adjustments on January 1 and July 1, 1991, in the cost of energy that, according to Western estimates, bring Polish energy costs to par with those in Western Europe. The Government also reportedly ended subsidies. The expansion of inter-firm debt (one means of financing production), inflation, and a decline in consumption are symptomatic of the restructuring effort.

[257] "Time to Get Tough in Poland," *Metal Bulletin*, Oct. 14, 1991, p. 3.

[258] Prof. Jan Janowski, "Modernization of the Polish Steel Industry," *Steel Times*, Oct. 1991, p. 544. Foreign technical assistance (primarily from the Japanese-based steelmaking companies Sumitomo and Kyoei) and foreign investment, albeit at a minimal level, are assisting the modernization effort.

[259] The other facility named in the petition, Resita, and the stand-alone rolling mill at Foscani (identified by WEFA) have not provided data. With respect to Resita, reportedly the blast furnaces were shut down permanently removing 1.1 million metric tons of raw steelmaking capacity, although the company may continue to operate the rolling mill. (*Metal Bulletin Monthly*, Aug. 1991; and *Metal Bulletin*, Oct. 28, 1991).

[260] Based on a comparison of plate rolling capacities reported in The WEFA Group, *Conquering World Steel Markets*, vol. III, pp. 4.84-4.85.

Plate production capacity in Romania *** by *** percent during 1989-91, and is projected to *** by *** percent during 1991-93.[261] Production *** by nearly *** percent to *** short tons while capacity utilization *** by *** percentage points to *** percent between 1989 and 1991.

Total shipments, total exports, and home-market shipments *** approximately *** percent, *** percent, and *** percent, respectively during 1989-91. Total exports were *** tons, of which exports to the United States comprised *** percent or *** tons, in 1991. Exports of plate accounted for approximately *** percent of total shipments of that product in 1991. Plate was exported to more than ***.[262] Imports of plate into the United States from Romania accounted for approximately *** percent of total imports of steel products from Romania in 1991.[263]

Quotas on imports from Romania into the EC reportedly were to be reduced or eliminated as part of an aid package,[264] although Eurofer (the association of European steel mills) has reportedly called for the reestablishment of quantitative restrictions.[265] Reportedly, the largest rises for the 2-month period of January-February between 1991 and 1992 in EC import license applications were for cold-reduced sheet, hot-rolled coils, and plate.[266]

Economic and political changes in Central and Eastern Europe have affected governmental support for the Romanian steel industry.[267] According to some Western sources, because Romania possesses few of the inputs needed for steelmaking domestically, the authorities are reluctant to invest in an industry for which foreign exchange would have to be used to purchase those inputs, and where prices for the output are less attractive than they were in 1990. The Ministry of Industry, charged with oversight responsibilities for the steel industry, is interested in retrenchment, largely abandoning capacity expansion plans announced only several years ago. Foreign investment has been minimal, despite the letter of a favorable law promulgated in 1991.

Crude steelmaking has been in ***. The industry's capital and energy and raw material input supply problems may hasten the closure of unprofitable plants and cause the redundancy of up to *** percent of the employees. Investment in the industry is reportedly focused on improving process efficiencies and ameliorating environmental pollution.

Several new companies have emerged to compete with Metalexportimport (formerly the State's foreign trade organization and sole agent for the steel industry), the most significant of which is Metanef. This may have the effect of allowing and encouraging steel mills to export for hard currency reasons.

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[261] ***.

[262] Questionnaire response of Metalexportimport, p. 4.

[263] Ibid.

[264] Wilfried von Bulow, "Gains Seen in Global Steel Trade Relations," *American Metal Market*, May 14, 1992, p. 10.

[265] Mark Thompson and Dilip Lal, "Rising E Europe imports increase EC fears," *News Focus--East European Steel Exports*, Petitioners' postconference brief, vol. 2A, exhibit 53.

[266] *European Report*, No. 1768 (May 13, 1992), p. 5.

[267] See also, *Central and Eastern Europe: Export Competitiveness of Major Manufacturing and Services Sectors*, USITC Pub. 2446, Nov. 1991, pp. 108-116.

The Industry in Spain (Plate and Cold-rolled)

Counsel for Altos Hornos de Vizcaya (AHV) and Empresa Nacional Siderurgica (Ensidesa) provided data in response to the Commission's request for information. According to counsel, these producers account for 100 percent of total Spanish plate production and 100 percent of cold-rolled product production. Data for these firms are presented in tables 68-69.

Table 68
Plate: Spain's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 69
Cold-rolled products: Spain's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Between 1989 and 1991, plate and cold-rolled capacity ***. Plate production in Spain *** by *** percent and cold-rolled production *** by *** percent during 1989-91. Plate production is projected to *** by *** percent by 1993. Cold rolled production is projected to *** by *** percent during 1992 and *** during 1993. Plate capacity utilization *** from *** percent in 1989 to *** percent in 1991. Cold-rolled capacity utilization *** from *** percent in 1989 to *** percent in 1991.

Exports of plate products to the United States *** from 1989 to 1991. Plate exports to the United States as a percentage of total exports *** percent in 1989 to *** percent in 1991. For cold-rolled products, exports to the United States *** by *** percent from 1989 to 1991. Cold-rolled product exports to the United States as a percentage of total exports *** from *** percent in 1989 to *** percent in 1991. Other major markets for Spanish exports are ***.

According to counsel, Ensidesa and Altos Hornos de Vizcaya are the only integrated steel producers in Spain and they are involved in a merger process which will result in a reduction of their capacity and production. According to U.S. officials in Spain, two central government conversion plans for the Spanish steel industry (including Acenor, which makes products not subject to these investigations) call for the elimination of some 5,000 jobs in the Basque country and another 6,000 in the Asturias region of Spain.[268]

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[268] U.S. Department of State Telegram, June 18, 1992, Bilbao, message reference No. 0134.

The Industry in Sweden (Plate and Corrosion-resistant)

Svenskt Staal AB (or SSAB) was named in the petition as Sweden's sole producer of corrosion-resistant and plate products.[269] Data on the industry in Sweden are presented in tables 70-71.

Table 70
Plate: Sweden's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 71
Corrosion-resistant products: Sweden's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Capacity in Sweden *** by approximately *** percent for plate products and *** for corrosion-resistant during 1989-91. *** in capacity were attributed to ***. Production *** by *** percent to *** short tons for plate and by nearly *** percent for corrosion-resistant products to *** short tons in 1991. Capacity utilization *** by *** percentage points to *** percent for plate, *** at approximately *** percent for corrosion-resistant products.

Total shipments of plate *** approximately *** percent to *** short tons, but showed only a *** for corrosion-resistant products during 1989-91. Exports accounted for *** percentage of total shipments during that time, and comprised *** percent of total plate shipments and *** percent of total shipments of corrosion-resistant products in 1991. Exports to the United States of both products *** in terms of tonnage and as a percentage of total shipments during 1989-91. End-of-period inventories in tons *** for corrosion-resistant products, and the ratio of inventories to total shipments *** during 1989-91; for plate, end-of-period inventories in tons *** by nearly *** percent.

Exports of plate are apparently made to a greater number of destinations than corrosion-resistant products. ***.

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[269] According to the questionnaire response, SSAB ***. Some of the discrepancy might be accounted for by SSAB's rationalization plan, announced in 1990, that involves the production sharing and exchange of certain equipment with Ovako.

The Industry in Taiwan (Cold-rolled and corrosion-resistant)

Data on operations producing cold-rolled and corrosion-resistant products in Taiwan were provided by China Steel Corp. (CSC), Taiwan's only integrated steel mill, and An Mau Steel Co., Ltd. These two companies are believed to account for *** percent of cold-rolled output and *** percent of corrosion resistant output in Taiwan. Other companies believed to be producing the subject products include Kao Hsing Chang Iron and Steel Corp., Mayer Steel Pipe, Ornatube Enterprise Co., Shang Tai Steel Co., and Yieh Phui Enterprise Co.[270] Data on these industries in Taiwan are presented in tables 72-73.

Table 72
Cold-rolled products: Taiwan's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 73
Corrosion-resistant products: Taiwan's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Capacity to produce cold-rolled products in Taiwan *** from 1989 to 1991 and is projected to *** by *** percent during 1991-93. Taiwan's capacity to produce corrosion-resistant products *** by *** percent from 1989 to 1991.

Production of cold-rolled products in Taiwan *** by *** percent from 1989 to 1990, then *** by *** percent in 1991. Production is projected to *** by *** percent during 1991-93. Production of corrosion-resistant products *** by *** percent from 1989 to 1991 and is projected to *** by *** percent by 1993.

Capacity utilization for cold-rolled products in Taiwan *** from *** percent in 1989 to *** percent in 1991 *** to *** percent in 1992 and *** percent in 1993. Capacity utilization for corrosion-resistant products *** from *** percent in 1989 to *** percent in 1991.

Taiwan's exports of cold-rolled products to the United States *** by *** percent from 1989 to 1990, then *** by *** percent in 1991. There are *** to the United States projected for 1992 and 1993. Exports to all other markets *** by *** percent during 1989-91 and are projected to *** percent by 1993. Exports to the United States accounted for *** percent of total exports in 1990, *** percent in 1991. Taiwan's exports of corrosion-resistant products to the United States *** by *** percent from 1989 to 1990, then *** by ***

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[270] *Iron and Steel Works of the World*, pp. 393-400.

percent in 1991. Exports to the United States are projected to *** during 1991-93. Exports to all other markets *** by *** percent during 1991-93 and are projected to *** by *** percent by 1993. The ratio of exports to the United States to total exports *** from *** percent in 1989 to *** percent in 1990, then *** to *** percent in 1991. This ratio is projected to *** percent during 1992-93.

CSC will reportedly commission a second cold-rolling mill in mid-1992, with a capacity of about *** tpy, and a 200,000 tpy electrogalvanizing line, both to be built in Taiwan.[271] CSC has suspended plans to build a $2.9-billion steel mill in Malaysia after the Taiwanese government withheld final approval of what would have been Taiwan's first major foreign venture.[272] The lack of approval reportedly stemmed from shortages of steel in Taiwan. An Mau Steel will reportedly ***.

As discussed above, capacity expansion is expected in Taiwan. Reportedly, much of this expansion is to satisfy demand in Taiwan's home market. Counsel for the Taiwan producers has stated that the reason Taiwan's exports of the subject products have fallen so sharply, and will continue to drop, is because of the growth of Taiwan's own market demand in response to the government's ambitious Six-Year National Infrastructure Development plan.[273] The plan, which began July 1, 1991, calls for a number of capital intensive construction projects that will require steel products. Consequently, Taiwan's presence in the U.S. market has declined as Taiwan's steel producers are focusing their efforts on participating in their home market.[274]

Efforts are being made to privatize CSC. Taiwan's government has announced plans to sell some 1,040 million shares in CSC (around 14.6 percent of the company), with 360 million of them to be offered to overseas buyers in the United States, Europe, Hong Kong, Japan, and Singapore. The offering, which is expected to be finalized by mid-1992, will reportedly reduce the percentage of CSC stock held by the government's Commission of National Corporations to approximately 76.7 percent from the current 91.3 percent.[275]

The Industry in the United Kingdom (Plate and Cold-rolled)

Counsel for British Steel Plc and Glynwed provided data in response to the Commission's request for information. According to counsel, these producers account for 100 percent of total United Kingdom plate and cold-rolled product production. Data for these firms are presented in tables 74-75.

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[271] *Steel Times International*, May 1991; and questionnaire response of CSC.

[272] "China Steel Halts Plans," *American Metal Market*, Feb. 3, 1992.

[273] Postconference briefs of Ablondi & Foster, P.C. on on behalf of Republic of China, Ministry of Economic Affairs, Board of Foreign Trade, p. 16 and of Willkie, Farr and Gallagher on behalf of CSC and An Mau, pp. 24-25.

[274] Ibid., p. 14.

[275] "Taiwan Moves Ahead with Privatization," *Metal Bulletin*, Apr. 23, 1992.

Table 74
Plate: United Kingdom's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Table 75
Cold-rolled products: United Kingdom's capacity, production, inventories, capacity utilization, and shipments, 1989-91, January-March 1991, January-March 1992, and projected 1992-93

* * * * * * *

Between 1989 and 1991, plate capacity *** by *** percent while cold-rolled capacity *** by *** percent. Plate capacity is projected to *** 1993. Cold-rolled capacity is projected to *** by *** percent by 1993. Plate production in the United Kingdom *** by *** percent and cold-rolled production *** by *** percent during 1989-91. Plate capacity utilization *** from *** percent in 1989 to *** percent in 1991. Cold-rolled capacity utilization *** from *** percent in 1989 to *** percent in 1991.

***.

The recession in Europe has hit British Steel particularly hard, according to its chief executive. During the fiscal year ending March 28, 1992, British Steel posted a loss of $108 million, its first full-year loss since privatization in 1989, primarily due to weak steel prices in the United Kingdom, mainland Europe, and North America. As a result, the firm plans to cut more than 7,000 jobs over the next 12 months and will limit capital expenditures until steel prices strengthen.[276] In addition, the company is looking for a link-up with a European steel producer in order to reduce its dependency on the UK market because of the continuing recession there.[277]

[276] *American Metal Market*, July 6, 1992.
[277] *Metal Bulletin*, Apr. 18, 1992, p. 23.

CONDITION OF THE INDUSTRY IN THE UNITED STATES

The data appearing in this section of the report are for all producers that provided usable information in response to the Commission's producer questionnaire.[278] Additional information tabulated from Commission questionnaires concerning shipments of selected products are presented in appendix E.

U.S. Capacity, Production, and Capacity Utilization

The Commission requested U.S. producers to provide data on their full production capability[279] to produce plate, hot-rolled, cold-rolled, and corrosion resistant products for 1989-91, January-March 1991, and January-March 1992. These data are presented in table 76. The majority of the responding firms reported operating the mills 50 weeks per year. As mentioned earlier in the report, the U.S. industry has invested $23 billion during the 1980's to modernize plants and purchase more efficient equipment. Much of this investment was made in the hot- and cold-rolled manufacturing areas to improve competitiveness and continue improvements in steelmaking and casting.[280]

Plate

End-of-period capacity to produce plate increased by 11 percent between 1989 and 1991. Such capacity decreased by 5 percent between interim 1991 and interim 1992. Production of plate decreased irregularly by 6 percent between 1989 and 1991. Production increased by 4 percent in interim 1992. Capacity utilization declined during 1989-91 and then increased during January-March 1992 compared to the corresponding period of 1991.

Hot-rolled Products

Capacity and production of hot-rolled products increased between 1989 and 1990 and then decreased in 1991, while capacity utilization decreased during 1989-91. Although capacity to produce hot-rolled products continued to decline in interim 1992, production increased, which resulted in capacity utilization increasing from 66.7 percent in interim 1991 to 84.0 percent in the corresponding period of 1992. The petitioning firms that have the ability to continuously-cast hot-rolled sheet[281] reported that approximately 70 percent

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[278] Data include plate, hot-rolled, cold-rolled, and corrosion-resistant products. Responding firms accounted for 95 percent of U.S producers' reported shipments in 1991.

[279] Full production capability was defined as the maximum level of production that the establishment could reasonably expect to attain under normal operating conditions.

[280] Petitioners' postconference brief, Vol. 3, p. A-15.

[281] The U.S. industry has been installing continuous-casting equipment in its mills in recent years, and current installation programs should continue to raise the U.S. continuous-casting capability in the future.

Table 76
Certain flat-rolled carbon steel products: U.S. capacity, production, and capacity utilization, by products, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	End-of-period capacity (1,000 short tons)				
Plate	6,476	7,142	7,187	1,803	1,717
Hot-rolled products	53,204	55,791	51,945	13,800	13,495
Cold-rolled products	28,992	29,902	29,947	7,436	7,744
Corrosion-resistant products	11,730	12,345	12,828	3,115	3,303
	Production (1,000 short tons)				
Plate	4,830	5,166	4,558	1,150	1,201
Hot-rolled products	44,834	46,656	41,341	9,317	11,434
Cold-rolled products	24,415	24,510	21,207	4,502	6,161
Corrosion-resistant products	10,832	10,424	9,291	2,015	2,615
	Capacity utilization (percent)				
Plate	74.4	72.2	63.3	63.6	69.8
Hot-rolled products	83.6	82.8	78.7	66.7	84.0
Cold-rolled products	83.1	81.1	69.7	59.4	78.5
Corrosion-resistant products	91.3	83.7	71.6	63.8	78.5

Note.--Capacity utilization is calculated from unrounded figures, using data of firms providing both capacity and production information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

of their production was used internally (including sales to affiliated companies) and approximately 5 percent and 25 percent was sold to cold-rollers and to other users, respectively.

Cold-rolled Products

Capacity to produce cold-rolled products increased by 3 percent between 1989 and 1991, while production decreased irregularly during the period, by 13 percent. Capacity utilization declined during 1989-91 and increased during January-March 1992.

Corrosion-resistant Products

Capacity to produce corrosion-resistant products has been increasing in recent years.[282] As the automotive industry began producing smaller, lighter cars in the mid-1980's, the need for more corrosion-resistant products increased.[283] The industry also strives to achieve greater corrosion resistance to maximize warranty protection against rust.[284] Demand for galvanized steel will also grow, but to a lesser extent, because of increased applications in the appliance and other non-automotive industries.

Capacity to produce corrosion-resistant products increased by 9 percent between 1989 and 1991, while production of these products declined by 14 percent, resulting in a decline in capacity utilization from 91.3 percent in 1989 to 71.6 percent in 1991. Capacity, production, and capacity utilization increased during January-March 1992 compared to the corresponding period in 1991.

The corrosion-resistant industry is on the verge of major increases in both cold-rolled and corrosion-resistant production occasioned by the opening of major new corrosion-resistant line joint ventures developed by various U.S., Japanese, and Canadian partners specifically to serve the needs of automotive producers.[285] The following tabulation presents plans to expand U.S. capacity to produce corrosion-resistant products (in tons per year):[1]

Firm/joint venture	Start-up date	Estimated capacity
Bethlehem-National (NKK)	1994	270,000
Bethlehem:		
Burns Harbor site	1993	450,000
Sparrows Point site	1992	260,000
Nucor	1992	250,000
USX-Kobe (Protec)	1993	600,000
Wheeling-Nisshin	1993	240,000
Total		2,070,000

[1] In addition, DNN, a joint venture of National, NKK, and Defasco of Canada, is planning to start up a 400,000 ton per year facility in Ontario, Canada in 1992 to service the U.S. and Canadian auto markets.

Sources: USITC, *Steel Industry Annual Report*, Sept. 1991, Pub. 2436, pp. 3-8 to 3-11; Japan Steel Information Center, *Joint Ventures in the U.S. by Japanese Steel Makers*, June 1992; *Metal Bulletin*, various issues.

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[282] TR, pp. 430-435 and exhibit 8.

[283] Government-mandated fuel efficiency requirements in the 1980's forced U.S. car companies to make lighter automobiles, which meant using thinner steels. Thinner steels meant the parts had to be more corrosion-resistant, TR, p. 393.

[284] ***, letter dated July 24, 1992.

[285] TR, pp. 387-388. See also attachment 4 to Morrison & Foerster's postconference brief.

U.S. Producers' Domestic Shipments, Company Transfers, and Export Shipments

Based on petitioners' postconference brief, hot-rolled products represented 21.1 percent of total U.S. producer shipments of all carbon steel mill products in 1991; cold-rolled products represented 15.6 percent; corrosion-resistant products represented 13.7 percent; and plate represented 5.3 percent.[286] U.S. shipments[287] of certain flat-rolled carbon steel products, compiled from U.S. producers' responses to the Commission's questionnaire, are presented in table 77.

Plate

U.S. shipments of plate (by quantity) declined irregularly between 1989 and 1991, and then increased by 7 percent in January-March 1992 compared to the corresponding period of 1991. U.S. producers' exports of plate increased by 84 percent during 1989-91, and then declined by 26 percent between interim 1991 and interim 1992. Exports of plate were to Mexico and Canada.

Hot-rolled Products

U.S. shipments of hot-rolled products also declined irregularly between 1989 and 1991, and then increased by 33 percent between January-March 1991 and January-March 1992. U.S. producers' exports of hot-rolled products increased irregularly between 1989 and 1991, by 22 percent. Such exports fell by 75 percent between interim 1991 and the corresponding period of 1992.

Cold-rolled Products

U.S. producers' shipments declined by 13 percent between 1989 and 1991, and then rose by 32 percent between January-March 1991 and the corresponding period of 1992. U.S. producers' exports of cold-rolled products fell by 47 percent during 1989-91, and then increased by 30 percent in interim 1992 compared to the corresponding period of 1991.

U.S. producers reported exporting hot-rolled and cold-rolled[288] products to Mexico, Canada, Brazil, Argentina, Italy, Japan, Australia, India, New Zealand, Taiwan, Korea, and Thailand.

Corrosion-resistant Products

U.S. shipments of corrosion-resistant products declined by 11 percent during 1989-91, and then increased by 29 percent in January-March 1992. Exports of such products fell by 45 percent during 1989-91, and increased slightly in interim 1992. Exports of corrosion-resistant products were to ***.

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[286] Postconference brief, Vol. 1, pp. 29-30 and fn. 46.

[287] U.S. shipments equal company transfers plus domestic shipments.

[288] UPI accounted for approximately 75 percent of cold-rolled sheet exports to Japan in 1991, TR, p. 258.

Table 77
Certain flat-rolled carbon steel products: Shipments by U.S. producers, by products and by types, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Plate:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	4,721	5,038	4,420	1,121	1,202
Exports	74	102	137	34	25
Total	4,795	5,141	4,556	1,155	1,227
Hot-rolled products:					
Company transfers	27,960	29,053	24,827	5,214	7,136
Domestic shipments	14,878	16,022	13,890	3,211	4,064
Subtotal	42,838	45,075	38,718	8,425	11,200
Exports	1,826	968	2,218	620	154
Total	44,664	46,044	40,936	9,045	11,355
Cold-rolled products:					
Company transfers	11,834	12,039	10,528	2,326	3,085
Domestic shipments	11,932	11,826	10,218	2,302	3,023
Subtotal	23,766	23,866	20,746	4,628	6,108
Exports	326	189	172	42	54
Total	24,093	24,054	20,918	4,670	6,162
Corrosion-resistant products:					
Company transfers	***	***	***	***	86
Domestic shipments	***	***	***	***	2,473
Subtotal	10,188	10,021	9,051	1,986	2,558
Exports	448	252	247	56	57
Total	10,636	10,273	9,298	2,042	2,615
	Value (million dollars)				
Plate:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	2,264	2,339	1,975	527	505
Exports	27	40	50	14	9
Total	2,291	2,379	2,024	541	514
Hot-rolled products:					
Company transfers	10,018	9,755	7,779	1,716	2,225
Domestic shipments	5,493	5,479	4,501	1,087	1,308
Subtotal	15,511	15,235	12,281	2,803	3,533
Exports	662	355	604	176	44
Total	16,173	15,590	12,884	2,979	3,577
Cold-rolled products:					
Company transfers	5,513	5,497	4,715	1,069	1,390
Domestic shipments	5,786	5,560	4,659	1,079	1,360
Subtotal	11,299	11,057	9,374	2,148	2,749

Table 77--Continued
Certain flat-rolled carbon steel products: Shipments by U.S. producers, by products and by types, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Value (million dollars)				
Cold-rolled products--Cont.:					
Exports	153	90	85	21	26
Total	11,452	11,147	9,459	2,169	2,776
Corrosion-resistant products:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	6,156	6,046	5,331	1,183	1,483
Exports	263	158	163	36	38
Total	6,420	6,204	5,494	1,219	1,521
	Unit value (per short ton)				
Plate:					
Company transfers	$***	$***	$***	$***	$***
Domestic shipments	***	***	***	***	***
Average	480	464	447	471	420
Exports	369	394	365	405	355
Average	478	463	444	469	419
Hot-rolled products:					
Company transfers	358	336	313	329	312
Domestic shipments	369	342	324	339	322
Average	362	338	317	333	315
Exports	363	367	272	284	282
Average	362	339	315	329	315
Cold-rolled products:					
Company transfers	466	457	448	460	451
Domestic shipments	485	470	456	469	450
Average	475	463	452	464	450
Exports	470	477	492	493	483
Average	475	463	452	464	450
Corrosion-resistant products:					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Average	604	603	589	595	580
Exports	588	628	657	644	667
Average	604	604	591	597	582

Note.--Because of rounding, figures may not add to the totals shown. Unit values are calculated from the unrounded figures, using data of firms supplying both quantity and value information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. Producers' Inventories

Table 78 presents U.S. producers' end-of-period inventories as reported in U.S. producers' questionnaires.

Table 78
Certain flat-rolled carbon steel products: End-of-period inventories of U.S. producers, by products, 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Quantity (1,000 short tons)				
Plate	209	226	215	218	226
Hot-rolled products	1,653	1,823	1,766	1,984	1,743
Cold-rolled products	1,659	1,864	1,845	1,607	1,757
Corrosion-resistant products	1,102	1,241	1,155	1,196	1,195
	Ratio to total shipments (percent)				
Plate	4.4	4.4	4.7	4.7	4.6
Hot-rolled products	3.7	4.0	4.3	5.5	3.8
Cold-rolled products	6.9	7.7	8.8	8.6	7.1
Corrosion-resistant products	10.6	12.3	12.7	15.0	11.6

Note.--Ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Plate

End-of-period inventories of plate increased irregularly between 1989 and 1991 and increased by 4 percent during January-March 1992 compared to the corresponding period of 1991.

Hot-rolled Products

Inventories of hot-rolled products increased irregularly during 1989-91 and then fell by 12 percent in interim 1992. The ratio of inventories to shipments increased between 1989 and 1991 and then declined in January-March 1992.

Cold-rolled Products

End-of-period inventories increased irregularly by 11 percent between 1989 and 1991 and increased by 9 percent during January-March 1992. The ratio of inventories to shipments also increased between 1989 and 1991 but then declined in interim 1992.

Corrosion-resistant Products

Inventories of corrosion-resistant products increased irregularly during 1989-91 and decreased slightly in January-March 1992. The ratio of inventories to shipments increased during 1989-91 before declining between interim 1991 and interim 1992.

U.S. Employment, Wages, and Productivity

Data reporting the average number of production and related workers (PRWs), hours worked and wages paid to those workers, and their average hourly wages, as collected in the Commission's producer questionnaires, are shown in table 79.

Plate

The number of PRWs producing plate increased irregularly between 1989 and 1991 by 5 percent. Employment declined by 6 percent between January-March 1991 and January-March 1992. Hourly wages paid to PRWs decreased irregularly between 1989 and 1991 and increased in interim 1992; unit labor costs increased during 1989-91 and were steady during the interim periods.

Hot-rolled products

Employment declined irregularly during 1989-91 and continued to decline between interim 1991 and interim 1992. Hourly wages, however, increased during the entire period of investigation. Unit labor costs increased during 1989-91 and declined during January-March 1992.

Cold-rolled products

The number of PRWs producing cold-rolled products fell throughout 1989-91. Employment increased in interim 1992 (consistent with the increase in U.S. shipments) compared with the corresponding period of 1991. Reflective of the modernization efforts, this increase in employment was accompanied by an increase in productivity during the entire period of investigation, and a decrease in unit labor costs in interim 1992 compared to the same period in 1991.

Table 79
Average number of U.S. production and related workers producing certain flat-rolled carbon steel products, hours worked,[1] wages and total compensation paid to such employees, and hourly wages, productivity, and unit production costs,[2] by products, 1989-91, January-March 1991, and January-March 1992[3]

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
	Number of production and related workers (PRWs)				
Plate	6,005	6,845	6,289	6,537	6,113
Hot-rolled products	18,055	19,027	17,997	18,652	17,978
Cold-rolled products	16,844	16,406	13,548	12,882	14,748
Corrosion-resistant products	12,351	11,861	10,823	9,878	11,015
	Hours worked by PRWs (1,000 hours)				
Plate	13,366	15,349	13,877	3,589	3,397
Hot-rolled products	39,886	41,657	39,050	9,926	10,045
Cold-rolled products	36,413	35,458	28,996	6,748	8,097
Corrosion-resistant products	26,595	25,200	22,685	5,210	6,036
	Wages paid to PRWs (million dollars)				
Plate	209	252	212	60	62
Hot-rolled products	649	713	715	178	191
Cold-rolled products	606	617	539	124	161
Corrosion-resistant products	455	446	427	96	120
	Total compensation paid to PRWs (million dollars)				
Plate	292	350	334	86	90
Hot-rolled products	944	1,050	1,330	270	283
Cold-rolled products	879	894	802	187	236
Corrosion-resistant products	644	650	641	146	179
	Hourly wages paid to PRWs				
Plate	$15.61	$16.39	$15.29	$16.76	$18.26
Hot-rolled products	16.27	17.12	18.31	17.94	19.04
Cold-rolled products	16.63	17.39	18.60	18.36	19.87
Corrosion-resistant products	17.12	17.69	18.84	18.46	19.85

Table 79--Continued
Average number of U.S. production and related workers producing certain flat-rolled carbon steel products, hours worked,[1] wages and total compensation paid to such employees, and hourly wages, productivity, and unit production costs,[2] by products, 1989-91, January-March 1991, and January-March 1992[3]

Item	1989	1990	1991	Jan.-Mar.-- 1991	Jan.-Mar.-- 1992
	Hourly total compensation paid to PRWs				
Plate	$21.83	$22.82	$24.09	$23.94	$26.41
Hot-rolled products	23.67	25.21	34.06	27.16	28.18
Cold-rolled products	24.15	25.21	27.65	27.70	29.15
Corrosion-resistant products	24.22	25.80	28.25	28.12	29.63
	Productivity (short tons per 1,000 hours)				
Plate	360.4	336.0	327.6	319.6	352.6
Hot-rolled products	1,115.2	1,109.4	1,046.8	927.5	1,128.0
Cold-rolled products	668.8	691.0	729.4	655.0	750.6
Corrosion-resistant products	392.1	400.5	393.7	369.9	418.2
	Unit labor costs (per short ton)				
Plate	$61	$68	$74	$75	$75
Hot-rolled products	21	23	33	29	25
Cold-rolled products	36	37	38	42	39
Corrosion-resistant products	62	64	72	76	71

[1] Includes hours worked plus hours of paid leave time.
[2] On the basis of total compensation paid.
[3] Firms providing employment data accounted for more than 95 percent of reported total U.S. shipments (based on quantity) in 1991.

Note.--Ratios are calculated from the unrounded figures using data of firms supplying both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Corrosion-resistant products

The number of PRWs producing these products also fell between 1989 and 1991 before increasing by 12 percent in January-March 1992 compared to the corresponding period of 1991. Hourly wages increased throughout the period of investigation and unit labor costs increased during 1989-91 and then declined in January-March 1992 compared to the corresponding period of 1991.

The U.S. steel industry has restructured and rationalized to such an extent that it is now one of the most efficient and lowest cost producers of steel in the world. Labor productivity has doubled during the past ten years and employment has been cut by more than half (eliminating 200,000 jobs)[289] as a result of improved technology and management.

In its questionnaire, the Commission requested U.S. producers to provide detailed information concerning reductions or increases in the number of PRWs producing certain flat-rolled carbon steel products during January 1989-March 1992 if such reductions or increases involved at least 5 percent of the workforce, or 50 workers. The majority of the responding firms reported layoffs, most of which were attributed to lower sales volumes, reorganizations and modernizations,[290] and the recession. Five firms reported increases in the number of PRWs in the workforce. ***.

Of the total number of reporting producers, 20 reported union representation of their PRWs, mostly by the United Steelworkers of America.

Financial Experience of U.S. Producers

Twenty-four producers,[291] provided income-and-loss data on one or more of the carbon steel products (plate, hot-rolled, cold-rolled, and corrosion-resistant). Ten producers, accounting for approximately 83 percent of reported 1991 U.S. production of plate; 14 producers, accounting for approximately 89 percent of production of hot-rolled products; 15 producers, accounting for approximately 92 percent of production of cold-rolled products; and 15 producers, accounting for approximately 93 percent of production of corrosion-resistant products, provided financial data.

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[289] TR, p. 59 and petitioners' postconference brief, Vol. 3, p. 5.

[290] Weirton announced its plans to reduce its workforce of 6,800 by 25 percent over the next 5 years as part of a plan to keep it competitive and insure its long-term viability; *Washington Post*, July 24, 1992.

[291] The producers are Armco, Bethlehem, Citisteel, Cold Metal, Geneva, Gulf States, Inland, Laclede, Lukens, LTV, Marathon, Metaltech, National, Newport, Rome, Sharon, Theis, Tuscaloosa, Thompson, UPI, USX, WCI, Wheeling-Nisshin, and Wheeling-Pittsburgh. Two companies have fiscal yearends of Mar. 31, (one of these provided data on a calendar year basis because of a change in its fiscal yearend during the investigation period), three have Sept. 30, one has Oct. 31, 17 have Dec. 31, and one has the last Friday in December.

* * * * * * *

A significant part of the shipments of hot- and cold-rolled products consist of products that are internally transferred for further processing. The income-and-loss data are presented with transferred product valued at approximately market value. The purpose is to present the estimated profitability based on the total actual shipments and total actual related costs, and the only adjustments are to value the transferred quantities at market.[292] This, in effect, is a projection of the profitability of all shipments at the intermediate product level, including transfers. Because the income-and-loss data are projected, the financial data for each intermediate product level cannot be consolidated with the other levels without appropriate elimination of a portion of the transferred[293] product from the aggregated products.

The income-and-loss data based on market sales only are also presented; these data show the profitability from sales at the intermediate level exclusive of any revenue or cost from transferred product. These data were also aggregated on a firm by firm basis. The per-unit revenue and costs for each firm are different, and as the amount of market sales and transferred product are not proportional among the firms, the per-unit profits and profitability ratios differ between (1) all shipments, including transfers and (2) market shipments only.[294]

Property, plant, and equipment; capital expenditures; and research and development are reported as the actual value or expenses that are directly attributable to each product type; however, some companies included all upstream expenditures and property, plant, and equipment in their data,

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[292] Many of the companies valued the transfers at the average market price of the product sold; some companies' cost or transfer price approximated market and was not further adjusted; data for one company that did not have external sales of the intermediate product were adjusted to market by the ITC staff using the average market price of another company with a comparable quantity of sales of the product; and some companies' transfers were adjusted to market by the ITC staff after conferring with company representatives to determine that the transferred product was the same product as that sold at market. The market price for some companies for transfers was different than the average market price of sold product because the captively consumed product did not go through the same final stages of production as the sold product.

[293] The transferred products include (1) transfers for internal consumption in the production of other subject products (e.g., hot-rolled product for the production of cold-rolled and cold-rolled for the production of corrosion-resistant), (2) transfers for internal consumption in the production of other products produced by the plant (e.g., tin and pipe), (3) internal consumption as is (e.g., plate used as plate), and (4) transfers to affiliates (parents, subsidiaries, other divisions).

[294] As an example, the companies' hot-rolled products used in the production of cold-rolled products were reported in the questionnaires as being obtained from three sources: (1) transferred (captively supplied), (2) purchased from domestic producers, or (3) purchased from foreign sources. The profitability of the cold-rolled product is dependent on the cost, and therefore the source, of the hot-rolled product. In each case, the actual cost of the hot-rolled product was used to determine the profitability of the cold-rolled product.

whereas other companies only reported expenditures and property, plant, and equipment related to the particular product.

Operations on Plate

The income-and-loss experience of the U.S. producers on their plate operations is presented in table 80. The operating income margin for the combined companies decreased in each comparative period. Operating income margins remained low for 1991 and the two interim periods compared to 1989 and 1990. Net sales increased 2.4 percent from $2.07 billion in 1989 to $2.12 billion in 1990. In 1991, sales were $1.69 billion, representing a decline of 20.3 percent from 1990 sales. Operating income was $267 million in 1989, $192 million in 1990, and $41 million in 1991. Operating income margins, as a ratio to net sales, were 12.9 percent in 1989, 9.0 percent in 1990, and 2.5 percent in 1991. In interim 1992, net sales were $427 million, down by 3.6 percent from interim 1991 sales of $443 million. The operating income (loss) was $11 million in interim 1991 and $(8) million in interim 1992. Operating income (loss) margins were 2.5 percent in interim 1991 and (1.8) percent in interim 1992.

Selected income-and-loss data of the U.S. producers on their operations producing plate, by company, are presented in table 81. ***.

Income-and-loss data on a per-short-ton basis for the producers of plate are shown in table 82. The average net sales value decreased in each comparative period, whereas the cost of goods sold and selling, general, and administrative expenses increased from 1989 through 1991, and decreased in the 1992 interim period when compared to interim 1991. Net sales quantities increased from 1989 to 1990, but then decreased dramatically in 1991 below the quantities sold or transferred in 1989. Net sales quantities increased slightly in interim 1992 compared with interim 1991. Any analysis of plates on a per-short-ton basis may be affected by the mix of products between periods and from company to company.

Table 80
Income-and-loss experience of U.S. producers on their operations producing plate, fiscal years 1989-91, January-March 1991, and January-March 1992[1]

Item	1989	1990	1991	Jan.-Mar. -- 1991	Jan.-Mar. -- 1992
	Value (million dollars)				
Net sales:					
Trade sales	***	***	***	***	***
Company transfers	***	***	***	***	***
Total	2,071	2,121	1,689	443	427
Cost of goods sold	1,727	1,841	1,571	411	413
Gross profit	344	280	118	33	14
Selling, general, and administrative expenses	77	88	77	22	22
Operating income or (loss)	267	192	41	11	(8)
Startup or shutdown expense	***	***	***	***	***
Interest expense	***	***	***	***	***
Other expense, net	(2)	***	***	***	***
Net income or (loss) before income taxes	225	143	(65)	(21)	(21)
Depreciation and amortization	95	98	95	26	24
Cash flow[3]	320	241	30	5	3
	Ratio to net sales (percent)				
Cost of goods sold	83.4	86.8	93.0	92.6	96.8
Gross profit	16.6	13.2	7.0	7.4	3.2
Selling, general, and administrative expenses	3.7	4.1	4.5	4.9	5.1
Operating income or (loss)	12.9	9.0	2.5	2.5	(1.8)
Net income or (loss) before income taxes	10.9	6.7	(3.8)	(4.8)	(5.0)
	Number of firms reporting				
Operating losses	***	***	***	***	***
Net losses	***	***	***	***	***
Data	10	10	10	10	10

[1] The producers are ***.
[2] Negative figure, but less than significant digits displayed.
[3] Cash flow is defined as net income or loss plus depreciation and amortization.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 81
Income-and-loss experience of U.S. producers on their operations producing plate, by firms, fiscal years 1989-91, January-March 1991, and January-March 1992

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Table 82
Income-and-loss experience (on a per-short-ton basis) of U.S. producers on their operations producing plate, fiscal years 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	January-March-- 1991	1992
	Quantity (1,000 short tons)				
Trade sales	***	***	***	***	***
Company transfers	***	***	***	***	***
Total	4,285	4,547	3,786	957	1,030
	Value (per short ton)				
Net sales:					
Trade sales	$***	$***	$***	$***	$***
Company transfers	***	***	***	***	***
Average	483.30	466.33	446.21	463.01	414.68
Cost of goods sold	403.00	404.86	415.03	428.96	401.22
Gross profit	80.30	61.48	31.18	34.05	13.46
Selling, general, and administrative expenses	17.92	19.27	20.24	22.47	21.09
Operating income or (loss)	62.38	42.20	10.94	11.58	(7.63)

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Income-and-loss data for the producers of plate for trade sales only are shown in table 83. ***.

Table 83
Income-and-loss experience of U.S. producers on their operations producing plate (adjusted to trade only), fiscal years 1989-91, January-March 1991, and January-March 1992

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Operations on Hot-rolled Products

The income-and-loss experience of the U.S. producers on their hot-rolled operations is presented in table 84. Net sales and the operating income margin for hot-rolled products decreased in each comparative annual period for the combined companies. Operating income margins remained low in 1990, 1991, and the interim periods compared to 1989. Net sales decreased by 6.4 percent from $15.49 billion in 1989 to $14.50 billion in 1990. In 1991, net sales were $11.77 billion, representing a further decline of 18.8 percent from 1990 net sales. Over 73 percent of the decline was attributable to the significant drop in company transfers. The operating income (loss) was $1.34 billion in 1989, $56 million in 1990, and $(1.35) billion in 1991. Operating income (loss) margins, as a ratio to net sales, were 8.6 percent in 1989, 0.4 percent in 1990, and (11.5) percent in 1991. In interim 1992, net sales were $3.28 billion, up by 19.8 percent from interim 1991 sales of $2.74 billion. The operating (loss) was $(359) million in interim 1991 and $(252) million in interim 1992. Operating (loss) margins were (13.1) percent in interim 1991 and (7.7) percent in interim 1992.

Selected income-and-loss data of the U.S. producers on their operations producing hot-rolled products, by company, are presented in table 85. ***.

Income-and-loss data on a per-short-ton basis for the producers of hot-rolled products are shown in table 86. The average net sales value decreased in each comparative period; whereas the cost of goods sold and selling, general, and administrative expenses increased from 1989 through 1991, and decreased in the 1992 interim period when compared to interim 1991. Net sales quantities increased slightly from 1989 to 1990, but then decreased substantially in 1991. Based on quantity, trade sales dropped by 7.4 percent and company transfers declined by 14.8 percent. Net sales quantities increased substantially in interim 1992 compared with interim 1991. Any analysis of hot-rolled products on a per-short-ton basis may be affected by the mix of products between periods and from company to company.

Table 84
Income-and-loss experience of U.S. producers on their operations producing hot-rolled products, fiscal years 1989-91, January-March 1991, and January-March 1992[1]

Item	1989	1990	1991	January-March-- 1991	1992
	Value (million dollars)				
Net sales:					
Trade sales	5,426	5,073	4,351	1,062	1,133
Company transfers	10,063	9,427	7,419	1,679	2,151
Total	15,489	14,500	11,770	2,741	3,284
Cost of goods sold	13,441	13,717	12,478	2,938	3,355
Gross profit or (loss)	2,049	783	(707)	(198)	(71)
Selling, general, and administrative expenses	710	727	645	161	181
Operating income or (loss)	1,339	56	(1,352)	(359)	(252)
Startup or shutdown expense	***	***	***	***	***
Interest expense	***	***	***	***	***
Other income or (expense), net	***	***	***	***	[2]
Net income or (loss) before income taxes	1,077	(260)	(2,193)	(677)	(338)
Depreciation and amortization	692	708	714	173	194
Cash flow[3]	1,769	447	(1,479)	(504)	(145)
	Ratio to net sales (percent)				
Cost of goods sold	86.8	94.6	106.0	107.2	102.1
Gross profit or (loss)	13.2	5.4	(6.0)	(7.2)	(2.1)
Selling, general, and administrative expenses	4.6	5.0	5.5	5.9	5.5
Operating income or (loss)	8.6	0.4	(11.5)	(13.1)	(7.7)
Net income or (loss) before income taxes	7.0	(1.8)	(18.6)	(24.7)	(10.3)
	Number of firms reporting				
Operating losses	***	***	***	***	***
Net losses	***	***	***	***	***
Data	14	14	14	14	14

[1] The producers are ***.
[2] Negative figure, but less than significant digits displayed.
[3] Cash flow is defined as net income or loss plus depreciation and amortization.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 85
Income-and-loss experience of U.S. producers on their operations producing hot-rolled products, by firms, fiscal years 1989-91, January-March 1991, and January-March 1992

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Table 86
Income-and-loss experience (on a per-short-ton basis) of U.S. producers on their operations producing hot-rolled products, fiscal years 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	January-March-- 1991	1992
	Quantity (1,000 short tons)				
Trade sales	14,825	14,776	13,688	3,199	3,535
Company transfers	27,217	27,285	23,244	4,948	6,675
Total	42,042	42,060	36,932	8,147	10,209
	Value (per short ton)				
Net sales:					
Trade sales	$366.04	$343.36	$317.89	$331.88	$320.55
Company transfers	369.73	345.50	319.18	339.28	322.25
Average	368.43	344.75	318.70	336.37	321.66
Cost of goods sold	319.70	326.14	337.86	360.67	328.58
Gross profit or (loss)	48.73	18.61	(19.15)	(24.30)	(6.91)
Selling, general, and administrative expenses	16.89	17.28	17.46	19.77	17.73
Operating income or (loss)	31.84	1.33	(36.62)	(44.07)	(24.65)

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Income-and-loss data of the producers of hot-rolled products for trade sales only are shown in table 87. ***.

Table 87
Income-and-loss experience of U.S. producers on their operations producing hot-rolled products (adjusted to trade only), fiscal years 1989-91, January-March 1991, and January-March 1992

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Operations on Cold-rolled Products

The income-and-loss experience of the U.S. producers on their cold-rolled operations is presented in table 88. Net sales and the operating income margin for cold-rolled products decreased in each comparative annual period for the combined companies. Operating income margins remained low in 1990, 1991, and the interim periods compared to 1989. Net sales decreased by 6.6 percent from $11.25 billion in 1989 to $10.51 billion in 1990. In 1991, sales were $8.98 billion, representing a decline of 14.6 percent from 1990 sales, with trade sales declining at a slightly faster rate than company transfers. The operating income (loss) was $922.1 million in 1989, $266.5 million in 1990, and $(406.3) million in 1991. Operating income margins, as a ratio to net sales, were 8.2 percent in 1989, 2.5 percent in 1990, and (4.5) percent in 1991. In interim 1992, net sales were $2.61 billion, up by 27.5 percent from interim 1991 sales of $2.05 billion. The operating (loss) was $(197.4) million in interim 1991 and $(63.8) million in interim 1992. Operating (loss) margins were (9.6) percent in interim 1991 and (2.4) percent in interim 1992.

Selected income-and-loss data of the U.S. producers on their operations producing cold-rolled products, by company, are presented in table 89. ***.

Income-and-loss data on a per-short-ton basis for the producers of cold-rolled products are shown in table 90. The average net sales value decreased in each comparative period; whereas the cost of goods sold and selling, general, and administrative expenses increased from 1989 through 1991, and decreased in the 1992 interim period when compared to interim 1991. Net sales quantities decreased from 1989 to 1990, and decreased further in 1991 almost equally between trade sales and company transfers. Net sales quantities increased in interim 1992 compared with interim 1991. Any analysis of cold-rolled products on a per-short-ton basis may be affected by the mix of products between periods and from company to company.

Table 88
Income-and-loss experience of U.S. producers on their operations producing cold-rolled products, fiscal years 1989-91, January-March 1991, and January-March 1992[1]

Item	1989	1990	1991	January-March-- 1991	1992
	Value (million dollars)				
Net sales:					
Trade sales	5,430	5,064	4,272	993	1,243
Company transfers	5,818	5,442	4,705	1,056	1,370
Total	11,248	10,506	8,977	2,050	2,613
Cost of goods sold	9,870	9,777	8,955	2,142	2,555
Gross profit or (loss)	1,377	729	22	(92)	58
Selling, general, and administrative expenses	455	463	428	106	122
Operating income or (loss)	922	267	(406)	(197)	(64)
Startup or shutdown expense	11	14	170	115	5
Interest expense	179	185	194	52	49
Other income or (expense), net	14	3	(130)	5	3
Net income or (loss) before income taxes	746	71	(901)	(360)	(115)
Depreciation and amortization	484	493	506	120	171
Cash flow[2]	1,230	563	(394)	(240)	56
	Ratio to net sales (percent)				
Cost of goods sold	87.8	93.1	99.8	104.5	97.8
Gross profit or (loss)	12.2	6.9	0.2	(4.5)	2.2
Selling, general, and administrative expenses	4.0	4.4	4.8	5.2	4.7
Operating income or (loss)	8.2	2.5	(4.5)	(9.6)	(2.4)
Net income or (loss) before income taxes	6.6	0.7	(10.0)	(17.6)	(4.4)
	Number of firms reporting				
Operating losses	***	***	***	***	***
Net losses	***	***	***	***	***
Data	15	15	15	15	15

[1] The producers are ***.

[2] Cash flow is defined as net income or loss plus depreciation and amortization.

Note.--Because of rounding, value figures may not add to the totals shown. Ratios were calculated from the unrounded figures.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 89
Income-and-loss experience of U.S. producers on their operations producing cold-rolled products, by firms, fiscal years 1989-91, January-March 1991, and January-March 1992

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Table 90
Income-and-loss experience (on a per-short-ton basis) of U.S. producers on their operations producing cold-rolled products, fiscal years 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	January-March-- 1991	1992
	Quantity (1,000 short tons)				
Trade sales	11,169	10,698	9,251	2,098	2,708
Company transfers	12,230	11,736	10,300	2,273	3,015
Total	23,399	22,434	19,551	4,371	5,724
	Value (per short ton)				
Net sales:					
Trade sales	$486.15	$473.40	$461.77	$473.62	$458.93
Company transfers	475.71	463.68	456.86	464.68	454.45
Average	480.69	468.32	459.18	468.97	456.57
Cost of goods sold	421.84	435.81	458.06	489.96	446.36
Gross profit or (loss)	58.86	32.51	1.12	(20.99)	10.21
Selling, general, and administrative expenses	19.45	20.63	21.90	24.17	21.36
Operating income or (loss)	39.41	11.88	(20.78)	(45.16)	(11.15)

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Income-and-loss data of the producers of cold-rolled products for trade sales only are shown in table 91. The net sales value decreased in each comparative year and increased in interim 1992 compared to interim 1991. The operating income (loss) margin followed a similar trend, dropping from 8.6 percent of net sales in 1989 to (3.8) percent of net sales in 1990. The operating (loss) margin improved to (1.5) percent in interim 1992.

Table 91
Income-and-loss experience of U.S. producers on their operations producing cold-rolled carbon steel products (adjusted to trade only), fiscal years 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	January-March-- 1991	1992
	Value (million dollars)				
Trade sales	5,430	5,064	4,272	993	1,243
Cost of goods sold	4,765	4,713	4,263	1,041	1,209
Gross profit or (loss)	664	351	9	(48)	34
Selling, general, and administrative expenses	200	198	172	45	53
Operating income or (loss)	464	153	(164)	(93)	(19)
	Ratio to net sales (percent)				
Cost of goods sold	87.8	93.1	99.8	104.8	97.3
Gross profit or (loss)	12.2	6.9	0.2	(4.8)	2.7
Selling, general, and administrative expenses	3.7	3.9	4.0	4.5	4.2
Operating income or (loss)	8.6	3.0	(3.8)	(9.3)	(1.5)
	Number of firms reporting				
Operating losses	***	***	***	***	***
Data	15	15	15	15	15

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Operations on Corrosion-resistant Products

The income-and-loss experience of the U.S. producers on their corrosion-resistant carbon steel operations is presented in table 92. Net sales for corrosion-resistant products decreased in each comparative annual period for the combined companies. Operating income margins remained low for 1991 and the two interim periods compared to 1989 and 1990. Net sales decreased by 5.8 percent from $6.18 billion in 1989 to $5.82 billion in 1990. In 1991, sales were $5.12 billion, representing a decline of 12.1 percent from 1990 sales. The operating income was $452 million in 1989, $441 million in 1990, and $61 million in 1991. Operating income margins, as a ratio to net sales, were 7.3

Table 92
Income-and-loss experience of U.S. producers on their operations producing corrosion-resistant products, fiscal years 1989-91, January-March 1991, and January-March 1992[1]

Item	1989	1990	1991	January-March-- 1991	1992
	Value (million dollars)				
Net sales:					
Trade sales	***	***	***	***	***
Company transfers	***	***	***	***	***
Total	6,183	5,823	5,117	1,134	1,407
Cost of goods sold	5,510	5,159	4,845	1,162	1,336
Gross profit or (loss)	673	664	272	(28)	71
Selling, general, and administrative expenses	221	222	211	51	58
Operating income or (loss)	452	441	61	(79)	13
Startup or shutdown expense	4	7	67	48	2
Interest expense	82	80	87	23	21
Other income or (expense), net	5	(1)	(79)	1	(2)
Net income or (loss) before income taxes	370	353	(171)	(149)	(9)
Depreciation and amortization	240	231	235	54	70
Cash flow[3]	611	584	63	(95)	60
	Ratio to net sales (percent)				
Cost of goods sold	89.1	88.6	94.7	102.4	95.0
Gross profit or (loss)	10.9	11.4	5.3	(2.4)	5.0
Selling, general, and administrative expenses	3.6	3.8	4.1	4.5	4.1
Operating income or (loss)	7.3	7.6	1.2	(7.0)	0.9
Net income or (loss) before income taxes	6.0	6.1	(3.4)	(13.1)	(0.7)
	Number of firms reporting				
Operating losses	***	***	***	***	***
Net losses	***	***	***	***	***
Data	15	15	15	15	15

[1] The producers are ***.
[2] Positive figure, but less than significant digits displayed.
[3] Cash flow is defined as net income or loss plus depreciation and amortization.

Note.--Because of rounding, value figures may not add to the totals shown. Ratios were calculated from the unrounded figures.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

percent in 1989, 7.6 percent in 1990, and 1.2 percent in 1991. In interim 1992, net sales were $1.41 billion, up by 24.0 percent from interim 1991 sales of $1.13 billion. The operating income (loss) was $(79) million in interim 1991 and $13 million in interim 1992. Operating income (loss) margins were (7.0) percent in interim 1991 and 0.9 percent in interim 1992.

Selected income-and-loss data of the U.S. producers on their operations producing corrosion-resistant products, by company, are presented in table 93. ***.

Table 93
Income-and-loss experience of U.S. producers on their operations producing corrosion-resistant products, by firms, fiscal years 1989-91, January-March 1991, and January-March 1992

* * * * * * *

Income-and-loss data on a per-short-ton basis for the producers of corrosion-resistant products are shown in table 94. The average net sales value increased in 1990 compared to 1989 and decreased in 1991. The cost of goods sold remained stable in 1990 compared to 1989 and increased in 1991, but then decreased in interim 1992 compared to interim 1991. Selling, general, and administrative expenses increased from 1989 through 1991, and decreased in the 1992 interim period when compared to interim 1991. Net sales quantities decreased from 1989 to 1990, and decreased further in 1991. Net sales quantities increased in interim 1992 compared with interim 1991. Any analysis of corrosion-resistant products on a per-short-ton basis may be affected by the mix of products between periods and from company to company.

Income-and-loss data of the producers of corrosion-resistant products for trade sales only are shown in table 95. ***.

Table 94
Income-and-loss experience (on a per-short-ton basis) of U.S. producers on their operations producing corrosion-resistant products, fiscal years 1989-91, January-March 1991, and January-March 1992

Item	1989	1990	1991	January-March-- 1991	1992
	Quantity (1,000 short tons)				
Trade sales	***	***	***	***	***
Company transfers	***	***	***	***	***
Total	10,288	9,651	8,707	1,936	2,461
	Value (per short ton)				
Net sales:					
Trade sales	$***	$***	$***	$***	$***
Company transfers	***	***	***	***	***
Average	601.03	603.36	587.69	585.91	571.62
Cost of goods sold	535.57	534.60	556.41	600.18	542.91
Gross profit or (loss)	65.45	68.75	31.28	(14.27)	28.70
Selling, general, and administrative expenses	21.50	23.02	24.23	26.55	23.42
Operating income or (loss)	43.95	45.74	7.05	(40.82)	5.28

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 95
Income-and-loss experience of U.S. producers on their operations producing corrosion-resistant products (adjusted to trade only), fiscal years 1989-91, January-March 1991, and January-March 1992

* * * * * * *

Unusual and Nonrecurring Expenses

Many of the companies incurred extensive unusual and nonrecurring expenses during the investigation period. A brief summary, by company, is presented below:

* * * * * * *

Research and Development

Research and development expenses for the subject carbon steel products are shown in table 96. Two companies reported research and development expenses for cut-to-length plate, six for hot-rolled products, and nine each for cold-rolled products and corrosion-resistant products. Research and development expenses remained relatively constant for all periods for all products.

Table 96
Research and development expenses of U.S. producers of flat-rolled carbon steel products, by products, fiscal years 1989-91, January-March 1991, and January-March 1992[1]

(In millions of dollars)

Item	1989	1990	1991	January-March-- 1991	1992
Plate	***	***	***	***	***
Hot-rolled products	27	30	31	8	7
Cold-rolled products	23	24	26	6	6
Corrosion-resistant pro-products	20	22	20	5	4

[1] The producers are ***.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Investment in Productive Facilities

The investment in property, plant, and equipment for the reporting producers are shown in table 97. Ten producers provided fixed assets for plate, 12 for hot-rolled products, and 13 each for cold-rolled and corrosion-resistant products. The original cost of property, plant, and equipment increased steadily for all periods for all products. The book value for corrosion-resistant products is higher than the original cost in all periods because *** reported only the book value.

Table 97
Value of property, plant, and equipment for the production of U.S. producers' flat-rolled carbon steel products, by products, fiscal years 1989-91, January-March 1991, and January-March 1992[1]

(In millions of dollars)

Item	As of the end of fiscal year-- 1989	1990	1991	As of Mar. 31-- 1991	1992
Plate:					
Fixed assets:					
Original cost	937	994	1,087	996	1,103
Book value	510	525	551	513	555
Hot-rolled products:					
Fixed assets:					
Original cost	5,564	5,993	7,279	6,504	7,376
Book value	3,115	3,374	4,552	3,971	4,139
Cold-rolled products:					
Fixed assets:					
Original cost	6,180	6,558	7,035	6,405	7,407
Book value	3,790	3,925	4,164	3,858	4,275
Corrosion-resistant products:					
Fixed assets:[2]					
Original cost	1,912	1,914	2,062	1,987	2,098
Book value	2,306	2,663	2,941	2,806	2,955

[1] The producers are ***.

[2] The book value for corrosion-resistant products is higher than the original cost in all periods because *** reported only the book value.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

The return on book value and the return on total assets are not presented because, as stated previously, some of the producers provided the same fixed assets in more than one product category because of the difficulty in aggregating all upstream assets of produced products.

Capital Expenditures

Capital expenditures are shown in table 98. Nine companies provided capital expenditures for plate, 12 for hot-rolled products, and 13 each for cold-rolled and corrosion-resistant products. Capital expenditures increased each year for plate and corrosion-resistant products. Capital expenditures decreased each year for cold-rolled products, whereas those for hot-rolled products increased from 1989 to 1990 and decreased from 1990 to 1991. Capital expenditures for all four products decreased in interim 1992 compared to interim 1991.

Table 98
Capital expenditures by U.S. producers of flat-rolled carbon steel products, by products, fiscal years 1989-91, January-March 1991, and January-March 1992[1]

(In millions of dollars)

Item	1989	1990	1991	January-March-- 1991	1992
Plate	134	175	217	53	25
Hot-rolled products	690	739	684	146	68
Cold-rolled products	931	672	607	154	68
Corrosion-resistant products	282	607	625	118	58

[1] The producers are ***.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Current and Planned Projects

The producers were requested to provide descriptions of current and planned projects. A summary is provided in the following tabulation:

* * * * * * *

Environmental Costs

The producers were requested to provide capital expenditures for environmental purposes and environmental expenses included in operations, as shown in table 99, by product. Nine producers provided environmental costs on plate, 11 on hot-rolled, 13 on cold-rolled, and 12 on corrosion-resistant products.

Table 99
Environmental expenditures by U.S. producers, by products, fiscal years 1989-91, January-March 1991, and January-March 1992[1]

(In millions of dollars)

Item	1989	1990	1991	Jan.-Mar.-- 1991	1992
Capitalized expenditures:					
Plate	11	23	45	6	8
Hot-rolled products	53	80	133	23	14
Cold-rolled products	40	42	91	17	9
Corrosion-resistant	25	22	36	6	5
Operating expenses:					
Plate	31	36	44	8	5
Hot-rolled products	110	112	126	17	10
Cold-rolled products	68	70	82	11	6
Corrosion-resistant	26	25	24	2	3

[1] The producers are ***.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Capital and Investment

The Commission requested U.S. producers to describe any actual or potential negative effects of imports of certain flat-rolled carbon steel products from the subject countries on their firm's growth, investment, ability to raise capital, or existing development and production efforts (including efforts to develop a derivative or improved version of certain flat-rolled carbon steel products). The producers' responses are presented in appendix F.

Prices

Market Characteristics

Price lists for flat-rolled carbon steel products are published and distributed by the majority of U.S. producers; however, these price lists were generally described as not being very useful given current competitive conditions in the U.S. market, and a number of mills have not changed their published prices for several years. List prices were most commonly described as a means from which to begin price negotiations with customers for both spot and contract sales. One steel service center representative stated that in the current market all prices are negotiated and his company purchases flat-rolled carbon steel products without reference to any price list.[295] Most U.S. mills reported that they frequently give discounts off of published list prices and base these discounts on factors such as competition from importers or other domestic suppliers and the volume purchased by a particular customer on an order. Other factors considered when discounts are made include the mill's

[295] Statement of David Soble, President, Interstate Steel Co., TR, p. 346.

existing capacity utilization rate, the expected profit margin on the sale, the anticipated volume of future orders from a particular customer, and the degree to which the product under consideration is specialized in terms of its dimensions, tolerance, gauge, and stress rating--in general, the more specialized the product, the smaller the discount. *** reported that "base" prices for commercial quality and standard dimension items are not published but rather are negotiated individually with each customer. *** uses price lists for "extra" attributes including width, thickness, length, finish, drawing quality, and coating. These extra charges are added to the negotiated base price. *** is the one responding mill that reported publishing price lists and adhering to these prices by not offering sales discounts to any of its customers. According to ***, list prices change only when costs or conditions in the market change.

The few domestic producers that reported not publishing price lists indicated that they match prices offered by the major integrated U.S. mills, or they rely on their customers to supply them with competitive quotes from other domestic and foreign suppliers which they must meet in order to make the sale.

In contrast to most domestic producers, very few importers publish price lists for their flat-rolled carbon steel products. Instead, importers tend to negotiate prices for each sale directly with the customer. Prices are reportedly based on factors similar to those considered by the domestic industry, including the volume of a particular sale, production costs, expected profit margin, and competition from other suppliers.

Both producers and importers sell flat-rolled carbon steel products based on contracts or purchase agreements that are negotiated between the buyer and seller and usually last between one and four calendar quarters; some purchase agreements, usually with larger purchasers such as auto manufacturers, can extend as long as three years. Purchase agreements commonly specify prices for shipments over a certain period of time and the total quantities to be shipped during this period. According to most producers and importers with sales of this nature, prices are usually fixed and cannot be renegotiated by either the buyer or the seller even if conditions in the industry change significantly during the period covered by the agreement. A few suppliers did note, however, that with increased competition in the industry, contract terms have been renegotiated more often in recent years. The total quantity to be shipped is often based on an estimate of the amount that a purchaser anticipates will be needed over the contract period and charges or penalties are not assessed if the total quantity ordered is not actually needed. Sales agreements with a duration of more than one year are usually more flexible in terms of the prices and quantities involved and can usually be renegotiated on an interim basis.

Sales are also made to U.S. customers on a spot basis that involve one-time shipments to customers. In some cases spot sales may involve some form of purchase agreement, but prices are set for only a single sale and are based on prevailing market prices at the time the sale is made. According to questionnaire responses, importers sell a larger percentage of flat-rolled carbon steel products on a spot basis, while domestic producers do a larger portion of their total business based on contracts or sales agreements. In addition, contract sales are more commonly made to manufacturers and other end users, while spot sales are more often made to service centers and distributors. In some cases, spot sales are made to end users or service centers when a contract customer does not take delivery on the entire quantity

that was originally ordered. Unlike the products with very specific tolerances, coatings, or chemical compositions, which are often specially produced and sold on contract to manufacturers and end users, the products sold on a spot basis are usually more standardized products that can be put to a variety of end uses.

Small quantities of second quality or non-prime material are also sold, usually on a spot basis, to service centers that specifically handle this type of material. These service centers can either process this non-prime material into a first quality product or resell it to customers that do not require specific tolerances or ratings for the steel they purchase. This material is estimated to account for between 4 and 10 percent of the average mill's production, depending on the mill and the type of product. Non-prime products are priced at a discount, but reportedly do not compete directly with commercial quality products because they are not certified to any specifications.[296]

Domestic mills reported selling flat-rolled carbon steel products on both an f.o.b. and a delivered basis, but the majority of sales are made on an f.o.b. mill basis. A number of U.S. mills indicated that they will sell flat-rolled carbon steel products on any terms requested by the customer or on whatever terms are necessary to meet competition situations. For example, *** reported that it sold *** percent of its 1991 production on a delivered basis to one large customer located within 100 miles from its mill. The customer reportedly did not want to arrange freight, so it was handled by *** and a delivered price was quoted to the customer. Most of those mills that sell on a delivered basis separate out the freight charges on the sales invoice and charge them back to the customer.

The large majority of domestic mills also sell flat-rolled carbon steel products on a freight-equalized basis. Under this system a producer will meet the lowest published or quoted freight rate from the mill or storage facility of a competitor that is capable of supplying a similar product. Under such an arrangement, a producer effectively sells f.o.b. mill from the location of the competing mill that is closest to the purchaser. Several producers also reported that other disparities in freight costs which limit the mill's price-competitiveness are also commonly absorbed on a particular sale. Freight is not commonly equalized on products which are more specialized in nature or are not available from many other suppliers.

Importers also sell somewhat more of their products on an f.o.b. port-of-entry or U.S. storage facility basis, although, as with the domestic industry, delivered sales are also common and are reportedly made if requested by a customer. Unlike domestic suppliers, most importers do not freight-equalize the cost of shipping their products to their customers' locations; the few that do freight equalize reported that they do so in order to quote prices in a manner comparable to the domestic industry.

Producers and importers sell their products under similar payment terms with the most common terms for each being a one-half to three-fourths percent discount for payment within 10 days, and full payment due within 30 days.

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[296] TR, pp. 157-59.

Domestic mills usually do not produce flat-rolled carbon steel products to stock their inventories. Rather, production is based on orders from service centers or end users, or on expected periodic shipments resulting from negotiated purchase agreements. Consequently, lead-times between order and delivery can vary considerably among domestic mills depending on a number of factors such as a mill's level of capacity utilization, the extent to which the product is specialized or requires a specific production technique, and the tonnage required in the order. The responding U.S. mills reported that lead-times between order and delivery can vary from 2 to 10 weeks, depending on the product being ordered. A number of producers provided specific information on lead-times for the four subject products: hot-rolled--four to six weeks; cold-rolled--five to six weeks; corrosion-resistant and coated products--six to 10 weeks; and plate products--four to six weeks.

Similarly, foreign producers usually do not maintain inventories of flat-rolled carbon steel products. The majority of importers reported that their sales in the United States are usually shipped directly from the foreign mill to the U.S. customer or U.S. service center brokering the sale. Some importers do, however, maintain inventories in the United States of specific products ordered by their U.S. customers. These designated inventories are released to the customer as requested.[297] Lead-times between order from the foreign mill and delivery for imported flat-rolled carbon steel products can vary considerably depending on the same factors as in the U.S. industry. An additional factor that can affect lead times is the geographic proximity to the United States of the importing country. For example, some Canadian mills are actually closer to customers in the United States than are domestic mills and can fill orders in a relatively short amount of time. Conversely, mills located in Australia or New Zealand have much longer lead times between order and delivery. A number of importers provided information on lead-times from the following subject countries: Argentina: three to four months; Australia: four to five months; Austria: four to five months; Belgium: two to four months; Brazil: three to four months; Canada: two to six weeks; France: four to five months; Germany: three to five months; Italy: four months; Japan: three to six months; Korea: three to six months; Mexico: four to six months; Poland: three to four months; Spain: four to six months; Sweden: three to four months; and the United Kingdom: three to five months. One importer with imports from both Japan and Korea reported that shipments from these countries to the customers located on the East Coast take about one month longer than shipments to customers on the West Coast.

The majority of producers and importers reported that U.S. inland transportation costs for flat-rolled carbon steel products are a significant factor in their customers' purchase decisions. Most questionnaire respondents indicated that U.S. inland transportation costs generally account for between two and six percent of the total delivered cost of any of the subject steel products. Because of these transportation costs, many importers reported that the products they import are generally more competitive in coastal regions of the United States near their ports of entry than in inland markets where most of the domestic mills are located and where domestic producers can ship their products relatively cheaply to customers located in the region. Correspondingly, a number of importers from Europe reported that they maintain freight-related advantages for shipments to customers located near ports on the

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[297] TR, p. 399.

East Coast and the Gulf of Mexico, and importers from Asia reported that they can have freight advantages for shipments to customers located near ports on the West Coast. One importer, ***, reported that it can select the port of entry nearest to its U.S. customers without much difference in ocean freight.

Domestic producers reported that they do maintain somewhat of a competitive advantage in inland areas where most of the mills are located; however, most producers stated that competition with imports occurs in all regions in the United States. A number of producers and importers also indicated that freight advantages usually only occur on commercial quality products with standard dimensions and tolerances. Specialty products that are produced by a limited number of domestic or foreign mills are frequently shipped to all markets in the United States and freight advantages are not as important a factor for sales of these products.

Virtually all producers and importers reported that demand for the four subject steel products has remained flat or declined since 1989; a number of questionnaire respondents providing more specific information indicated that demand was strong in 1989 and 1990, before declining substantially in 1991. A few producers and importers also reported that demand has increased somewhat in 1992. Most reported that the decline in demand since 1989 is due primarily to the recession in the United States which resulted in lower levels of manufacturing, especially in the automobile industry, and reduced commercial and residential construction.

Nearly all of the domestic mills and approximately half of all responding importers reported that domestic and imported flat-rolled carbon steel products are generally substitutable with one another in most end uses; in many instances, the degree of substitutability depends upon the end uses for the products. Imported commercial quality products from most countries with common dimensions, tolerances, or coatings are generally substitutable with the domestic products. However, many of the importers that reported their products are not substitutable cited differences in quality, yields in the production of end products, sizes, service, chemical composition, and technical specifications such as gauge, surface coatings, and tolerances as reasons why their products are not substitutable with the domestic products. As an example, *** reported that in recent years *** mills have been moving out of commercial quality products with general applications because these products are differentiated mostly by price.[298] Instead, they are concentrating on producing higher value-added products with which they claim domestic mills and other importers cannot compete.

Most manufacturers and other end users require their suppliers to become certified to ensure that their products meet all of the necessary quality and performance standards. Consequently, purchasers with these certification requirements are somewhat limited in their ability to shift purchases among domestic suppliers and importers serving their markets. The certification

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[298] For a further discussion of the arguments by importers as to the niche markets supplied by imports and the reasons why they believe that their products are not substitutable with the domestic products, please refer to the "Description" section.

process usually involves a considerable amount of material and performance testing and in some instances can take as long as two years.[299]

A substantial number of domestic producers reported that capital improvements and technological advancements over the past several years have made them more competitive with foreign mills; many in this group indicated that such improvements were necessary because of increased demand from customers in a number of different industries for higher quality steel with features such as tighter tolerances and better formability. Capital improvements reported include the use of a continuous casting process in slab production, and continuous annealing facilities for cold-rolled steel. One minimill, ***, has been able to develop a one-inch continuously cast slab that has substantially reduced their costs of production. Several importers also reported that they have faced more competition from domestic suppliers because of the improved quality of the products that the domestic mills have been supplying in recent years.

Transportation Costs

Most domestic producers were able to provide information regarding the distances from their mills of the customers to whom they ship flat-rolled carbon steel products. Virtually all of the responding domestic producers reported selling the large majority of their products to customers located within 500 miles of the mill. Most producers reported some sales to customers located further than 500 miles from the mill, but these volumes usually only account for between 10 and 15 percent of total sales. Producers also estimated inland transportation costs for sales within these distances from their mills. For sales within 100 miles of the mill, transportation charges of between $7 and $15 per ton were reported; for sales between 100 and 500 miles, transportation charges were reported to range from $15 to $25 per ton; and for sales further than 500 miles from the mill, transportation charges between $25 and $50 per ton were reported.

Similar to U.S. producers, most importers sell to customers located within 500 miles from the port of entry or storage facility. However, a few importers reported selling the majority of their products to customers located further than 500 miles from the port of entry. Importers reported U.S. inland freight charges for their shipments that are very similar to the charges reported by the domestic mills.

By using data available from the U.S. Department of Commerce, staff calculated ocean freight and other charges (excluding U.S. import duties) for each product as a percentage of the value of the product at the foreign port for the years 1990, 1991, and partial years 1991 and 1992.[300] These figures

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[299] TR, p. 390.

[300] The Customs import value generally represents a value in the foreign country, and therefore excludes U.S. import duties, freight, insurance, and other charges incurred in bringing the merchandise to the United States. The C.I.F. import value represents the value of imports at the first port of entry in the United States. It is based on the purchase price and includes all freight, insurance, and other charges (excluding U.S. import duties) incurred

(continued...)

provide some estimate of the costs in bringing imported products from the foreign factories to the U.S. ports of entry. Figures for countries for which data were available on each of the four products are reported in table 100.

The cost and the availability of freight for shipments from the mill or port of entry to the customer's location were the factors most commonly identified by producers and importers as defining their market areas. Other factors reported to be important in determining where sales are made include the degree to which the product is specialized, competition from other suppliers within a region, the quality of the mill's product, and long-standing relationships with particular customers.

Questionnaire Price Data

The Commission requested U.S. producers and importers to provide quarterly total quantity and f.o.b. value data for each firm's sales on a contract and on a spot basis, to distributors and to end users, during January 1989-March 1992 for the 12 representative flat-rolled carbon steel products listed below:

Plate

Product 1: Hot-rolled carbon steel plate, ASTM A36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 72" to 96" width, 0.5" to 0.99" thick.

Product 2: Hot-rolled carbon steel plate, ASTM A36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 60" to 70" width, 0.1875" to 0.49" thick.

Product 3: Hot-rolled carbon steel plate, A-516 or equivalent, trimmed edges, not cleaned or oiled, in cut lengths, 72" to 120" width, 1.5" to 4.0" thick.

Hot-rolled products

Product 4: Hot-rolled carbon steel sheet, in coils, commercial quality, untrimmed edges, not pickled, 40" to 60" width, 0.061" to 0.179" thick.

Product 5: Hot-rolled carbon steel sheet, in coils, commercial quality, pickled and oiled, trimmed edges, 40" to 60" width, 0.061" to 0.179" thick.

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[300] (...continued)
in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the United States. *U.S. Imports for Consumption and General Imports*, TSUSA Commodity by Country of Origin, U.S. Department of Commerce, Bureau of the Census, FT 246, 1980.

Table 100
Certain flat-rolled carbon steel products: Ocean freight and other charges as a percentage of the value of U.S. imports at the foreign port, by products, 1990-91, January-May 1991, and January-May 1992

(In percent)

Source	1990	1991	January-May 1991	January-May 1992
	Plate			
Belgium	12.4	13.7	13.1	15.7
Brazil	10.3	8.0	7.3	7.4
Canada[1]	3.1	3.7	2.4	3.2
Finland	12.4	13.1	11.2	14.9
France	11.9	10.3	10.0	11.7
Germany	12.5	11.7	13.3	10.8
Italy	6.6	9.1	8.3	10.2
Japan	8.1	8.8	8.5	10.5
Korea	10.8	13.3	12.3	14.2
Mexico[1]	2.8	4.2	3.1	4.2
Poland	16.1	15.6	14.3	15.0
Romania	13.4	13.6	13.6	9.3
Spain	9.8	11.1	11.2	12.0
Sweden	10.6	11.1	11.4	12.5
United Kingdom	15.2	21.1	21.5	21.2
Average	10.3	11.0	10.7	9.7
	Hot-rolled products			
Belgium	10.1	10.3	10.3	9.0
Brazil	11.6	10.0	8.8	8.2
Canada[1]	2.4	2.6	2.6	2.9
France	9.5	10.5	10.6	7.7
Germany	13.4	13.3	14.1	14.4
Italy	7.5	10.0	9.3	10.6
Japan	11.5	12.6	13.3	11.5
Korea	10.0	11.0	10.5	12.1
Netherlands	9.9	10.9	13.3	14.0
New Zealand	29.3	32.4	31.9	34.6
Average	8.7	9.1	9.6	9.1

See footnotes at end of table.

Table 100--Continued
Certain flat-rolled carbon steel products: Ocean freight and other charges as a percentage of the value of U.S. imports at the foreign port, by products, 1990-91, January-May 1991, and January-May 1992

(In percent)

Source	1990	1991	January-May 1991	January-May 1992
	Cold-rolled products			
Argentina	10.5	10.6	10.4	12.1
Australia	20.1	22.3	23.0	22.6
Austria	17.4	18.1	20.0	10.0
Belgium	7.8	7.8	7.4	8.7
Brazil	9.1	9.0	9.0	8.4
Canada[1]	2.2	2.6	2.3	2.4
France	9.7	10.4	10.2	11.9
Germany	9.8	10.1	10.1	11.5
Italy	6.2	8.9	8.6	9.6
Japan	9.5	10.0	9.8	9.6
Korea	9.1	10.0	10.0	10.7
Netherlands	8.0	8.9	9.9	9.9
New Zealand	18.8	20.7	20.1	(2)
Spain	11.4	12.3	11.8	10.8
Taiwan	9.0	10.6	11.6	5.0
United Kingdom	11.6	10.7	9.3	13.6
Average	9.3	9.6	9.9	9.5
	Corrosion-resistant products			
Australia	13.8	15.4	15.3	16.6
Brazil	6.9	7.0	6.6	7.6
Canada[1]	2.8	3.5	3.0	3.4
France	7.7	8.9	8.8	9.9
Germany	9.0	8.5	8.9	8.9
Japan	9.1	9.3	9.2	9.3
Korea	6.9	8.2	8.2	8.2
Mexico[1]	2.2	3.0	3.2	2.4
New Zealand	12.7	18.1	16.5	16.7
Sweden	9.1	11.2	10.9	11.3
Taiwan	7.1	9.3	9.6	9.0
United Kingdom	10.4	9.7	10.6	9.5
Average	8.1	8.7	9.0	8.4

[1] On imports from Canada and Mexico arriving by overland shipment, charges for freight, insurance, and other items are not required to be reported.
[2] Data not available

Source: Compiled from official statistics of the U.S. Department of Commerce.

Product 6: Hot-rolled carbon steel sheet, in coils, high strength low alloy (API and automotive grades) and ASTM A 606, A 607, A 715, mill edges, not pickled and oiled, 40" to 78" width, 0.1875" to 0.50" thick.

Cold-rolled products

Product 7: Cold-rolled carbon steel sheet, in coils, commercial quality, Class 1, 40" to 60" width, 0.017" to 0.028" thick.

Product 8: Cold-rolled carbon steel sheet, in coils, commercial quality, Class 1, 40" to 60" width, 0.044" to 0.059" thick.

Product 9: Cold-rolled carbon steel sheet, Class 1, in coils, DQSK (A620), 40" to 60" width, 0.030" to 0.070" thick.

Corrosion-resistant products

Product 10: Hot-dipped galvanized carbon steel sheet, in coils, commercial or lock forming quality, G-90, regular or minimum spangle, 40" to 60" width, 0.028" to 0.035" thick.

Product 11: Galvalume carbon steel sheet, in coils, hot-dipped, structural quality, AZ55, 40" to 49" width, 0.019" to 0.022" thick.

Product 12: Hot-dipped galvanized carbon steel sheet, in coils, A 446 Grade C, modified high-strength (yield strength > 40,000 p.s.i.), G 60 minimum spangle, 40" to 60" width, 0.030" to 0.060" thick.

Seventeen U.S. producers reported price data, although not for all products or quarters requested. These producers accounted for 75, 94, 94, and 89 percent of total reported 1991 domestic production of plate, hot-rolled, cold-rolled, and corrosion-resistant products, respectively.

Fifty-one importers reported usable price data, although not for all products or quarters requested. These importers accounted for 85, 46, 75, and 73 percent of total reported 1991 imports of plate, hot-rolled,[301] cold-rolled, and corrosion-resistant products, respectively.

Only weighted-average price series that consisted of seven or more quarters (accounting for more than half of the quarters for which price data were requested) are presented. Quarterly weighted-average f.o.b. prices, total quantities sold, and margins of underselling (overselling) are presented in tables 101-137.

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[301] The hot-rolled products coverage is relatively low because the Commission did not receive any price data from *** and several other importers that import ***. *** accounted for *** percent of total 1991 imports of hot-rolled products from the subject countries.

Table 101
Plate: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 1 sold to distributors, by quarters, January 1989-March 1992

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Table 102
Plate: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 3 sold to distributors, by quarters, January 1989-March 1992

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Table 103
Plate: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 1 sold to distributors, by quarters, January 1989-March 1992

* * * * * * *

Table 104
Plate: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 2 sold to distributors, by quarters, January 1989-March 1992

* * * * * * *

Table 105
Plate: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 3 sold to distributors, by quarters, January 1989-March 1992

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Table 106
Plate: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 1 sold to end users, by quarters, January 1989-March 1992

* * * * * * *

Table 107
Plate: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 2 sold to end users, by quarters, January 1989-March 1992

* * * * * * *

Table 108
Plate: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 3 sold to end users, by quarters, January 1989-March 1992

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Table 109
Hot-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 4 sold to distributors, by quarters, January 1989-March 1992

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Table 110
Hot-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 5 sold to distributors, by quarters, January 1989-March 1992

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Table 111
Hot-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 4 sold to end users, by quarters, January 1989-March 1992

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Table 112
Hot-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 5 sold to end users, by quarters, January 1989-March 1992

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Table 113
Hot-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 6 sold to end users, by quarters, January 1989-March 1992

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Table 114
Hot-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 4 sold to distributors, by quarters, January 1989-March 1992

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Table 115
Hot-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 5 sold to distributors, by quarters, January 1989-March 1992

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Table 116
Hot-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 6 sold to distributors, by quarters, January 1989-March 1992

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Table 117
Hot-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 4 sold to end users, by quarters, January 1989-March 1992

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Table 118
Hot-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 5 sold to end users, by quarters, January 1989-March 1992

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Table 119
Hot-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 6 sold to end users, by quarters, January 1989-March 1992

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Table 120
Cold-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 7 sold to distributors, by quarters, January 1989-March 1992

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Table 121
Cold-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 8 sold to distributors, by quarters, January 1989-March 1992

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Table 122
Cold-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 9 sold to distributors, by quarters, January 1989-March 1992

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Table 123
Cold-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 7 sold to end users, by quarters, January 1989-March 1992

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Table 124
Cold-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 8 sold to end users, by quarters, January 1989-March 1992

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Table 125
Cold-rolled products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 9 sold to end users, by quarters, January 1989-March 1992

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Table 126
Cold-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 7 sold to distributors, by quarters, January 1989-March 1992

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Table 127
Cold-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 8 sold to distributors, by quarters, January 1989-March 1992

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Table 128
Cold-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 9 sold to distributors, by quarters, January 1989-March 1992

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Table 129
Cold-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 7 sold to end users, by quarters, January 1989-March 1992

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Table 130
Cold-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 8 sold to end users, by quarters, January 1989-March 1992

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Table 131
Cold-rolled products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 9 sold to end users, by quarters, January 1989-March 1992

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Table 132
Corrosion-resistant products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 10 sold to end users, by quarters, January 1989-March 1992

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Table 133
Corrosion-resistant products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 10 sold to distributors, by quarters, January 1989-March 1992

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Table 134
Plate: Weighted-average contract f.o.b. prices and total quantities of U.S.-produced products 1-3 sold to end users, by quarters, January 1989-March 1992

* * * * * * *

Table 135
Corrosion-resistant products: Weighted-average contract f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 10 sold to end users, by quarters, January 1989-March 1992

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Table 136
Corrosion-resistant products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 10 sold to distributors, by quarters, January 1989-March 1992

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Table 137
Corrosion-resistant products: Weighted-average spot f.o.b. prices, total quantities, and margins of underselling of U.S.-produced and imported product 12 sold to distributors, by quarters, January 1989-March 1992

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Plate price trends

United States.--Reported prices for U.S. plate products tended to increase during 1989 and parts of 1990, then fall during the rest of the period to levels below the original price levels. Over the entire period, price declines ranged from *** to *** percent. ***. ***. Spot prices for U.S. products 1 and 2 sold to distributors increased through the first quarter of 1990, then fell during the rest of the period, falling overall by 18.9 and 14.7 percent, respectively. Spot prices for product 3 sold to distributors fluctuated upward through the first quarter of 1991, then fell sharply during the remaining quarters, declining by 15.3 percent overall. ***.

Belgium.--***.

Brazil.--***.

Canada.--***.

Finland.--***.

France.--***.

Germany.--***.

Italy.--***.

Japan.--***.

Korea.--***.

Mexico.--***.

Poland.--***.

Romania.--***.

Spain.--***.

Sweden.--***.

United Kingdom.--***.

Hot-rolled product price trends

United States.--Reported prices for U.S. hot-rolled products fell consistently during January 1989-March 1992. Price declines ranged from *** to *** percent. ***. Contract prices for products 4 *** sold to end users *** showed relatively little fluctuation, declining by 20.5 ***. ***. Spot prices for U.S. products 4 and 5 sold to distributors fell consistently by 25.0 and 26.3 percent, respectively. ***.

Belgium.--***.

Brazil.--***.

Canada.--***..

France.--***.

Germany.--***.

Italy.--***.

Japan.--***.

Korea.--***.

Netherlands.--***.

New Zealand.--***.

Cold-rolled product price trends

United States.--Ten of the 12 price series for U.S. cold-rolled products declined during the period for which data were collected. Price declines ranged from *** to *** percent. ***. Contract prices for product 7 sold to end users fluctuated widely, increasing by 6.0 percent. Contract prices for products 8 *** to end users fluctuated downward, by 5.2 ***. Spot prices for U.S. products 7 and 8 sold to distributors gradually fluctuated downward, falling by 20.0 and 17.4 percent, respectively. Spot prices for product 9 sold to distributors fluctuated more frequently within a narrower range, declining by 8.0 percent overall. Spot prices for product 7 sold to end users fluctuated too greatly to show a clear trend. ***.

Argentina.--***.

Australia.--***.

Austria.--***.

Belgium.--***.

Brazil.--***.

Canada.--***.

France.--***.

Germany.--***

Italy.--***.

Japan.--***.

Korea.--***.

Netherlands.--***.

New Zealand.--***.

Spain.--***.

Taiwan.--***.

United Kingdom.--***.

Corrosion-resistant product price trends

United States.--Reported prices for U.S. corrosion-resistant products tended to increase during 1989, then declined during the remaining quarters to levels below the original price levels. Over the entire period, price declines ranged from *** to *** percent. ***. Spot prices for U.S. product 10 to distributors increased during 1989, then decreased during the rest of the period, falling 13.9 percent overall. ***.

Australia.--***.

Brazil.--***.

Canada.--***.

France.--***.

Germany.--***.

Japan.--***.

Korea.--***.

Mexico.--***.

New Zealand.--***.

Sweden.--***.

Taiwan.--***.

Plate price comparisons

Average unit value comparisons for contract sales of domestic and imported plate products between the first quarters of 1989 and 1992 show mixed instances of over- and underselling for the products from Brazil and Italy, consistent overselling for plate from Korea, and consistent underselling for plate products from Poland and Sweden (table 138). Unit value comparisons for spot sales of plate over the same period show mixed over- and underselling for products from Belgium, Brazil, Canada, Finland, Germany, Korea, and Romania with no clear trends evident. Plate from the three remaining countries for which comparisons were possible, France, Poland, and the United Kingdom, generally undersold comparable domestic plate products.

Hot-rolled price comparisons

Comparisons of average unit values for contract sales during January 1989 and March 1992 of hot-rolled products produced in the United States and imported from Brazil, Germany, Italy, Japan, Korea, and the Netherlands all generally show consistent margins of overselling for the imported products. Spot sales comparisons between domestic and imported hot-rolled products show margins of over- and underselling that are mixed for Brazil, Canada, and Germany, while clear trends of overselling are apparent for imports from Belgium, France, Japan, Korea, and New Zealand.

Cold-rolled price comparisons

Average unit value comparisons for contract sales of cold-rolled products produced in the United States and imported from Brazil, Germany, Italy, the Netherlands, and Taiwan show mixed instances of over- and underselling between January 1989 and March 1992, while cold-rolled products imported from Japan and Korea and sold on contract in the U.S. market generally oversold the comparable domestic products. Comparisons for spot sales of domestic cold-rolled products and imports from Brazil, New Zealand, and the United Kingdom show mixed over- and underselling, while products from

Table 138
Certain flat-rolled carbon steel products: Number of instances of (over)/underselling for spot and contract sales, by products and by countries, January 1989-March 1992

Country	Plate	Hot-rolled	Cold-rolled	Corrosion resistant
	Contract sales			
Brazil	(4)/5	(21)/5	(18)/20	[1]
Germany	[1]	(26)/4	(58)/20	(23)/3
Italy	(9)/6	(17)/4	(19)/18	[4]
Japan	[1]	(48)/0	(72)/3	(21)/1
Korea	(10)/0	(51)/0[2]	(39)/8	(13)/0
Netherlands	[4]	(33)/6	(15)/46	[4]
Poland	(0)/10	[4]	[4]	[4]
Sweden	(0)/13	[4]	[4]	[1]
Taiwan	[4]	[4]	(14)/11[3]	(13)/0
	Spot sales			
Argentina	[4]	[4]	(7)/1	[4]
Australia	[4]	[4]	[1]	(20)/6
Belgium	(35)/43	(9)/0	(33)/0	[4]
Brazil	(11)/10	(30)/9	(23)/11	(2)/5
Canada	(7)/8	(22)/29	[1]	(3)/23
Finland	(33)/45	[4]	[4]	[4]
France	(1)/19	(36)/0	(38)/1	(20)/0
Germany	(35)/43	(39)/13	(0)/11	[1]
Japan	[1]	(50)/0	(24)/2	[1]
Korea	(8)/17	(18)/1	(32)/3	(6)/3
New Zealand	[4]	(29)/2	(29)/11	[1]
Poland	(0)/7	[4]	[4]	[4]
Romania	(16)/17	[4]	[4]	[4]
United Kingdom	(1)/19	[4]	(26)/9	[4]

[1] No price comparisons.
[2] In one quarterly observation, the domestic and Korean products had the same average unit values.
[3] In one quarterly observation, the domestic and Taiwan products had the same average unit values.
[4] Product not subject to investigation.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Argentina, Belgium, France, Japan, and Korea consistently oversold the domestic product, and cold-rolled products from Germany undersold the domestic products in all 11 quarters for which comparisons were possible.

Corrosion-resistant price comparisons

Contract sales comparisons for U.S.-produced corrosion resistant products and imports from Germany, Japan, Korea, and Taiwan show all of the imported products valued consistently above the domestic products between the first quarters of 1989 and 1992. Unit value comparisons for spot sales of domestic and imported corrosion resistant products show mixed instances of over- and underselling for products from Brazil and Korea, consistent overselling for products from Australia and France, and consistent underselling for products imported from Canada.

Exchange Rates

Quarterly data reported by the International Monetary Fund indicate that the currencies of the 21 subject countries fluctuated widely in relation to the U.S. dollar over the period from January-March 1989 through January-March 1992. Movements in the value of individual currencies ranged from a 16-percent appreciation for the Belgian franc to a depreciation of over 99 percent for the Brazilian cruzeiro. After correcting for the effects of relative inflation rates, movements in currency exchange rates during the periods for which data were collected ranged from an appreciation of 24.3 percent for the Italian lira to a 14.2 percent depreciation for the Argentine peso (table 139).

Table 139
Exchange rates:[1] Nominal-exchange-rates of selected currencies[2] in U.S. dollars, real-exchange-rates, and producer price indicators in the specified countries,[3] indexed by quarters, January 1989-March 1992

		Argentina			Australia			Austria			Belgium		
Period	U.S. producer price index	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]
1989:													
Jan.-Mar...	100.0	100.0	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	101.8	450.0	10.93	48.3	102.5	91.8	92.4	101.0	95.6	94.8	101.7	95.6	95.5
July-Sept..	101.4	2700.0	2.33	61.9	104.0	90.1	92.4	100.4	96.0	95.1	101.4	96.2	96.3
Oct.-Dec...	101.8	3375.0	1.57	52.1	105.2	92.2	95.2	101.4	101.9	101.5	101.1	101.8	101.2
1990:													
Jan.-Mar...	103.3	14225.0	0.43	58.9	106.6	90.4	93.3	102.9	109.3	108.9	100.1	109.8	106.5
Apr.-June..	103.1	26150.0	0.29	72.5	108.0	90.6	95.0	103.6	110.2	110.8	98.8	112.0	107.3
July-Sept..	104.9	33750.0	0.25	81.6	109.2	95.4	99.3	102.8	116.0	113.6	99.8	118.2	112.4
Oct.-Dec...	108.1	38750.0	0.27	97.6	112.3	92.3	95.9	105.1	123.2	119.8	101.3	125.1	117.3
1991:													
Jan.-Mar...	105.9	53725.0	0.17	87.2	110.6	91.8	96.0	105.6	120.8	120.5	99.2	123.0	115.2
Apr.-June..	104.8	60750.0	0.15	85.2	110.2	91.1	95.8	105.9	106.6	107.6	98.4	108.7	102.0
July-Sept..	104.7	61500.0[5]	0.15	85.8[5]	110.6	92.3	97.5	103.4	106.0	104.7	99.0	107.9	102.1
Oct.-Dec...	104.8	(6)	0.15	(6)	110.9	92.5	97.8	103.1	113.5	111.6	99.2	115.7	109.5
1992:													
Jan.-Mar...	104.6	(6)	0.15	(6)	111.0	88.9	94.3	104.9	114.1	114.5	98.1[5]	116.3	109.1[5]

Table 139--Continued
Exchange rates:[1] Nominal-exchange-rates of selected currencies[2] in U.S. dollars, real-exchange-rates, and producer price indicators in the specified countries,[3] indexed by quarters, January 1989-March 1992

		Brazil			Canada			Finland			France		
Period	U.S. producer price index	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]
1989:													
Jan.-Mar...	100.0	100.0	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	101.8	129.1	84.12	106.7	100.3	99.9	98.4	101.8	99.4	99.4	100.4	96.0	94.7
July-Sept..	101.4	303.6	37.92	113.5	99.9	100.8	99.3	102.1	98.9	99.6	99.6	96.7	95.1
Oct.-Dec...	101.8	878.5	14.52	125.3	99.3	102.0	99.5	103.2	101.8	103.3	98.9	102.1	99.2
1990:													
Jan.-Mar...	103.3	4201.2	3.84	156.1	99.6	100.8	97.3	103.7	107.5	108.0	98.2	109.7	104.4
Apr.-June..	103.1	8137.9	1.85	145.8	99.8	101.8	98.6	104.6	108.4	110.0	98.1	111.5	106.1
July-Sept..	104.9	10947.3	1.36	141.6	99.9	103.4	98.4	105.6	114.5	115.3	98.2	117.8	110.3
Oct.-Dec...	108.1	16375.5	0.78	117.9	101.2	102.7	96.1	106.8	119.4	118.0	99.4	124.5	114.4
1991:													
Jan.-Mar...	105.9	26646.4	0.45	113.3	100.8	103.1	98.2	105.9	116.4	116.5	98.9	120.8	112.9
Apr.-June..	104.8	34545.8	0.35	116.2	99.3	103.7	98.2	105.5	105.1	105.7	97.4	107.1	99.5
July-Sept..	104.7	48541.1	0.26	119.2	98.5	104.2	98.1	105.2	101.8	102.3	96.8	106.2	98.2
Oct.-Dec...	104.8	88992.0	0.13	108.0	97.8	105.1	98.0	105.5	102.4	103.0	95.8	113.4	103.5
1992:													
Jan.-Mar...	104.6	154810.3[5]	0.06	95.7[5]	98.4	101.2	95.3	(6)	97.2	(6)	(6)	114.2	(6)

See footnotes at end of table.

Table 139--Continued
Exchange rates:[1] Nominal-exchange-rates of selected currencies[2] in U.S. dollars, real-exchange-rates, and producer price indicators in the specified countries,[3] indexed by quarters, January 1989-March 1992

Period	U.S. producer price index	Germany			Italy			Japan			Korea		
		Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]
1989:													
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	101.8	100.7	95.6	94.6	101.6	96.3	96.2	102.6	93.0	93.8	100.8	101.6	100.6
July-Sept..	101.4	100.9	96.1	95.7	101.8	97.9	98.2	103.5	90.3	92.1	100.7	101.3	100.6
Oct.-Dec...	101.8	101.6	102.0	101.9	104.9	101.6	104.8	103.2	89.8	91.1	101.2	100.7	100.1
1990:													
Jan.-Mar...	103.3	101.7	109.4	107.8	106.5	108.2	111.6	103.7	86.8	87.2	101.8	98.1	96.7
Apr.-June..	103.1	102.2	110.2	109.3	106.4	110.1	113.6	104.5	82.7	83.9	104.0	95.4	96.3
July-Sept..	104.9	102.7	116.1	113.6	110.5	115.3	121.4	104.5	88.4	88.1	105.5	94.7	95.2
Oct.-Dec...	108.1	103.5	123.2	117.9	115.2	120.4	128.3	105.2	98.2	95.6	108.2	94.7	94.8
1991:													
Jan.-Mar...	105.9	103.8	120.8	118.4	115.6	118.2	129.0	105.3	96.0	95.5	109.8	93.9	97.3
Apr.-June..	104.8	104.6	106.6	106.3	114.4	105.4	114.9	104.8	92.9	92.9	110.0	93.4	98.0
July-Sept..	104.7	105.7	106.0	107.1	114.9	104.2	114.4	104.5	93.6	93.5	110.6	92.4	97.7
Oct.-Dec...	104.8	105.9	113.5	114.7	116.6	110.9	123.3	103.8	99.2	98.2	111.5	89.9	95.7
1992:													
Jan.-Mar...	104.6	105.9	114.2	115.6	116.7[5]	111.4	124.3[5]	103.5	100.0	99.0	112.5	88.4	95.1

Table 139--Continued
Exchange rates:[1] Nominal-exchange-rates of selected currencies[2] in U.S. dollars, real-exchange-rates, and producer price indicators in the specified countries,[3] indexed by quarters, January 1989-March 1992

Period	U.S. producer price index	Mexico			Netherlands			New Zealand			Poland		
		Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]
1989:													
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.00	100.0
Apr.-June..	101.8	103.3	96.2	97.7	101.2	95.8	95.2	101.7	96.6	96.5	109.3	71.78	77.1
July-Sept..	101.4	105.7	92.7	96.6	101.2	96.2	96.0	104.4	94.7	97.5	131.9	50.49	65.7
Oct.-Dec...	101.8	109.7	89.4	96.4	101.4	102.0	101.7	105.8	95.3	99.0	217.2	15.54	33.2
1990:													
Jan.-Mar...	103.3	117.9	86.4	98.6	101.2	109.5	107.4	106.6	95.8	98.9	1415.9	5.61	76.9
Apr.-June..	103.1	125.7	83.6	102.0	101.6	110.5	108.9	107.6	93.4	97.5	1435.3	5.61	78.1
July-Sept..	104.9	132.9	81.4	103.1	102.5	116.3	113.6	107.5	98.3	100.7	1480.7	5.61	79.1
Oct.-Dec...	108.1	139.9	79.5	102.9	102.7	123.3	117.1	109.2	98.0	99.0	1568.6	5.61	81.4
1991:													
Jan.-Mar...	105.9	147.8	78.4	109.5	102.9	120.9	117.6	108.5	96.5	98.9	2176.5	5.61	115.3
Apr.-June..	104.8	153.5	77.4	113.4	103.3	106.8	105.3	108.4	94.4	97.6	2185.4	5.12	106.8
July-Sept..	104.7	158.0	76.5	115.4	105.4	106.2	106.9	108.6	92.7	96.1	2234.4	4.71	100.7
Oct.-Dec...	104.8	163.2	75.8	117.9	105.9	113.9	115.0	109.2	90.5	94.3	2324.2	4.79	106.3
1992:													
Jan.-Mar...	104.6	170.4	75.8	123.6	106.6[5]	114.2	116.7[5]	(6)	87.8	(6)	2603.2[5]	4.38	109.0[5]

See footnotes at end of table.

Table 139--Continued
Exchange rates:[1] Nominal-exchange-rates of selected currencies[2] in U.S. dollars, real-exchange-rates and producer price indicators in the specified countries,[3] indexed by quarters, January 1989-March 1992

		Spain			Sweden			Taiwan			United Kingdom		
Period	U.S. producer price index	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]	Producer price index	Nominal exchange rate index	Real exchange rate index[4]
1989:													
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	101.8	100.7	95.0	94.0	102.7	96.5	97.4	99.7	105.3	103.1	101.3	93.1	92.7
July-Sept..	101.4	101.7	95.8	96.0	102.7	96.6	97.9	97.9	107.4	103.7	102.5	91.3	92.3
Oct.-Dec...	101.8	102.1	99.8	100.1	103.6	98.9	100.6	96.6	106.5	101.0	103.8	90.7	92.5
1990:													
Jan.-Mar...	103.3	102.8	105.9	105.4	105.4	102.7	104.8	96.1	105.6	98.3	105.4	94.8	96.8
Apr.-June..	103.1	102.8	110.0	109.7	105.4	103.8	106.1	96.9	102.8	96.6	107.6	95.8	100.0
July-Sept..	104.9	103.1	117.1	115.1	107.2	108.3	110.7	98.8	101.5	95.6	108.6	106.5	110.3
Oct.-Dec...	108.1	104.4	121.7	117.5	109.9	112.6	114.5	99.8	101.5	93.7	109.8	111.3	113.1
1991:													
Jan.-Mar...	105.9	104.8	120.7	119.5	109.0	111.2	114.5	99.2	101.7	95.3	111.9	109.3	115.5
Apr.-June..	104.8	104.5	107.3	107.0	108.1	101.4	104.5	98.7	101.4	95.5	114.0	97.7	106.2
July-Sept..	104.7	104.9	105.8	106.1	109.0	99.8	104.0	98.0	103.3	96.7	114.6	96.4	105.6
Oct.-Dec...	104.8	105.3	112.0	112.5	108.1	106.1	109.4	96.5	106.2	97.7	115.3	101.5	111.6
1992:													
Jan.-Mar...	104.6	105.7	113.1	114.3	108.1	107.3	110.9	94.6[5]	110.1[5]	99.6[5]	116.3[5]	101.3	112.6[5]

[1] Exchange rates expressed in U.S. dollars per unit of foreign currency.
[2] Data for Romania do not reflect the market value of the Lei. Therefore an accurate summary of quarterly movements in the Romanian exchange rate cannot be presented.
[3] Producer price indices--intended to measure final product prices--are based on period-average quarterly indexes presented in line 63 of the International Financial Statistics.
[4] The real exchange rate is derived from the nominal rate adjusted for relative movements in producer prices in the United States and the specified country.
[5] Data are the most recent available as of the final quarter presented above.
[6] Not available.

Note.--January-March 1989 = 100. The real exchange rates, calculated from precise figures, cannot in all instances be derived accurately from previously rounded nominal exchange rate and price indices.

Source: International Monetary Fund, International Financial Statistics, July 1992.

Lost Sales and Lost Revenues

Ten U.S. producers reported 209 allegations of lost sales and 53 allegations of lost revenues involving 124 purchasers of the subject flat-rolled carbon steel products. These allegations totaled 536,311 tons of the four types of steel products under investigation and were valued at $300,399,935 (table 140). For the plate products, 47 allegations of lost sales were reported to the Commission involving 12 countries and totaling 29,587 tons, valued at $13,374,121. For the hot-rolled products, 19 allegations of lost sales were supplied to the Commission involving 8 countries and totaling 173,465 tons, valued at $64,188,175. For cold-rolled products, 154 allegations of lost sales and revenues were supplied to the Commission involving 14 countries and totaling 184,612 tons, valued at $128,713,000. For corrosion-resistant products, 42 allegations of lost sales and revenues were supplied to the Commission involving 8 countries and totaling 146,139 tons, valued at $91,847,000.[302]

Table 140
Certain flat-rolled carbon steel products: U.S. producers' allegations of lost sales and revenues, by country

* * * * * * *

The Commission contacted 23 purchasers accounting for 59 allegations of lost sales and revenues. The allegations concerning these purchasers totaled 359,469 tons and $212,447,027 for the 4 types of steel products under investigation (table 141). These purchasers accounted for 23,150 tons and $8,806,000 of plate products, 47,700 tons and $60,340,415 of cold-rolled products, 155,000 tons and $58,384,000 of hot-rolled products, and 133,619 tons and $84,916,612 of corrosion-resistant products.

Table 141
Certain flat-rolled carbon steel products: Lost sale and revenue results, by product type, result, and country.

* * * * * * *

[302] Korea, Poland, and Romania were not cited in any lost sale or lost revenue allegations involving the plate products; Belgium and Japan were not cited in any lost sale or lost revenue allegations involving the hot-rolled steel products; New Zealand and Spain were not cited in any lost sale or lost revenue allegations involving the cold-rolled products; and Brazil, Canada, and Mexico were not cited in any lost sale or lost revenue allegations involving the corrosion-resistant products.

Overall, 20 of the allegations investigated were confirmed and 18 allegations were denied. In 17 of the allegations, purchasers could not recall the specific sale and in 4 allegations the purchaser reported that other factors besides price resulted in its purchase of the foreign product.[303] The confirmed allegations accounted for 56,329 tons, valued at $34,464,467. The denied allegations accounted for 117,215 tons, valued at $95,635,080.

* * * * * * *

All of the purchasers contacted by the Commission reported that they buy some foreign product for their steel requirements. Their purchases of the foreign steel product ranged between a minor portion of their overall purchases and 100 percent of their requirements.[304] Reasons for purchasing the foreign steel product included quality, availability, price, delivery, service, long-term relationship, the only supply source for the specific application, and to insure additional supply sources (continuity of supply).

Most of the purchasers reported that they bought foreign steel from more than one source, although no purchaser reported buying the product from every country under investigation. Purchasers identified between 1 and 4 foreign suppliers for their steel needs. They stated that as long as the quality is acceptable, the foreign products competed against each other as well as against the U.S. product. Most of the service center purchasers reported that most of their customers did not care about the country of origin of the steel product as long as the quality was good.[305]

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[303] One purchaser claimed ***.

[304] Three purchasers reported buying foreign steel for 100 percent of their steel requirements. They stated that there was no qualified U.S. mill that could make the specific product for their application.

[305] Although one service center purchaser reported that ***.

APPENDIX A

FEDERAL REGISTER NOTICES OF THE U.S. INTERNATIONAL TRADE COMMISSION AND THE U.S. DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-319-354 and 731-TA-573-620 (Preliminary)]

Certain Flat-Rolled Carbon Steel Products

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of preliminary countervailing duty and antidumping investigations.

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 701-TA-319-354 (Preliminary) under section 730(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of certain flat-rolled carbon steel products, provided for in headings/subheadings 7208, 7209, 7210.31, 7210.39, 7210.41, 7210.49, 7210.60, 7210.70, 7210.90, 7211, 7212.21, 7212.29, 7212.30, 7212.40, 7212.50, and 7212.60 of the Harmonized Tariff Schedule of the United States, that are alleged to be subsidized by the Governments of the following countries:

Country	Cut-to-length plate	Hot-rolled sheet and strip	Cold-rolled sheet and strip	Corrosion-resistant sheet
Austria			701-TA-336	
Belgium	701-TA-319	701-TA-329	701-TA-337	
Brazil	701-TA-320	701-TA-330	701-TA-338	701-TA-347
France	701-TA-321	701-TA-331	701-TA-339	701-TA-348
Germany	701-TA-322	701-TA-332	701-TA-340	701-TA-349
Italy	701-TA-323	701-TA-333	701-TA-341	
Korea	701-TA-324	701-TA-334	701-TA-342	701-TA-350
Mexico	701-TA-325			701-TA-351
New Zealand		701-TA-335	701-TA-343	701-TA-352
Spain	701-TA-326		701-TA-344	
Sweden	701-TA-327			701-TA-353
Taiwan			701-TA-345	701-TA-354
United Kingdom	701-TA-328		701-TA-346	

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-573-620 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from the following countries of certain flat-rolled carbon steel products, that are alleged to be sold in the United States at less than fair value:

Country	Cut-to-length plate	Hot-rolled sheet and strip	Cold-rolled sheet and strip	Corrosion-resistant sheet
Argentina			731-TA-597	
Australia			731-TA-598	731-TA-612
Austria			731-TA-599	
Belgium	731-TA-573	731-TA-588	731-TA-600	
Brazil	731-TA-574	731-TA-589	731-TA-601	731-TA-613
Canada	731-TA-575	731-TA-590	731-TA-602	731-TA-614
Finland	731-TA-576			
France	731-TA-577	731-TA-591	731-TA-603	731-TA-615
Germany	731-TA-578	731-TA-592	731-TA-604	731-TA-616
Italy	731-TA-579	731-TA-593	731-TA-605	
Japan	731-TA-580	731-TA-594	731-TA-606	731-TA-617
Korea	731-TA-581	731-TA-595	731-TA-607	731-TA-618
Mexico	731-TA-582			731-TA-619
Netherlands		731-TA-596	731-TA-608	
Poland	731-TA-583			
Romania	731-TA-584			
Spain	731-TA-585		731-TA-609	
Sweden	731-TA-586			
Taiwan			731-TA-610	731-TA-620
United Kingdom	731-TA-587		731-TA-611	

The Commission must complete preliminary countervailing duty and antidumping investigations in 45 days, or in these cases by August 14, 1992.

For further information concerning the conduct of these investigations 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 207, subparts A and B (19 CFR part 207).

EFFECTIVE DATE: June 30, 1992.

FOR FURTHER INFORMATION CONTACT: Valerie Newkirk (202-205-3190), 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.

SUPPLEMENTARY INFORMATION:

Background.

These investigations are being instituted in response to petitions filed on June 30, 1992, by counsel for Armco Steel Co., L.P.; Bethlehem Steel Corp.; Geneva Steel; Gulf States Steel, Inc. of Alabama; Inland Steel Industries, Inc.; Laclede Steel Co.; LTV Steel Co., Inc.; Lukens Steel Co.; National Steel Corp.; Sharon Steel Corp.; USX Corp./U.S. Steel Group; and WCI Steel, Inc. (not all companies are petitioners in all cases).

Participation in the Investigations and Public Service List.

Persons (other than petitioners) wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in §§ 201.11 and 207.10 of the Commission's rules, not later than seven (7) days after publication of this notice in the Federal Register. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List.

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these preliminary investigations available to authorized applicants under the APO issued in the investigations, provided that the application is made not later than seven (7) 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 BPI under the APO.

Conference

The Commission's Director of Investigations has scheduled a conference in connection with these investigations for 9:30 a.m. on July 21, 1992, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Vera Libeau (202-205-3176) not later than July 14, 1992, to arrange for their appearance. Parties in support of the imposition of countervailing and antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated a specified time period within which to make an oral presentation at the conference. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the conference.

Written Submissions

As provided in §§ 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before July 24, 1992, a written brief containing information and arguments pertinent to the subject matter of the investigations. Parties may file written testimony in connection with their presentation at the conference no later than three (3) days before the conference. In briefs or written testimony contain BPI, they must conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules.

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

Authority: These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules.

Issued: July 1, 1992.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 92-15937 Filed 7-7-92; 8:45 am]

BILLING CODE 7020-02-M

[C-433-804, et al.]

Initiation of Countervailing Duty Investigations and Postponement of Preliminary Determinations: Certain Steel Products From Austria, Belgium, Brazil, France, Germany, Italy, Korea, Mexico, New Zealand, Spain, Sweden, Taiwan, and the United Kingdom

In the matter of C-433-804, C-423-806, C-351-818, C-427-810, C-428-817, C-475-808, C-580-818, C-201-810, C-614-802, C-469-804, C-401-804, C-583-819, C-412-815.

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: July 24, 1992.

FOR FURTHER INFORMATION CONTACT: The following officials of the Office of Countervailing Investigations, Import Administration, U.S. Department of Commerce, B-099, 14th Street and Constitution Avenue NW., Washington, DC 20230, may be contacted for additional information: Rosa L. Cotjanle (202) 377-3584 for Austria, Italy, Mexico, and New Zealand; Stephanie Hager (202) 377-5055 for Brazil, Sweden, and the United Kingdom; Rick Herring (202) 377-3530 for Germany, Spain, and Taiwan; and, Vince Kane (202) 377-2815 for Belgium, France, and Korea.

The Petition

On June 30, 1992, we received petitions in proper form filed by Armco Steel Company, L.P.; Bethlehem Steel Corporation; Inland Steel Industries, Inc.; LTV Steel Company, Inc.; National Steel Corporation; and U.S. Steel Group, a Unit of USX Corporation, on behalf of the United States industries producing the following classes or kinds of merchandise: certain hot-rolled carbon steel flat products, certain cold-rolled carbon steel flat products, certain corrosion-resistant carbon steel flat products, and certain cut-to-length carbon steel plate. We were separately notified on June 30, 1992, that the following companies were also petitioners in certain of these investigations: Geneva Steel, Gulf States Steel Inc. of Alabama, Laclede Steel Company, Lukens Steel Company, Sharon Steel Corporation, and WCI Steel, Inc. See appendix I for a listing of the petitioners on a country- and class or kind-basis. In accordance with 19 CFR 355.12, petitioners allege that manufacturers, producers, or exporters of the subject merchandise in Austria, Belgium, Brazil, France, Germany, Italy, Korea, Mexico, New Zealand, Spain, Sweden, Taiwan, and the United Kingdom receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act).

Injury Test

Because each of the countries under consideration is a "country under the Agreement" within the meaning of section 701(b) of the Act, title VII of the Act applies to these investigations. Accordingly, the U.S. International Trade Commission (ITC) must determine whether imports of the subject merchandise from Austria, Belgium, Brazil, France, Germany, Italy, Korea, Mexico, New Zealand, Spain, Sweden, Taiwan, and/or the United Kingdom materially injure, or threaten material injury to, U.S. industries.

Standing

Petitioners have stated that they are interested parties, as defined in section 771(9)(C) of the Act, and that they have filed the petitions on behalf of the U.S. industries producing the products subject to these investigations. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, such party should file a written notification with the Assistant Secretary for Import Administration, in accordance with 19 CFR 355.31.

Exclusion Requests

Under the Department's regulations, any producer or reseller seeking exclusion from a potential countervailing duty order must submit its request for exclusion within 30 days of the date of the publication of this notice. The procedures and requirements regarding the filing of such requests are contained in 19 CFR 355.14.

Allegations of Subsidies

Section 702(b) of the Act requires the Department to initiate a countervailing duty proceeding whenever an interested party files a petition, on behalf of an industry, that (1) alleges the elements necessary for the imposition of a duty under section 701(a), and (2) is accompanied by information reasonably available to the petitioner supporting the allegations.

Initiation of Investigations

The Department has examined the petitions on certain steel products from Austria, Belgium, Brazil, France, Germany, Italy, Korea, Mexico, New Zealand, Spain, Sweden, Taiwan, and the United Kingdom and found that they comply with the requirements of section 702(b) of the Act. Therefore, in accordance with section 702 of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters of certain hot-rolled carbon steel flat products, certain cold-rolled carbon steel flat products, certain corrosion-resistant carbon steel flat products, and certain cut-to-length carbon steel plate receive countervailable subsidies. The total number of programs which we are investigating exceeds 250. For Austria, Mexico, New Zealand, Sweden and the United Kingdom, we are investigating all programs alleged in the petitions to confer subsidies. For the remaining countries, we are not investigating certain programs, listed below by country, alleged in the petitions to be benefitting manufacturers, producers, or exporters of the subject merchandise. (The European Community program upon which we are not initiating is separately listed below. This program, alleged in various petitions, may apply to one or more of its constituent countries for which petitions were filed.) For a complete discussion of all programs and the bases for our decisions, see the "Concurrence Memorandum" for each country which are located in the public files in the Central Records Unit.

A. Belgium

1. 1959 Law
2. Research and Development Contract Assistance—Fabfer
3. 1984 Conversions of Sidmar Debt to Equity

4. Conversion of Cockerill Sambre Debt to Equity Under the Gandois Plan
5. Clabecq Preferred Stock Devaluation
6. "Other" Loans to Fabfer
7. Export Insurance

B. Brazil

1. Government of Brazil Guarantees of Foreign Currency Loans

C. European Community

1. ECSC Conversion Loans Under Article 56

D. France

1. Electricity Alleged to be Provided on Preferential Terms.
2. Other Loan Guarantees

E. Germany

1. Steel Research Program Grants from the Ministry of Research and Development
2. Articles 4, 4a, and 4b of the Investment Premium Act
3. Export Guarantees
4. Equity Infusions from Treuhandanstalt
5. Ad Hoc Loans from the Governments of Bremen and Bavaria to Klockner
6. Ad Hoc Loan Guarantees from North Rhine-Westphalia to Krupp
7. North Rhine-Westphalia's Technical Program Steel

F. Italy

1. Finsider Sales to IRI
2. Decree No. 332 of September 30, 1989
3. Export Credit Insurance Under Law No. 227
4. Ilva/Falck Accord
5. Grants for Electricity Price Increases for Electric Steelmakers Pursuant to Law 495/81
6. Debt Outstanding in 1991
   a. Ilva Debt
   b. Falck IMI Loan
   c. Falck Mediobanca Loan

G. Korea

1. Certain Equity Infusions into POSCO in 1981 and from 1986 to 1988
2. Government Land Transfers to POSCO for the Pohang Facility

H. Spain

1. Aid for Scrap Purchases
2. Disaster Assistance Loans
3. Grants from the Basque Government for Labor, Energy and Environmental Purposes
4. Participative Credits Provided by Private Banks

I. Taiwan

1. Certain Equity Infusions into China Steel Corporation from 1981 to 1988
2. Articles 10, 22, 34, 34-1, 43, and 84 of the Statute for Encouragement of Investments (SEI)
3. Short-term Financing "Channeled to Priority Industries"
4. Long-term Loans Provided by the Strategic Fund

Postponement of Preliminary Determinations

Pursuant to section 703(c) of the Act, the Department determines that these investigations are extraordinarily complicated by reason of one or more of the following: (1) The large number and complex nature of the alleged subsidies, (2) the novelty of the issues presented by reason of the large number of simultaneous investigations involving four different classes or kinds of steel products, and (3) the large number of producers and exporters. We also determine that additional time is necessary for making our preliminary determinations. Accordingly, on the assumption that the parties concerned will cooperate in these investigations, we are postponing our preliminary determinations until not later than 150 days after the filing of the petitions, *i.e.*, November 27, 1992. If the parties concerned with a particular investigation are found not to be cooperative, we may issue our preliminary determinations not later than 85 days after the filing of the petitions.

Scope of Investigations

Listed below by country are the classes or kinds of merchandise covered by each of these investigations. For a complete description of these products, see appendix II.

A. Austria

1. Certain cold-rolled carbon steel flat products

B. Belgium

1. Certain hot-rolled carbon steel flat products
2. Certain cold-rolled carbon steel flat products
3. Certain cut-to-length carbon steel plate

C. Brazil

1. Certain hot-rolled carbon steel flat products
2. Certain cold-rolled carbon steel flat products
3. Certain corrosion-resistant carbon steel flat products
4. Certain cut-to-length carbon steel plate

D. France

1. Certain hot-rolled carbon steel flat products
2. Certain cold-rolled carbon steel flat products
3. Certain corrosion-resistant carbon steel flat products
4. Certain cut-to-length carbon steel plate

E. Germany

1. Certain hot-rolled carbon steel flat products
2. Certain cold-rolled carbon steel flat products
3. Certain corrosion-resistant carbon steel flat products
4. Certain cut-to-length carbon steel plate

F. Italy

1. Certain hot-rolled carbon steel flat products
2. Certain cold-rolled carbon steel flat products
3. Certain cut-to-length carbon steel plate

G. Korea

1. Certain hot-rolled carbon steel flat products
2. Certain cold-rolled carbon steel flat products
3. Certain corrosion-resistant carbon steel flat products
4. Certain cut-to-length carbon steel plate

H. Mexico

1. Certain corrosion-resistant carbon steel flat products
2. Certain cut-to-length carbon steel plate

I. New Zealand

1. Certain hot-rolled carbon steel flat products
2. Certain cold-rolled carbon steel flat products
3. Certain corrosion-resistant carbon steel flat products

J. Spain

1. Certain cold-rolled carbon steel flat products
2. Certain cut-to-length carbon steel plate

K. Sweden

1. Certain corrosion-resistant carbon steel flat products
2. Certain cut-to-length carbon steel plate

L. Taiwan

1. Certain cold-rolled carbon steel flat products
2. Certain corrosion-resistant carbon steel flat products

M. United Kingdom

1. Certain cold-rolled carbon steel flat products

2. Certain cut-to-length carbon steel plate

ITC Notification

Pursuant to section 702(d) of the Act, we have notified the ITC of these initiations.

Preliminary Determinations By the ITC

The ITC will determine by August 14, 1992, whether there is a reasonable indication that industries in the United States are being materially injured, or are threatened with material injury, by reason of imports from Austria, Belgium, Brazil, France, Germany, Italy, Korea, Mexico, New Zealand, Spain, Sweden, Taiwan, and the United Kingdom of certain steel products. Any ITC determination which is negative will result in the respective investigation being terminated; otherwise, the investigations will proceed according to statutory and regulatory time limits.

This notice is published pursuant to 702(c)(2) of the Act and 19 CFR 355.13(b).

Dated: July 20, 1992.

Alan M. Dunn,

Assistant Secretary for Import Administration.

APPENDIX I

Country	Product	Case No.	Petitioners
Austria	CR	C-433-804	A, B, Gu, I, L, N, S, U, W
Belgium	HR	C-423-806	A, B, Ge, Gu, I, L, N, S, U, W
Belgium	CR	C-423-806	A, B, Gu, I, L, N, S, U, W
Belgium	PLATE	C-423-806	B, Ge, Gu, I, Lu, U
Brazil	HR	C-351-818	A, B, Ge, Gu, I, L, N, S, U, W
Brazil	CR	C-351-818	A, B, Gu, I, L, N, S, U, W
Brazil	CRCS	C-351-818	A, B, Gu, I, N, S, U, W
Brazil	PLATE	C-351-818	B, Ge, Gu, I, Lu, U
France	HR	C-427-810	A, B, Ge, Gu, I, L, N, S, U, W
France	CR	C-427-810	A, B, Gu, I, L, N, S, U, W
France	CRCS	C-427-810	A, B, Gu, I, L, N, S, U, W
France	PLATE	C-427-810	B, Ge, Gu, I, Lu, U
Germany	HR	C-428-817	A, B, Ge, Gu, I, L, N, S, U, W
Germany	CR	C-428-817	A, B, Gu, I, L, N, S, U, W
Germany	CRCS	C-428-817	A, B, Gu, I, L, N, S, U, W
Germany	PLATE	C-428-817	B, Ge, Gu, I, Lu, U
Italy	HR	C-475-808	A, B, Ge, Gu, I, L, N, S, U, W
Italy	CR	C-475-808	A, B, Gu, I, L, N, S, U, W
Italy	PLATE	C-475-808	B, Ge, Gu, I, Lu, U
Korea	HR	C-580-818	A, B, Ge, Gu, I, L, N, S, W
Korea	CR	C-580-818	A, B, Gu, I, L, N, S, U, W
Korea	CRCS	C-580-818	A, B, Gu, I, L, N, S, U, W
Korea	PLATE	C-580-818	B, Ge, Gu, I, Lu, U
Mexico	CRCS	C-201-810	A, B, Gu, I, L, N, S, U, W
Mexico	PLATE	C-201-810	B, Ge, Gu, I, Lu, U
New Zealand	HR	C-614-802	A, B, Ge, Gu, I, L, N, S, U, W
New Zealand	CR	C-614-801	A, B, Gu, I, L, N, S, U, W
New Zealand	CRCS	C-614-802	A, B, Gu, I, N, S, U, W
Spain	CR	C-469-804	A, B, Gu, I, L, N, S, U, W
Spain	PLATE	C-469-804	B, Ge, Gu, I, Lu, U
Sweden	CRCS	C-401-804	A, B, Gu, I, L, N, S, U, W
Sweden	PLATE	C-401-804	B, Ge, Gu, I, Lu, U
Taiwan	CR	C-583-819	A, B, Gu, I, L, N, S, U, W
Taiwan	CRCS	C-583-819	A, B, Gu, I, L, N, S, U, W
United Kingdom	CR	C-412-815	A, B, Gu, I, L, N, S, U, W
United Kingdom	PLATE	C-412-815	B, Ge, Gu, I, Lu, U

KEY:
Products:
HR = Hot-rolled Carbon Steel.
CR = Cold-rolled Carbon Steel.
CRCS = Corrosion-Resistant Carbon Steel.
PLATE = Cut-to-Length Carbon Steel Plate.
Petitioners:
A = Armco Steel Company, L.P.
B = Bethlehem Steel Corporation.
Ge = Geneva Steel*.
Gu = Gulf States Steel Inc. of Alabama.
I = Inland Steel Industries, Inc.
L = LTV Steel Co., Inc.
La = Laclede Steel Company.**
Lu = Lukens Steel Company
N = National Steel Corporation.
S = Sharon Steel Corporation.
U = U.S. Steel Group—a Unit of USX Corporation.
W = WCI Steel, Inc.

*Note: Geneva Steel filed as a petitioner in the countervailing duty investigation involving Taiwan. However, it has not been included in the above chart for Taiwan because no information was provided in the petition to indicate that it produced the merchandise subject to investigation from Taiwan. The Department will seek clarification on this matter during the proceedings.

**Note: Laclede Steel Company filed as a petitioner in the countervailing duty investigations involving Belgium, Brazil, France, Germany, Italy, Korea, and New Zealand. However, it has not been included in the above chart because no information was provided to indicate the class(es) or kind(s) of merchandise it produces. The Department will seek clarification on this matter during the proceedings.

Scope of the Investigations

The products covered by these investigations, certain flat-rolled steel products, constitute the following four separate "classes or kinds" of merchandise, as outlined below.

Although the Harmonized Tariff Schedule of the United States (HTS) subheadings are provided for convenience and customs purposes, our written descriptions of the scope of these proceedings are dispositive.

Certain Hot-Rolled Carbon Steel Flat Products

These products include hot-rolled carbon steel flat products, of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished or coated with plastics or other nonmetallic substances, in coils, or in straight lengths which are less than 4.75 millimeters in thickness and of a width measuring at least 10 times the thickness, as currently classifiable in the HTS under item numbers 7208.11.0000, 7208.12.0000, 7208.13.1000, 7208.13.5000, 7208.14.1000, 7208.14.5000, 7208.21.1000, 7208.21.5000, 7208.22.1000, 7208.22.5000, 7208.23.1000, 7208.23.5030, 7208.23.5090, 7208.24.1000, 7208.24.5030, 7208.24.5090, 7208.34.1000, 7208.34.5000, 7208.35.1000, 7208.35.5000, 7208.44.0000, 7208.45.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.12.0000, 7211.19.1000, 7211.19.5000, 7211.22.0090, 7211.29.1000, 7211.29.3000, 7211.29.5000, 7211.29.7030, 7211.29.7080, 7211.29.7090, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000.

Certain Cold-Rolled Carbon Steel Flat Products

These products include cold-rolled (cold-reduced) carbon steel flat products, of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated nor coated with metal whether or not painted, varnished or coated with plastics or other nonmetallic substances, in coils, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width measuring at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7209.11.0000, 7209.12.0030, 7209.12.0090, 7209.13.0030, 7209.13.0090, 7209.14.0030, 7209.14.0090, 7209.21.0000, 7209.22.0000, 7209.23.0000, 7209.24.1000, 7209.24.5000, 7209.31.0000, 7209.32.0000, 7209.33.0000, 7209.34.0000, 7209.41.0000, 7209.42.0000, 7209.43.0000, 7209.44.0000, 7209.90.0000, 7210.70.3000, 7210.90.9000, 7211.30.1030, 7211.30.1090, 7211.30.3000, 7211.30.5000, 7211.41.1000, 7211.41.3030, 7211.41.3090, 7211.41.5000, 7211.41.7030, 7211.41.7060, 7211.41.7090, 7211.49.1030, 7211.49.1090, 7211.49.3000, 7211.49.5030, 7211.49.5060, 7211.49.5090, 7211.90.0000, 7212.40.5000, and 7212.50.0000.

Certain Corrosion-Resistant Carbon Steel Flat Products

These products include flat-rolled carbon steel products, of solid rectangular (other than square) cross section, of rectangular shape, either clad, plated or coated with corrosion-resistant metals such as zinc, aluminum or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances, in addition to the metallic coating, in coils, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width measuring at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7210.31.0000, 7210.39.0000, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.60.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.21.0000, 7212.29.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000. Excluded from these investigations are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel").

Certain Cut-To-Length Carbon Steel Plate

These products include hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief) of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat products in straight lengths, of solid rectangular (other than square) cross section, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7208.31.0000, 7208.32.0000, 7208.33.1000, 7208.33.5000, 7208.41.0000, 7208.42.0000, 7208.43.0000, 7208.90.0000, 7210.70.3000, 7211.11.0000, 7211.12.0000, 7211.21.0000, 7211.22.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000.

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Initiation of Antidumping Duty Investigations and Postponement of Preliminary Determinations: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate From Various Countries

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: July 29, 1992.

FOR FURTHER INFORMATION CONTACT:

Contact persons	Telephone	Office
European Countries:		
Gary Taverman	202-377-0161	Antidumping Investigations.
Louis Apple	202-377-1769	Antidumping Investigations.
Steve Alley	202-377-5288	Antidumping Investigations.
Korea:		
Ed Yang	202-377-5254	Antidumping Compliance.
Maureen Flannery	202-377-2923	Antidumping Compliance.
All Other Countries:		
Laurie Luckinger	202-377-3793	Agreements Compliance.
Richard Weible	202-377-3793	Agreements Compliance.

Mailing address for all contacts: Import Administration, Room B-099, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

INITIATIONS

The Petitions

On June 30, 1992, we received petitions filed in proper form by the following companies: Armco Steel Company, L.P.; Bethlehem Steel Corporation; Inland Steel Industries, Inc.; Geneva Steel; Gulf States Steel Inc. of Alabama; Laclede Steel Company; Lukens Steel Company; LTV Steel Company, Inc.; National Steel Corporation; Sharon Steel Corporation; U.S. Steel Group (a unit of USX Corporation); and WCI Steel, Inc. In accordance with 19 CFR 353.12, petitioners, in varying combinations, allege that imports of certain hot-rolled carbon steel flat products (hot-rolled steel), certain cold-rolled carbon steel flat products (cold-rolled steel), certain corrosion-resistant carbon steel flat products (CRCS), and certain cut-to-length carbon steel plate (steel plate) from various countries are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that industries in the United States are being materially injured, or are threatened with material injury, by reason of those imports. For a list of specific cases filed against particular countries, the case number, and the petitioners for that case, see appendix I to this notice.

Petitioners have stated that they have standing to file their respective petitions because they are interested parties, as defined under section 771(9)(C) of the Act, and because they filed the petitions on behalf of the U.S. industries producing the products that are subject to these investigations. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, any of these petitions, please file a written notification with the Assistant Secretary for Import Administration.

Under the Department's regulations, any producer or reseller seeking exclusion from a potential antidumping duty order must submit its request for exclusion within 30 days of the date of the publication of this notice. The procedures and requirements regarding the filing of such requests are contained in 19 CFR 353.14.

Scope of Investigations

The petitions cover four separate classes or kinds of merchandise, as follows:

(1) Certain hot-rolled carbon steel flat products;

(2) Certain cold-rolled carbon steel flat products;

(3) Certain corrosion-resistant carbon steel flat products;

(4) Certain cut-to-length carbon steel plate.

For complete descriptions of these products, see Appendix II to this notice.

United States Price and Foreign Market Value

In many of these petitions, petitioners provided multiple methodologies for calculating United States price (USP) and foreign market value (FMV). For each petition, given the statutory preference for price-to-price comparisons, we have analyzed only the most appropriate methodology among those included in the petition (in most cases, a comparison of USP derived from invoices or price quotations to a home market price) to determine whether or not there is reason to believe that the merchandise is being, or is likely to be, sold at less than fair value. For purposes of these initiations, no further adjustments were made to petitioners' calculations. If it becomes necessary at a later date to consider the petition as a source of best information available (BIA), we may review all of the bases for the petitioners' estimated dumping margins in determining BIA. In addition, for those companies and products against which we are initiating a cost of production investigation (see below), we have also analyzed the allegations comparing USP to constructed value.

Petitioners' estimates of USP are based on either actual prices from invoices or quotes to U.S. customers, or IM-145 import statistics. If a petition included both types of USP estimates, we relied on actual prices or quotes, where possible. Where appropriate, petitioners adjusted delivered prices to reflect ex-factory prices.

Except for the petitions involving Poland and Romania, petitioners' estimates of FMV are based on actual price quotations to home market customers, home market price lists, published reports of domestic prices, or constructed value. Where appropriate, delivered prices were adjusted to reflect exfactory prices. In addition, petitioners adjusted these prices for differences in circumstances of sale and taxes, as appropriate.

Petitioners contend that FMV of Polish- and Romanian-produced imports subject to the respective investigation must be determined in accordance with section 773(c) of the Act, which concerns non-market economy (NME) countries. Pursuant to section 771(18) of the Act, Poland and Romania are considered to be NMEs and the Department has treated each as such in all previous proceedings (see, *e.g.*, Final Results of Administrative Review: Electric Golf Cars from Poland, 58 FR 10334 (March 25, 1992), and Preliminary Determination of Sales at Less than fair Value: Circular Welded Non-alloy Steel Pipe from Romania, 57 FR 17680 (April 28, 1992) (Steel Pipe from Romania)). Parties will have the opportunity to address these NME determinations in the respective investigations and provide relevant information and argument on them. In addition, parties will have the opportunity in each investigation to submit comments on whether FMV should be based on prices or costs in each NME (see, Amendment to Final Determination of Sales at Less Than Fair Value and Amendment to Antidumping Duty Order: Chrome-plated Lug Nuts from the People's Republic of China, 57 FR 15052 (April 24, 1992)).

Because of the extent of central control in a NME, the Department further considers that a single antidumping margin, should there be one, is appropriate for all exporters in each country. Only if individual NME exporters can demonstrate an absence of central control with respect to the subject merchandise, both in law and in fact, will they be entitled to separate, company-specific rates (see, Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China, 56 FR 20588 (May 6, 1991), for a discussion of the information the Department considers appropriate in this regard).

In accordance with section 773(c) of the Act, FMV in NME cases is based on NME producers' factors of production, as valued in a market economy country. Absent evidence that the Polish and Romanian governments have selected which factories produce the subject merchandise for export to the United States, we intend to base FMV only on those factories in Poland and Romania, respectively, which are known to produce steel plate for export to the United States.

Petitioners calculated FMV for Poland and Romania on the basis of the factors of production. In valuing the factors of production, petitioners used several alternative countries as surrogates for Poland and Romania. For initiation purposes, we have accepted petitioners' choice of Argentina as having an economy comparable to Poland's and being a significant producer of comparable merchandise, pursuant to section 773(c)(4) of the Act. For Romania, we used petitioners' surrogate country data from Turkey, rather than from Algeria for purposes of the initiation because in the most recent determination involving a steel product from Romania, Steel Pipe from Romania, Turkey was determined to be the steel-producing country most comparable to Romania in terms of economic development from among the surrogate countries whose data were included in this petition.

Alleged dumping margins based on the methodologies analyzed are listed by country and product in appendix I.

Home Market Sales Below Cost of Production

Petitioners also allege that specific potential respondents in some of these investigations are selling the subject merchandise in their home markets at prices below their costs of production. These allegations are based on a comparison of company-specific home market prices with the cost of production (COP). COP was based on either the COP of an efficient U.S. producer adjusted for known differences in the country of production, and/or company specific information, when applicable, or on published reports detailing the costs of specific foreign producers, and on the company's financial statements, when applicable.

Based on the information presented, we have reason to believe or suspect that the home market sales of the following producers are being made at less than COP:

Country	Case	Producer(s)
Austria	Cold-rolled steel	Voest Alpine Stahl Linz.
Belgium	Steel plate	S.A. Cockerill Sambre.
Brazil	Cold-rolled steel	Usines Siderúrgica de Minas Gerais, S.A. (USIMINAS)
Canada	Steel plate	Algoma Steel Corp., STELCO, Inc.
France	Hot-rolled steel	Usinor/Sacilor.
France	Cold-rolled steel	Usinor/Sacilor.
Italy	Hot-rolled steel	Ilva, S.p.A.
Italy	Cold-rolled steel	Ilva, S.p.A.
Italy	Steel plate	Ilva, S.P.A.
Korea	Hot-rolled steel	Pohang Iron & Steel Co.
Netherlands	Hot-rolled steel	Hoogovens Ijmuiden Verkoopkantor BV (Hoogovens)
Netherlands	Cold-rolled steel	Hoogovens.
United Kingdom	Cold-rolled steel	British Steel, PLC.
United Kingdom	Steel plate	British Steel, PLC.

Accordingly, pursuant to section 773(b) of the Act and 19 CFR 353.51, we are initiating COP investigations with respect to the companies and products named above.

We have, however, rejected the following COP allegations: hot-rolled steel, CRCS, and steel plate from Brazil; cold-rolled steel, CRCS, and steel plate from Germany; cold-rolled steel, CRCS, and steel plate from Korea; and cold-rolled steel and steel plate from Spain. We have also reject COP allegations for one of the named producers of steel plate in Belgium, S.A. Forges de Clabecq (Clabecq), and cold-rolled steel in Brazil, Cia Siderúrgica Paulista (COSIPA). Except for the allegation against Clabecq, these allegations have been rejected because the petitioners failed to supply adequate company-specific home market pricing data for the producers named in each allegation (*see, Al Tech Specialty Corp.* v. *U.S.*, 575

F.Supp. 1277 (CIT 1983)). Regarding Clabecq, we rejected the COP allegation because the COP did not exceed the home market price when COP was adjusted to company-specific costs. In accordance with 19 CFR 353.31(c)(i), petitioners will have until 45 days prior to the scheduled date of the preliminary determinations to perfect these allegations, and to make any additional COP allegations.

Initiation of Investigations and Postponement of Preliminary Determinations

Pursuant to section 732(c) of the Act, the Department must determine, within 20 days after a petition is filed, whether a petition sets forth allegations necessary for the initiation of an antidumping duty investigation, and whether the petition contains information reasonably available to petitioners supporting the allegation.

We have examined the petitions and found that each complies with the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating antidumping duty investigations to determine whether imports of the named steel products from various countries are being, or are likely to be, sold in the United States at less than fair value. The specific investigations are identified in appendix I. Each investigation covers only one class or kind of merchandise from one country and is identified by a single case number.

In accordance with section 733(c) of the Act, the Department determines that these investigations are extraordinarily complicated by reason of one or more of the following: (1) The significant number and complexity of the transactions to be considered; (2) the novelty of the issues presented by reason of the large number of simultaneous investigations involving four different classes or kinds of steel products; and (3) the large number of firms whose activities must be investigated. We also determine that additional time is necessary for making our preliminary determinations. Accordingly, on the assumption that the parties concerned will cooperate in these investigations, we are postponing our preliminary determinations until not later than 210 days after the filing of the petitions, *i.e.*, January 26, 1993. If the parties concerned with a particular investigation are found not to be cooperative, we may issue our preliminary determinations not later than 160 days after the filing of the petitions.

ITC Notification

Section 732(d) of the Act requires us to notify the International Trade Commission (ITC) of these actions and we have done so.

Preliminary Determinations by the ITC

The ITC will determine by August 14, 1992, whether there is a reasonable indication that imports of hot-rolled steel, cold-rolled steel, CRCS, and steel plate from the named countries are materially injuring, or threaten material injury to, the respective U.S. industries. Any ITC determination that is negative will result in the respective investigation being terminated; otherwise, the investigations will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: July 20, 1992.

Alan M. Dunn,

Assistant Secretary for Import Administration.

Appendix I

Country	Product	Case No.	Petitioners	Estimated LTFV margin range (percent)	Estimated below Cop/ CV-price margin range (percent)
Argentina	CR	A-357-809	A,B,Gu,I,L,N,S,U,W	43.90-51.58	N/A
Australia	CR	A-602-802	A,B,Gu,I,L,N,S,U,W	25.94	N/A
Australia	CRCS	A-602-803	A,B,Ge,Gu,I,L,N,S,U,W	19.07-37.94	N/A
Austria	CR	A-433-803	A,B,Gu,I,L,N,S,U,W	6.24-9.18	28.24-33.04
Belgium	HR	A-423-803	A,B,Ge,Gu,I,L,N,S,U,W	1.52-1.90	N/A
Belgium	CR	A-423-804	A,B,Gu,I,L,N,S,U,W	23.49	N/A
Belgium	Plate	A-423-805	B,Ge,GU,I,L,S,U	25.55	21.01
Brazil	HR	A-351-814	A,B,Ge,Gu,I,L,La,N,S,U,W	45.00-87.00	(1)
Brazil	CR	A-351-815	A,B,Gu,I,L,N,S,U,W	0.31-88.00	44.00
Brazil	CRCS	A-351-816	A,B,Ge,Gu,I,L,N,S,U,W	43.00	(1)
Brazil	Plate	A-351-817	B,Ge,Gu,I,Lu,S,U	53.00-109.00	(1)
Canada	HR	A-122-820	A,B,Ge,Gu,I,L,N,S,U,W	21.90-27.80	N/A
Canada	CR	A-122-821	A,B,Gu,I,L,N,S,U,W	33.20-58.30	N/A
Canada	CRCS	A-122-822	A,B,Ge,Gu,I,L,N,S,U,W	13.00-45.10	N/A
Canada	Plate	A-122-823	B,Ge,Gu,I,Lu,S,U	7.90-36.20	37.70-75.40
Finland	Plate	A-405-802	B,Ge,Gu,I,Lu,S,U	7.00-43.00	N/A
France	HR	A-427-806	A,B,Ge,Gu,I,L,La,N,S,U,W	5.16-20.94	7.76
France	CR	A-427-807	A,B,Gu,I,L,N,S,U,W	10.29-14.24	28.84
France	CRCS	A-427-808	A,B,Ge,Gu,I,L,N,S,U,W	6.02	N/A
France	Plate	A-427-809	B,Ge,Gu,I,Lu,S,U	5.64-27.94	N/A
Germany	HR	A-428-813	A,B,Ge,Gu,I,L,La,N,S,U,W	9.26-15.43	N/A
Germany	CR	A-428-814	A,B,Gu,I,L,N,S,U,W	33.29	(1)
Germany	CRCS	A-428-815	A,B,Ge,Gu,I,L,N,S,U,W	19.94-40.79	(1)
Germany	Plate	A-428-816	B,Ge,Gu,I,Lu,S,U	15.44-37.96	(1)
Italy	HR	A-475-805	A,B,Ge,Gu,I,L,La,N,S,U,W	11.03	27.73
Italy	CR	A-475-806	A,B,Gu,I,L,N,S,U,W	10.94	50.15
Italy	Plate	A-475-807	B,Ge,Gu,I,Lu,S,U	4.24-5.93	43.43
Japan	HR	A-588 824	B,Ge,Gu,La,S,U,W	3.76-10.32	N/A
Japan	CR	A-588-825	B,Gu,S,U,W	9.15-17.44	N/A
Japan	CRCS	A-588-826	B,Ge,Gu,S,U,W	6.79-18.19	N/A
Japan	Plate	A-588-827	B,Ge,Gu,Lu,S,U	2.71-14.70	N/A
Korea	HR	A-580-814	A,B,Ge,Gu,I,L,La,N,S,W	54.49-76.89	54.49-76.89
Korea	CR	A-580-815	A,B,Gu,I,L,N,S,U,W	30.99-41.45	(1)
Korea	CRCS	A-580-816	A,B,Ge,Gu,I,L,N,S,U,W	2.47-20.27	(1)
Korea	Plate	A-580-817	B,Ge,Gu,I,Lu,S,U	3.19-8.48	(1)
Mexico	CRCS	A-201-806	A,B,Ge,Gu,I,L,N,S,U,W	22.08-152.84	N/A
Mexico	Plate	A-201-809	B,Ge,Gu,I,Lu,S,U	48.42-49.25	N/A

Country	Product	Case No.	Petitioners	Estimated LTFV margin range (percent)	Estimated below Cop/CV-price margin range (percent)
Netherlands	HR	A-421-803	A,B,Ge,Gu,I,La,N,S,U,W	1.71	52.40-56.70
Netherlands	CR	A-421-804	A,B,Gu,I,N,S,U,W	1.86-8.43	31.11-45.60
Poland	Plate	A-455-802	B,Ge,Gu,I,Lu,S,U	62.10-73.89	N/A
Romania	Plate	A-485-803	B,Ge,Gu,I,L,S,U	87.80-101.80	N/A
Spain	CR	A-469-802	A,B,Gu,I,L,N,S,U,W	21.71-38.50	(1)
Spain	Plate	A-469-803	B,Ge,Gu,I,Lu,S,U	18.76-62.13	(1)
Sweden	Plate	A-401-805	B,Ge,Gu,I,L,S,U	19.34	N/A
Taiwan	CR	A-583-817	A,B,Gu,I,L,N,S,U,W	23.66-34.97	N/A
Taiwan	CRCS	A-583-818	A,B,Ge,Gu,I,L,N,S,U,W	12.61-45.05	N/A
United Kingdom	CR	A-412-813	A,B,Gu,I,L,N,S,U,W	13.04-23.02	34.26
United Kingdom	Plate	A-412-814	B,Ge,Gu,I,L,S,U	1.19-71.76	46.55

KEY:
PRODUCTS:
HR=Hot-rolled Carbon Steel.
CR=Cold-rolled Carbon Steel.
CRCS=Corrosion-Resistant Carbon Steel.
PLATE=Cut-to-Length Carbon Steel Plate.
N/A=Not Applicable—No COP allegation.
(1)=COP allegation rejected, as discussed in text of notice
PETITIONERS:
A=Armco Steel Company, L.P.
B=Bethlehem Steel Corporation.
Ge=Geneva Steel.
GU=Gulf States Steel Inc. of Alabama.
I=Inland Steel Industries, Inc.
L=LTV Steel Co., Inc.
La=Laclede Steel Company.
Lu=Lukens Steel Company.
N=National Steel Corporation.
S=Sharon Steel Corporation.
U=U.S. Steel Group—a Unit of USX Corporation.
W=WCI Steel, Inc.

Scope of the Investigations

The products covered by these investigations, certain flat-rolled steel products, constitute the following four separate "classes or kinds" of merchandise, as outlined below.

Although the Harmonized Tariff Schedule of the United States (HTS) subheadings are provided for convenience and customs purposes, our written descriptions of the scope of these proceedings are dispositive.

Certain Hot-Rolled Carbon Steel Flat Products

These products include hot-rolled carbon steel flat products, of solid rectangular (other than square) cross section, or rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished or coated with plastics or other nonmetallic substances, in coils, or in straight lengths which are less than 4.75 millimeters in thickness and of a width measuring at least 10 times the thickness, as currently classifiable in the HTS under item numbers 7208.11.0000, 7208.12.0000, 7208.13.1000, 7208.13.5000, 7208.14.1000, 7208.14.5000, 7208.21.1000, 7208.21.5000, 7208.22.1000, 7208.22.5000, 7208.23.1000, 7208.23.5030, 7208.23.5090, 7208.24.1000, 7208.24.5030, 7208.24.5090, 7208.34.1000, 7208.34.5000, 7208.35.1000, 7208.35.5000, 7208.44.0000, 7208.45.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.12.0000, 7211.19.1000, 7211.19.5000, 7211.22.0090, 7211.29.1000, 7211.29.3000, 7211.29.5000, 7211.29.7030, 7211.29.7060, 7211.29.7090, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.000.

Certain Cold-Rolled Carbon Steel Flat Products

These products include cold-rolled (cold-reduced) carbon steel flat products, of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished or coated with plastics or other nonmetallic substances, in coils, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width measuring at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7209.11.0000, 7209.12.0030, 7209.12.0090, 7209.13.0030, 7209.13.0090, 7209.14.0030, 7209.14.0090, 7209.21.0000, 7209.22.0000, 7209.23.0000, 7209.24.1000, 7209.24.5000, 7209.31.0000, 7209.32.0000, 7209.33.0000, 7209.34.0000, 7209.41.0000, 7209.42.0000, 7209.43.0000, 7209.44.0000, 7209.90.0000, 7210.70.3000, 7210.90.9000, 7211.30.1030, 7211.30.1090, 7211.30.3000, 7211.30.5000, 7211.41.1000, 7211.41.3030, 7211.41.3090, 7211.41.5000, 7211.41.7030, 7211.41.7060, 7211.41.7090, 7211.49.1030, 7211.49.1090, 7211.49.3000, 7211.49.5030, 7211.49.5060, 7211.49.5090, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000.

Certain Corrosion-Resistant Carbon Steel Flat Products

These products include flat-rolled carbon steel products, of solid rectangular (other than square) cross section, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils, or in straight lengths which, if of a thickness less than 4.75 millimeters are of a width measuring at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7210.31.0000, 7210.39.0000, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.60.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.21.0000, 7212.29.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000. Excluded from these investigations are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate").

or both chromium and chromium oxides ("tin-free steel").

Certain Cut-to-Length Carbon Steel Plate

These products include hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief) of solid rectangular (other than square) cross section, of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat products in straight lengths, of solid rectangular (other than square) cross section, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7208.31.0000, 7208.32.0000, 7208.33.1000, 7208.33.5000, 7208.41.0000, 7208.42.0000, 7208.43.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.11.0000, 7211.12.0000, 7211.21.0000, 7211.22.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000.

[FR Doc. 92-17586 Filed 7-28-92; 8:45 am]
BILLING CODE 3510-DS-M

International Trade Administration

Addendum to Notice of Initiation; Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate From Various Countries

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: July 29, 1992.

FOR FURTHER INFORMATION CONTACT: Gary Taverman, Office of Antidumping Investigations, room B-099, U.S. Department of Commerce, Washington, DC 20230; telephone (202) 377-0161.

Selection of Respondents

This is to inform interested parties in these investigations of the procedures the Department intends to follow in selecting the foreign manufacturers which will be required to respond to an antidumping questionnaire. In accordance with our normal practice, separately for each investigations, we expect to issue questionnaires only to those manufacturers whose sales volume accounts for the top 60 percent of exports of the subject merchandise to the United States during the period of investigation (January–June, 1992). This will be know as the "mandatory respondents" in the respective investigations.

Any manufacturer intending to file a voluntary response (*i.e.*, on which does not expect to be captured by the 60 percent cut-off described above) should notify the Assistant Secretary for Import Administration no later than August 7, 1992. Once the Department has determined the total number of mandatory respondents in all 48 antidumping investigations involving these steel products, and after analyzing the requests of potential voluntary respondents, we will announce our position on whether any voluntary responses can be accepted given current budgetary constraints resulting in resource and personnel shortages.

Those companies considering the filing of a voluntary response should be aware of the Department's policy regarding such responses. Once a company voluntarily submits a response to the antidumping questionnaire, it will be afforded the same treatment as a mandatory respondent. That is, we will allow the respondent to correct deficiencies in its response which are identified by the Department. However, should the response, in the opinion of the Department, be incomplete, inaccurate, untimely, or unverifiable, the Department will assign to that company an estimated margin based on the best information available, and not the "All Others" margin (*i.e.*, the weighted-average margin of the other respondents with affirmative margins).

Dated: July 22, 1992.

Alan M. Dunn,

Assistant Secretary for Import Administration.

[FR Doc. 92-17884 Filed 7-28-92; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

CALENDAR OF THE PUBLIC CONFERENCE

CALENDER OF PUBLIC CONFERENCE

Those listed below appeared at the U.S. International Trade Commission's conference on:

Subject : CERTAIN FLAT-ROLLED CARBON STEEL PRODUCTS

Invs. Nos. : 701-TA-319-354 and 731-TA-573-620

Date and Time : July 21, 1992 - 9:30 a.m.

Sessions were held in connection with the investigations in the main hearing room of the United States International Trade Commission, 500 E Street, S.W., Washington, D.C.

In Support of the Imposition of
Antidumping and
Countervailing Duties:

Dewey Ballantine
Washington, D.C., and

Skadden, Arps, Slate, Meagher & Flom
Washington, D.C.
On behalf of

Armco Steel Co., L.P.
Bethlehem Steel Corp.
Geneva Steel
Gulf States Steel, Inc. of Alabama
Inland Steel Industries, Inc.
Laclede Steel Co.,
LTV Steel Co., Inc.
Lukens Steel Co.
National Steel Corp.
Sharon Steel Corp.
USX Corp./U.S. Steel Group
WCI Steel, Inc.

D. Sheldon Arnot, Executive Vice President and Chief Commercial Officer
Bethlehem Steel

E. Dave Melcher, Program Manager, Coated Sheets
Bethlehem Steel

Rolland L. Moore, Product Line Manager, Plate Products
Bethlehem Steel

George R. Stowe, Product Line Manager, Sheet Products
Bethlehem Steel

Robert J. Grow, President and Chief Operating Officer
Geneva Steel

Philip E. Jones, Vice President, Marketing and Customer Service
Geneva Steel

Andrew Ellwein, General Manager, Marketing
Inland Steel Co.

Robert Buck, Vice President, Commercial
LTV Steel Co., Inc.

Charles Mattia, Vice President, Sales
Lukens Steel Co.

Robert E. Westergren, Vice President, Marketing and Sales
National Steel Corp.

Thomas Usher, President, U.S. Steel
USX Corp.

L.R. Perin, Executive Vice President, Sales
USX Corp.

Bruce Haines, Vice President, Sales
USX Corp.

Ralph Fifield, Vice President, Operations
USX Corp.

John Ewing, Managing Director, Business Development
USX Corp.

David Foster, Director, Flat-Rolled Products
USX Corp.

Upton Hudson, General Manager, Sheet Products
USX Corp.

James Lawrence, Manager, Sheet Products
USX Corp.

D. F. Gerard Adams, Professor of Economics and Finance, and
Director, Economics Research Unit, University of Pennsylvania

Tracy Murray, Phillips Petroleum Distinguished Professor of Economics
and Business, University of Arkansas, and
Guest Scholar, UNCTAD, Geneva, Switzerland

David J. Teece, Mitsubishi Bank Professor of International Business and
Finance, Walter A. Haas School of Business Administration, and
Director, Center of Research in Management, University of
California at Berkeley

Mark E. Zmijewski, Professor of Accounting
University of Chicago Graduate School of Business

Andrew R. Wechsler, Principal and Managing Director
Law & Economics Consulting Group

Alan Wm. Wolff)
Michael H. Stein)
Thomas R. Howell)
)--OF COUNSEL
Robert E. Lighthizer)
John J. Mangan)

In Opposition to the Imposition of
Antidumping and Countervailing Duties:

Richard Litan, Brookings Institute, Washington, D.C.

Richard Boltuck and Seth Kaplan, Trade Resources Co., Washington, D.C.

In Opposition to the Imposition of
Antidumping and Countervailing Duties
on Hot-Rolled Carbon Steel Products:

Morrison & Foerster
Washington, D.C.
On behalf of

Korean Iron and Steel Association
Pohang Iron and Steel Co., Ltd.
Dong Bu Steel Co.
Dong Kuk Steel Mill Co.
Union Steel Manufacturing Co.

Donald B. Cameron)
Julie C. Mendoza)--OF COUNSEL
Alan K. Palmer)

Squire, Sanders & Dempsey
Washington, D.C.
On behalf of

Kawasaki Steel Corporation

Adam W. Wegner)
Robert H. Huey)
Ritchie T. Thomas)--OF COUNSEL
Callie G. Pappas)
Kyra Buchko Gerardi)

Willkie Farr & Gallagher
Washington, D.C.
On behalf of

Nisshin Steel Co.

Linda Withrow, Executive Assistant to the President
California Industrial Products, Inc.

William H. Barringer)
Kenneth J. Pierce)
Daniel L. Porter)--OF COUNSEL
Robert L. LaFrankie)
David E. Bond)

Baker & Hostetler
Washington, D.C.
On behalf of

Japan Steel Works Ltd.

Kenneth G. Weigel)--OF COUNSEL
John C. Lindsey)

Willkie Farr & Gallagher
Washington, D.C.
On behalf of

Stelco, Inc.
Stelco U.S.A., Inc.

James C. Alfano, Vice President, Lake Erie Works
Stelco Ltd.

Christopher Dunn)
Kenneth J. Pierce)--OF COUNSEL
Daniel L. Porter)
Andrea Fraser-Reid)

Wilmer, Cutler & Pickering
Washington, D.C.
On behalf of

Sumitomo Metal Industries, Ltd.
Commission of the European Communities

Robert C. Cassidy, Jr.)
John D. Greenwald)--OF COUNSEL
Stavros J. Lambrinidis)
Leonard Shambon)

Leboeuf, Lamb, Leiby & Macrae
New York, N.Y.
On behalf of

Usinor Sacilor
Usinor Sacilor, Sollac

Bill Irwin, Director of Purchasing
American Cast Iron Pipe

Pierre F. de Ravel d'Esclapon)
David S. Turetsky)--OF COUNSEL
Barbara Newell)

Powell, Goldstein, Frazier & Murphy
Washington, D.C.
On behalf of

Hoogovens

Niall P. Meagher)
Peter O. Suchman)--OF COUNSEL
Richard M. Belanger)

Hogan & Hartson
Washington, D.C.
On behalf of

Algoma Steel, Inc.

Mark C. McConnell)
Lewis E. Leibowitz)
T. Clark Weymouth)--OF COUNSEL
M. Beth Peters)
Tomothy F. Mellett)

O'Melveny & Myers
Washington, D.C.
On behalf of

New Zealand Steel

Craig L. McKee)
Nina Shafran)--OF COUNSEL
Steven A. Spencer)

Steptoe & Johnson
Washington, D.C.
On behalf of

Nippon Steel Corporation

Daniel J. Plaine)
W. George Grandison)--OF COUNSEL
Edward J. Krauland)
Gracia M. Berg)

Hogan & Hartson
Washington, D.C.
On behalf of

Hoesch AG
Hoesch Stahl AG
Hoesch Export AG
Hoesch America Inc.
Berg Steel Pipe Corporation

Lewis E. Leibowitz)
Mark S. McConnell)--OF COUNSEL
Jessica Wasserman)

Arent Fox
Washington, D.C.
On behalf of

Preussag Stahl

Stephen Gibson)--OF COUNSEL

O'Melveny & Myers
Washington, D.C.
On behalf of

Sidmar
Trade ARBED

Peggy Clarke)--OF COUNSEL
Jeffrey Thomas)

Rogers & Wells
Washington, D.C.
On behalf of

ILVA

William Silverman)--OF COUNSEL
Ryan Trainor)

Weil Gotshal & Manges
Washington, D.C.
On behalf of

USS-POSCO

Leonard A. Chuderewicz, President
USS-POSCO Industries

M. Jean Anderson)--OF COUNSEL

Paul, Weiss, Rifind, Wharton & Garrison
Washington, D.C.
On behalf of

IPSCO

George Kleinfeld)--OF COUNSEL
Frank Schuchat)

In Opposition to the Imposition of
Antidumping and Countervailing Duties
on Cold-Rolled Carbon Steel Products:

Willkie Farr & Gallagher
Washington, D.C.
On behalf of

NKK Corporation
Kobe Steel Ltd.
Nisshin Steel Co., Ltd.

John G. Reilly, Trade Research & Analysis
(on behalf of Japanese respondents)

Larry A. Schroeder, Vice President, Sales
Marubeni America Corporation, Southfield, MI

Robert Pierson, President,
American Steel & Aluminum Co., Alburn, MA

William H. Barringer)
Kenneth J. Pierce)--OF COUNSEL
David E. Bond)

Steptoe & Johnson
Washington, DC
On behalf of

Nippon Steel Corp.

Daniel J. Plaine)
W. George Grandison)--OF COUNSEL
Edward J. Krauland)
Gracia M. Berg)

Squire Sanders & Dempsey
Washington, DC
On behalf of

Kawasaki Steel Corp.

Robert H. Huey)
Ritchie T. Thomas)--OF COUNSEL
Callie Georgeann Pappas)
Adam W. Wegner)

Wilmer Cutler & Pickering
Washington, DC
On behalf of

Sumitomo Metal Industries, Ltd.

John D. Greenwald)
Robert C. Cassidy, Jr.)--OF COUNSEL
Leonard M. Shambon)

LeBoeuf, Lamb, Leiby & MacRae
Washington, DC
On behalf of

Usinor Sacilor
Usinor Sacilor, Sollac

David Soble, President
Interstate Steel Co.

Pierre F. de Ravel d'Esclapon)
David S. Turetsky)--OF COUNSEL
Barbara Newell)

Morrison & Foerster
Washington, DC
On behalf of

Korea Iron & Steel Association
Pohang Iron and Steel Co., Ltd.
Dong Bu Steel Co.
Dong Kuk Steel Mill Co.
Union Steel Manufacturing Co.

Donald B. Cameron)
Julie C. Mendoza)--OF COUNSEL
Alan K. Palmer)

Rogers & Wells
Washington, DC
On behalf of

Dofasco Inc.

William Silverman)--OF COUNSEL
Douglas J. Heffner)

Powell, Goldstein, Frazer & Murphy
Washington, DC
On behalf of

Thyssen Stahl A.G. & Thyssen, Inc.
Hoogovens Ijmviden Verkiipkantvor BV

Peter O. Suchman)
Richard M. Belanger)--OF COUNSEL
Niall P. Meagher)

Rogers & Wells
Washington, DC
On behalf of

ILVA SPA
ILVA USA, Inc.

William Silverman)--OF COUNSEL
Ryan Trainor)

O'Melveny & Myers
Washington, DC
On behalf of

New Zealand Steel
Sidmar NV
TradeARBED
Broken Hill Proprietary Trading Co., Ltd.
ASC Pacific Inc.
SupraCote Inc.

Craig L. McKee)
Peggy A. Clarke)
Gary N. Horlick)--OF COUNSEL
Kermit W. Almstedt)
F. Amanda DeBusk)
Greta H. Lichtenbaum)

Rogers & Wells
Washington, DC
On behalf of

Buckbee Mears Cortland, Inc.

Carrie A. Simon)--OF COUNSEL
Douglas J. Heffner)

Ackerson & Bishop
Washington, DC
On behalf of

Altos Hornos de Vizcaya
Empresa Nacional Siderurgica

Frederick P. Waite)--OF COUNSEL
S. Arif Hyder Ali)

Mudge Rose Guthrie Ferdon & Alexander
Washington, DC
On behalf of

Propulsora Siderurgica S.A.I.C.

David P. Houlihan)--OF COUNSEL
Gregory J. Spak)

Barnes, Richardson & Colburn
Washington, DC
On behalf of

Voest-Alpine Stahl AG

Dr. Peter Wisinger, Director of International Affairs
Voest-Alpine Stahl AG, Linz, Austria

Gunter von Conrad)
Peter A. Martin)--OF COUNSEL
Peter L. Sultan)
Ronald A. Oleynik)

Hogan & Hartson
Washington, DC
On behalf of

Hoesch AG

Lewis E. Leibowitz)
Mark C. McConnell)--OF COUNSEL
Jessica Wasserman)

Arent, Fox, Kintner, Plotkin & Kahn
Washington, DC
On behalf of

Preussag Stahl AG

Stephen L. Gibson)
Eleanor Pelta)--OF COUNSEL
Laura Foote Reiff)

Hogan & Hartson
Washington, D.C.
On behalf of

Algoma Steel Inc.

Lewis E. Leibowitz)
Mark C. McConnell)--OF COUNSEL
Jessica Wasserman)

Baker & McKenzie
Washington, DC
On behalf of

Sociedad Mixta Siderurgia Argentina

Thomas P. Ondek)
B. Thomas Peele III)--OF COUNSEL
Steven Fabry)

Steptoe & Johnson
Washington, DC
On behalf of

British Steel plc

Charlene Barshefsky)--OF COUNSEL
Mark A. Moran)

Willkie Farr & Gallgher
Washington, DC
On behalf of

Stelco Inc.
Stelco USA Inc.

Christopher Dunn)--OF COUNSEL
Andrea Fraser-Reid)

In Opposition to the Imposition of
Antidumping and Countervailing Duties
on Corrosion-Resistant Flat-Rolled Products:

Morrison & Foerster
Washington, D.C.
On behalf of

Korea Iron and Steel Association
Pohang Iron and Steel Co., Ltd.
Dong Bu Steel Co.
Dong Kuk Steel Mill Co.
Union Steel Manufacturing Co.

Donald B. Cameron)
Julie C. Mendoza)--OF COUNSEL
Alan K. Palmer)

Willkie Farr & Gallagher
Washington, D.C.

On behalf of

Industrias Monterrey, S.A. de C.V.

Walter J. Spak)
Christopher Dunn)--OF COUNSEL
James Durling)

Squire, Sanders & Dempsey
Washington, D.C.
On behalf of

Kawasaki Steel Corporation

Robert T. Huey)
Ritchie T. Thomas)
Callie G. Pappas)--OF COUNSEL
Adam W. Wegner)
Kyra Buchko Gerardi)

Rogers & Wells
Washington, DC
On behalf of

Dofasco Inc.

William Silverman)--OF COUNSEL
Douglas J. Heffner)

Willkie Farr & Gallagher
Washington, D.C.
On behalf of

An Mau Steel Co.
C.V. Chen
Lee & Li

William J. Clinton)
James P. Durling)--OF COUNSEL
Daniel S. Chen)

Willkie Farr & Gallagher
Washington, D.C.
On behalf of

Nisshin Steel Co., Ltd.

William H. Barringer)
Kenneth J. Pierce)
Daniel L. Porter)--OF COUNSEL
Robert L. LaFrankie)
David E. Bond)

Baker & Hostetler
Washington, D.C.
On behalf of

Japan Steel Works Ltd.

Kenneth G. Weigel)--OF COUNSEL
John C. Lindsey)

Willkie Farr & Gallagher
Washington, D.C.
On behalf of

Stelco, Inc.
Stelco U.S.A., Inc.

John G. Reilly
Trade Research & Analysis

Brian Arthur, General Sales Manager Cold-Rolled & Coated Products
Stelco Inc.

Christopher Dunn)
Kenneth J. Pierce)--OF COUNSEL
Daniel L. Porter)
Andrea Fraser-Reid)

Wilmer, Cutler & Pickering
Washington, D.C.
On behalf of

Sumitomo Metal Industries, Ltd.
Commission of the European Communities

Robert C. Cassidy, Jr.)
John D. Greenwald)--OF COUNSEL
Stavros J. Lambrinidis)

Leboeuf, Lamb, Leiby & Macrae
New York, N.Y.
On behalf of

Usinor Sacilor
Usinor Sacilor, Sollac

Pierre F. de Ravel d'Esclapon)--OF COUNSEL
David S. Turetsky)

O'Melveny & Myers
Washington, D.C.
On behalf of

Broken Hill Proprietary Trading Co. Ltd.
ASC Pacific Inc.
SupraCote Inc.

R.J. Glather, Corporate Purchasing Manager
ASC Pacific

C. Hacker, Vice President of Sales
SupraCote, Inc.

Kermit W. Almstedt)
F. Amanda DeBusk)--OF COUNSEL
Greta H. Lichtenbaum)

Powell, Goldstein, Frazier & Murphy
Washington, D.C.
On behalf of

Thyssen Stahl A.G.
Thyssen Inc.

Russel B. Tournay, Senior Vice-President
Thyssen Steel Group, Detroit

Michael J. Bingaman, Director, Materials Technology
Thyssen Steel Group

Niall P. Meagher)
Peter O. Suchman)--OF COUNSEL
Richard M. Belanger)

Hogan & Hartson
Washington, D.C.
On behalf of

Algoma Steel, Inc.

Mark C. McConnell)
Lewis E. Leibowitz)
T. Clark Weymouth)--OF COUNSEL
M. Beth Peters)
Tomothy F. Mellett)

O'Melveny & Myers
Washington, D.C.
On behalf of

New Zealand Steel

Craig L. McKee)
Nina Shafran)--OF COUNSEL
Steven A. Spencer)

Steptoe & Johnson
Washington, D.C.
On behalf of

Nippon Steel Corporation

Edward Coles, Manager of Purchasing
Autoalliance International, Inc.

William Tuggle, President
Crown Products

Daniel J. Plaine)
W. George Grandison)--OF COUNSEL
Edward J. Krauland)
Gracia M. Berg)

Hogan & Hartson
Washington, D.C.
On behalf of

Hoesch AG
Hoesch Stahl AG
Hoesch Export AF
Hoesch America Inc.
Berg Steel Pipe Corporation

Hogan & Hartson
Washington, DC
On behalf of

Algoma Steel Inc.

Mark S. McConnell)--OF COUNSEL

Paul Weiss Rifkind Wharton & GArrison
Washington, DC
On behalf of

IPSCO, Inc.

Jim Miller, Paper Cal Steel Company
St. Paul, MN

George Kleinfeld)--OF COUNSEL

Shearman & Sterling
Washington, D.C.
On behalf of

Altos Hornos de Mexico

Jeffrey Winton)--OF COUNSEL

APPENDIX C

SUMMARY TABLES

Table C-1
Plate: Summary data concerning the U.S. market, 1989-91, January-March 1991, and January-March 1992

(Quantity=1,000 short tons, value=million dollars, unit values and unit labor costs are per short ton, period changes=percent, except where noted)

Item	Reported data			Jan.-Mar.--		Period changes			
	1989	1990	1991	1991	1992	1989-90	1990-91	1989-91	Jan.-Mar. 1991-92
U.S. consumption quantity:									
Amount	5,555	5,889	5,114	1,300	1,362	+6.0	-13.1	-7.9	+4.8
Producers' share 1/	85.0	85.6	86.4	86.2	88.2	+0.6	+0.9	+1.4	+2.0
Importers' share: 1/									
Subject sources	13.5	12.8	12.7	12.8	11.4	-0.7	-0.1	-0.8	-1.4
All sources	15.0	14.4	13.6	13.8	11.8	-0.6	-0.9	-1.4	-2.0
U.S. consumption value:									
Amount	2,636	2,700	2,254	601	564	+2.4	-16.5	-14.5	-6.0
Producers' share 1/	85.9	86.6	87.6	87.8	89.4	+0.7	+1.0	+1.7	+1.6
Importers' share: 1/									
Subject sources	12.8	11.9	11.7	11.4	10.2	-0.9	-0.2	-1.1	-1.2
All sources	14.1	13.4	12.4	12.2	10.6	-0.7	-1.0	-1.7	-1.6
U.S. importers' imports from--									
Subject sources:									
Imports quantity	751	755	651	167	155	+0.5	-13.8	-13.4	-7.0
Imports value	338	322	264	69	58	-4.5	-18.2	-21.9	-15.9
Unit value	$449	$427	$405	$411	$372	-5.0	-5.1	-9.8	-9.6
Ending inventory qty	31	53	31	22	21	+71.3	-41.0	+1.1	-3.0
All sources:									
Imports quantity	835	850	695	180	161	+1.9	-18.3	-16.8	-10.4
Imports value	372	361	279	73	60	-3.0	-22.7	-25.0	-18.6
Unit value	$446	$425	$402	$408	$371	-4.8	-5.4	-10.0	-9.1
U.S. producers'--									
Ending capacity quantity	6,476	7,142	7,187	1,803	1,717	+10.3	+0.6	+11.0	-4.8
Production quantity	4,830	5,166	4,558	1,150	1,201	+7.0	-11.8	-5.6	+4.4
Capacity utilization 1/	74.4	72.2	63.3	63.6	69.8	-2.2	-8.9	-11.1	+6.2
U.S. shipments:									
Quantity	4,721	5,038	4,420	1,121	1,202	+6.7	-12.3	-6.4	+7.2
Value	2,264	2,339	1,975	527	505	+3.3	-15.6	-12.8	-4.3
Unit value	$480	$464	$447	$471	$420	-3.2	-3.8	-6.8	-10.7
Export shipments:									
Quantity	74	102	137	34	25	+37.4	+33.7	+83.7	-26.5
Exports/shipments 1/	1.6	2.0	3.0	2.9	2.0	+0.4	+1.0	+1.4	-0.9
Value	27	40	50	14	9	+46.8	+23.9	+81.9	-35.7
Unit value	$369	$394	$365	$405	$355	+6.8	-7.3	-1.0	-12.5
Ending inventory quantity	209	226	215	218	226	+8.0	-4.7	+2.8	+3.7
Inventory/shipments 1/	4.4	4.4	4.7	4.7	4.6	2/	+0.3	+0.4	-0.1
Production workers	6,005	6,845	6,289	6,537	6,113	+14.0	-8.1	+4.7	-6.5
Hours worked (1,000s)	13,366	15,349	13,877	3,589	3,397	+14.8	-9.6	+3.8	-5.3
Total comp. ($ million)	292	350	334	86	90	+20.1	-4.6	+14.6	+4.4
Hourly total compensation	$21.83	$22.82	$24.09	$23.94	$26.41	+4.5	+5.6	+10.4	+10.3
Productivity (short tons per 1,000 hours)	360.4	336.0	327.6	319.6	352.6	-6.8	-2.5	-9.1	+10.3
Unit labor costs	$61	$68	$74	$75	$75	+12.1	+8.3	+21.4	3/
Net sales value	2,071	2,121	1,689	443	427	+2.4	-20.3	-18.4	-3.6
COGS/sales 1/	83.4	86.8	93.0	92.6	96.8	+3.4	+6.2	+9.6	+4.1
Operating income (loss)	267	192	41	11	(8)	-28.2	-78.4	-84.5	-170.9
Op. income (loss)/sales 1/	12.9	9.0	2.5	2.5	(1.8)	-3.9	-6.6	-10.5	-4.3

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.
2/ An increase of less than 0.05 percentage points.
3/ A decrease of less than 0.05 percent.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table C-2
Hot-rolled products: Summary data concerning the U.S. market, 1989-91, January-March 1991, and January-March 1992

(Quantity=1,000 short tons, value=million dollars, unit values and unit labor costs are per short ton, period changes=percent, except where noted)

Item	Reported data			Jan.-Mar.--		Period changes			
	1989	1990	1991	1991	1992	1989-90	1990-91	1989-91	Jan.-Mar. 1991-92
U.S. consumption quantity:									
Amount	45,267	47,961	41,336	9,110	11,953	+6.0	-13.8	-8.7	+31.2
Producers' share 1/	94.6	94.0	93.7	92.5	93.7	-0.7	-0.3	-1.0	+1.2
Importers' share: 1/									
Subject sources	5.0	5.6	6.1	6.9	6.1	+0.7	+0.4	+1.1	-0.8
All sources	5.4	6.0	6.3	7.5	6.3	+0.7	+0.3	+1.0	-1.2
U.S. consumption value:									
Amount	16,534	16,305	13,211	3,052	3,792	-1.4	-19.0	-20.1	+24.3
Producers' share 1/	93.8	93.4	93.0	91.9	93.2	-0.4	-0.5	-0.8	+1.3
Importers' share: 1/									
Subject sources	5.8	6.2	6.8	7.6	6.6	+0.4	+0.6	+1.0	-1.0
All sources	6.2	6.6	7.0	8.1	6.8	+0.4	+0.5	+0.8	-1.3
U.S. importers' imports from--									
Subject sources:									
Imports quantity	2,245	2,700	2,508	632	734	+20.3	-7.1	+11.7	+16.1
Imports value	951	1,007	894	232	252	+5.9	-11.2	-6.0	+8.7
Unit value	$424	$373	$356	$367	$344	-12.0	-4.4	-15.9	-6.4
Ending inventory qty	63	78	81	53	73	+22.5	+4.8	+28.3	+37.4
All sources:									
Imports quantity	2,429	2,886	2,618	685	753	+18.8	-9.3	+7.8	+9.8
Imports value	1,024	1,070	930	248	259	+4.5	-13.1	-9.1	+4.2
Unit value	$421	$371	$355	$362	$344	-12.0	-4.2	-15.7	-5.1
U.S. producers'--									
Ending capacity quantity	53,204	55,791	51,945	13,800	13,495	+4.9	-6.9	-2.4	-2.2
Production quantity	44,834	46,656	41,341	9,317	11,434	+4.1	-11.4	-7.8	+22.7
Capacity utilization 1/	83.6	82.8	78.7	66.7	84.0	-0.7	-4.1	-4.9	+17.2
U.S. shipments:									
Quantity	42,838	45,075	38,718	8,425	11,200	+5.2	-14.1	-9.6	+32.9
Value	15,511	15,235	12,281	2,803	3,533	-1.8	-19.4	-20.8	+26.0
Unit value	$362	$338	$317	$333	$315	-6.7	-6.2	-12.4	-5.2
Export shipments:									
Quantity	1,826	968	2,218	620	154	-47.0	+129.1	+21.5	-75.1
Exports/shipments 1/	4.1	2.1	5.4	6.9	1.4	-2.0	+3.3	+1.3	-5.5
Value	662	355	604	176	44	-46.4	+70.0	-8.8	-75.3
Unit value	$363	$367	$272	$284	$282	+1.1	-25.8	-25.0	-0.6
Ending inventory quantity	1,653	1,823	1,766	1,984	1,743	+10.3	-3.1	+6.8	-12.2
Inventory/shipments 1/	3.7	4.0	4.3	5.5	3.8	+0.3	+0.4	+0.6	-1.6
Production workers	18,055	19,027	17,997	18,652	17,978	+5.4	-5.4	-0.3	-3.6
Hours worked (1,000s)	39,886	41,657	39,050	9,926	10,045	+4.4	-6.3	-2.1	+1.2
Total comp. ($ million)	944	1,050	1,070	270	283	+11.2	+1.9	+13.3	+5.0
Hourly total compensation	$23.67	$25.21	$27.40	$27.16	$28.18	+6.5	+8.7	+15.8	+3.8
Productivity (short tons per 1,000 hours)	1,115.2	1,109.4	1,046.8	927.5	1,128.0	-0.5	-5.6	-6.1	+21.6
Unit labor costs	$21	$23	$26	$29	$25	+7.1	+15.2	+23.3	-14.7
Net sales value	15,489	14,500	11,770	2,741	3,284	-6.4	-18.8	-24.0	+19.8
COGS/sales 1/	86.8	94.6	106.0	107.2	102.1	+7.8	+11.4	+19.2	-5.1
Operating income (loss)	1,339	56	(1,352)	(359)	(252)	-95.8	2/	-201.0	+29.9
Op. income (loss)/sales 1/	8.6	0.4	(11.5)	(13.1)	(7.7)	-8.3	-11.9	-20.1	+5.4

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.
2/ A decrease of 1,000 percent or more.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table C-3
Cold-rolled products: Summary data concerning the U.S. market, 1989-91, January-March 1991, and January-March 1992

(Quantity=1,000 short tons, value=million dollars, unit values and unit labor costs are per short ton, period changes=percent, except where noted)

	Reported data					Period changes			
				Jan.-Mar.--					Jan.-Mar.
Item	1989	1990	1991	1991	1992	1989-90	1990-91	1989-91	1991-92
U.S. consumption quantity:									
Amount	25,629	25,806	22,487	5,084	6,535	+0.7	-12.9	-12.3	+28.6
Producers' share 1/	92.7	92.5	92.3	91.0	93.5	-0.3	-0.2	-0.5	+2.4
Importers' share: 1/									
Subject sources	7.0	7.1	7.5	8.6	6.4	+0.1	+0.3	+0.4	-2.2
All sources	7.3	7.5	7.7	9.0	6.5	+0.3	+0.2	+0.5	-2.4
U.S. consumption value:									
Amount	12,317	12,031	10,222	2,373	2,955	-2.3	-15.0	-17.0	+24.5
Producers' share 1/	91.7	91.9	91.7	90.5	93.0	+0.2	-0.2	2/	+2.5
Importers' share: 1/									
Subject sources	8.0	7.7	8.0	9.0	6.8	-0.2	+0.3	3/	-2.3
All sources	8.3	8.1	8.3	9.5	7.0	-0.2	+0.2	3/	-2.5
U.S. importers' imports from--									
Subject sources:									
Imports quantity	1,802	1,842	1,675	436	417	+2.2	-9.0	-7.0	-4.3
Imports value	977	926	813	214	200	-5.2	-12.2	-16.8	-6.7
Unit value	$542	$503	$485	$492	$479	-7.2	-3.5	-10.5	-2.5
Ending inventory qty	114	136	121	105	86	+17.7	-10.6	+5.2	-18.0
All sources:									
Imports quantity	1,863	1,941	1,741	455	427	+4.2	-10.3	-6.5	-6.1
Imports value	1,018	975	848	224	206	-4.2	-13.0	-16.7	-8.4
Unit value	$546	$502	$487	$493	$481	-8.1	-3.1	-10.9	-2.4
U.S. producers'--									
Ending capacity quantity	28,992	29,902	29,947	7,436	7,744	+3.1	+0.2	+3.3	+4.1
Production quantity	24,415	24,510	21,207	4,502	6,161	+0.4	-13.5	-13.1	+36.9
Capacity utilization 1/	83.1	81.1	69.7	59.4	78.5	-2.0	-11.3	-13.3	+19.0
U.S. shipments:									
Quantity	23,766	23,866	20,746	4,628	6,108	+0.4	-13.1	-12.7	+32.0
Value	11,299	11,057	9,374	2,148	2,749	-2.1	-15.2	-17.0	+28.0
Unit value	$475	$463	$452	$464	$450	-2.5	-2.5	-5.0	-3.0
Export shipments:									
Quantity	326	189	172	42	54	-42.1	-8.7	-47.1	+29.8
Exports/shipments 1/	1.4	0.8	0.8	0.9	0.9	-0.6	3/	-0.5	2/
Value	153	90	85	21	26	-41.2	-5.9	-44.7	+28.0
Unit value	$470	$477	$492	$493	$483	+1.6	+3.0	+4.7	-2.0
Ending inventory quantity	1,659	1,864	1,845	1,607	1,757	+12.4	-1.0	+11.2	+9.3
Inventory/shipments 1/	6.9	7.7	8.8	8.6	7.1	+0.9	+1.1	+1.9	-1.5
Production workers	16,844	16,406	13,548	12,882	14,748	-2.6	-17.4	-19.6	+14.5
Hours worked (1,000s)	36,413	35,458	28,996	6,748	8,097	-2.6	-18.2	-20.4	+20.0
Total comp. ($ million)	879	894	802	187	236	+1.7	-10.3	-8.8	+26.2
Hourly total compensation	$24.15	$25.21	$27.65	$27.70	$29.15	+4.4	+9.7	+14.5	+5.2
Productivity (short tons per 1,000 hours)	668.8	691.0	729.4	655.0	750.6	+3.3	+5.3	+8.8	+14.6
Unit labor costs	$36	$37	$38	$42	$39	+1.1	+4.1	+5.2	-8.2
Net sales value	11,248	10,506	8,977	2,050	2,613	-6.6	-14.6	-20.2	+27.5
COGS/sales 1/	87.8	93.1	99.8	104.5	97.8	+5.3	+6.7	+12.0	-6.7
Operating income (loss)	922	267	(406)	(197)	(64)	-71.1	-252.4	-144.1	+67.7
Op. income (loss)/sales 1/	8.2	2.5	(4.5)	(9.6)	(2.4)	-5.7	-7.1	-12.7	+7.2

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.
2/ A decrease of less than 0.05 percentage points.
3/ An increase of less than 0.05 percentage points.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table C-4
Corrosion-resistant products: Summary data concerning the U.S. market, 1989-91, January-March 1991, and January-March 1992

(Quantity=1,000 short tons, value=million dollars, unit values and unit labor costs are per short ton, period changes=percent, except where noted)

Item	Reported data			Jan.-Mar.--		Period changes			
	1989	1990	1991	1991	1992	1989-90	1990-91	1989-91	Jan.-Mar. 1991-92
U.S. consumption quantity:									
Amount	12,059	11,892	10,804	2,481	2,980	-1.4	-9.1	-10.4	+20.1
Producers' share 1/	84.5	84.3	83.8	80.1	85.8	-0.2	-0.5	-0.7	+5.8
Importers' share: 1/									
Subject sources	14.4	14.5	14.9	18.3	13.2	+0.1	+0.4	+0.5	-5.1
All sources	15.5	15.7	16.2	19.9	14.2	+0.2	+0.5	+0.7	-5.8
U.S. consumption value:									
Amount	7,426	7,320	6,450	1,499	1,803	-1.4	-11.9	-13.2	+20.3
Producers' share 1/	83.0	82.7	82.8	78.9	82.3	-0.3	+0.1	-0.2	+3.4
Importers' share: 1/									
Subject sources	15.9	16.1	16.0	19.4	16.5	+0.2	-0.1	+0.1	-2.9
All sources	17.0	17.3	17.2	21.1	17.7	+0.3	-0.1	+0.2	-3.4
U.S. importers' imports from--									
Subject sources:									
Imports quantity	1,740	1,722	1,611	453	393	-1.0	-6.5	-7.4	-13.3
Imports value	1,184	1,182	1,035	290	297	-0.2	-12.4	-12.6	+2.3
Unit value	$680	$686	$643	$641	$756	+0.8	-6.4	-5.6	+18.0
Ending inventory qty	100	113	120	124	124	+13.1	+6.0	+19.8	+0.2
All sources:									
Imports quantity	1,871	1,870	1,753	494	422	2/	-6.2	-6.3	-14.7
Imports value	1,270	1,273	1,118	316	320	+0.2	-12.2	-12.0	+1.1
Unit value	$679	$681	$638	$640	$759	+0.3	-6.3	-6.1	+18.5
U.S. producers'--									
Ending capacity quantity	11,730	12,345	12,828	3,115	3,303	+5.2	+3.9	+9.4	+6.0
Production quantity	10,832	10,424	9,291	2,015	2,615	-3.8	-10.9	-14.2	+29.8
Capacity utilization 1/	91.3	83.7	71.6	63.8	78.5	-7.6	-12.1	-19.7	+14.6
U.S. shipments:									
Quantity	10,188	10,021	9,051	1,986	2,558	-1.6	-9.7	-11.2	+28.8
Value	6,156	6,046	5,331	1,183	1,483	-1.8	-11.8	-13.4	+25.4
Unit value	$604	$603	$589	$595	$580	-0.2	-2.4	-2.5	-2.6
Export shipments:									
Quantity	448	252	247	56	57	-43.8	-1.7	-44.8	+1.5
Exports/shipments 1/	4.2	2.4	2.7	2.7	2.2	-1.8	+0.2	-1.6	-0.6
Value	263	158	163	36	38	-40.0	+2.9	-38.3	+5.1
Unit value	$588	$628	$657	$644	$667	+6.7	+4.7	+11.7	+3.5
Ending inventory quantity	1,102	1,241	1,155	1,196	1,195	+12.6	-6.9	+4.8	-0.1
Inventory/shipments 1/	10.6	12.3	12.7	15.0	11.6	+1.7	+0.4	+2.1	-3.3
Production workers	12,351	11,861	10,823	9,878	11,015	-4.0	-8.8	-12.4	+11.5
Hours worked (1,000s)	26,595	25,200	22,685	5,210	6,036	-5.2	-10.0	-14.7	+15.9
Total comp. ($ million)	644	650	641	146	179	+0.9	-1.4	-0.5	+22.1
Hourly total compensation	$24.22	$25.80	$28.25	$28.12	$29.63	+6.5	+9.5	+16.6	+5.4
Productivity (short tons per 1,000 hours)	392.1	400.5	393.7	369.9	418.2	+2.1	-1.7	+0.4	+13.1
Unit labor costs	$62	$64	$72	$76	$71	+4.3	+11.4	+16.2	-6.8
Net sales value	6,183	5,823	5,117	1,134	1,407	-5.8	-12.1	-17.2	+24.0
COGS/sales 1/	89.1	88.6	94.7	102.4	95.0	-0.5	+6.1	+5.6	-7.5
Operating income (loss)	452	441	61	(79)	13	-2.4	-86.1	-86.4	+116.4
Op. income (loss)/sales 1/	7.3	7.6	1.2	(7.0)	0.9	+0.3	-6.4	-6.1	+7.9

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.
2/ A decrease of less than 0.05 percent.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table C-5
Plate: Summary data concerning the U.S. open-market only (except where specified), 1989-91, January-March 1991, and January-March 1992

(Quantity=1,000 short tons, value=million dollars, unit values and unit labor costs are per short ton, period changes=percent, except where noted)

Item	Reported data			Jan.-Mar.--		Period changes			
	1989	1990	1991	1991	1992	1989-90	1990-91	1989-91	Jan.-Mar. 1991-92
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share 1/	***	***	***	***	***	***	***	***	***
Importers' share: 1/									
Subject sources	***	***	***	***	***	***	***	***	***
All sources	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share 1/	***	***	***	***	***	***	***	***	***
Importers' share: 1/									
Subject sources	***	***	***	***	***	***	***	***	***
All sources	***	***	***	***	***	***	***	***	***
U.S. importers' imports from--									
Subject sources:									
Imports quantity	751	755	651	167	155	+0.5	-13.8	-13.4	-7.0
Imports value	338	322	264	69	58	-4.5	-18.2	-21.9	-15.9
Unit value	$449	$427	$405	$411	$372	-5.0	-5.1	-9.8	-9.6
Ending inventory qty	-	-	-	-	-	-	-	-	-
All sources:									
Imports quantity	835	850	695	180	161	+1.9	-18.3	-16.8	-10.4
Imports value	372	361	279	73	60	-3.0	-22.7	-25.0	-18.6
Unit value	$446	$425	$402	$408	$371	-4.8	-5.4	-10.0	-9.1
U.S. producers'--									
Ending capacity quantity	6,476	7,142	7,187	1,803	1,717	+10.3	+0.6	+11.0	-4.8
Production quantity	4,830	5,166	4,558	1,150	1,201	+7.0	-11.8	-5.6	+4.4
Capacity utilization 1/	74.4	72.2	63.3	63.6	69.8	-2.2	-8.9	-11.1	+6.2
Domestic shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Company transfers:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	74	102	137	34	25	+37.4	+33.7	+83.7	-26.5
Exports/shipments 1/	1.6	2.0	3.0	2.9	2.0	+0.4	+1.0	+1.4	-0.9
Value	27	40	50	14	9	+46.8	+23.9	+81.9	-35.7
Unit value	$369	$394	$365	$405	$355	+6.8	-7.3	-1.0	-12.5
Ending inventory quantity	209	226	215	218	226	+8.0	-4.7	+2.8	+3.7
Inventory/shipments 1/	4.4	4.4	4.7	4.7	4.6	2/	+0.3	+0.4	-0.1
Production workers	6,005	6,845	6,289	6,537	6,113	+14.0	-8.1	+4.7	-6.5
Hours worked (1,000s)	13,366	15,349	13,877	3,589	3,397	+14.8	-9.6	+3.8	-5.3
Total comp. ($ million)	292	350	334	86	90	+20.1	-4.6	+14.6	+4.4
Hourly total compensation	$21.83	$22.82	$24.09	$23.94	$26.41	+4.5	+5.6	+10.4	+10.3
Productivity (short tons per 1,000 hours)	360.4	336.0	327.6	319.6	352.6	-6.8	-2.5	-9.1	+10.3
Unit labor costs	$61	$68	$74	$75	$75	+12.1	+8.3	+21.4	3/
Net trade sales value	***	***	***	***	***	***	***	***	***
COGS/sales 1/	***	***	***	***	***	***	***	***	***
Operating income (loss)	***	***	***	***	***	***	***	***	***
Op. income (loss)/sales 1/	***	***	***	***	***	***	***	***	***

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.
2/ An increase of less than 0.05 percentage points.
3/ A decrease of less than 0.05 percent.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table C-6
Hot-rolled products: Summary data concerning the U.S. open-market only (except where specified), 1989-91, January-March 1991, and January-March 1992

(Quantity=1,000 short tons, value=million dollars, unit values and unit labor costs are per short ton, period changes=percent, except where noted)

Item	Reported data			Jan.-Mar.--		Period changes			
	1989	1990	1991	1991	1992	1989-90	1990-91	1989-91	Jan.-Mar. 1991-92
U.S. consumption quantity:									
Amount	17,307	18,908	16,509	3,897	4,817	+9.2	-12.7	-4.6	+23.6
Producers' share 1/	86.0	84.7	84.1	82.4	84.4	-1.2	-0.6	-1.8	+2.0
Importers' share: 1/									
Subject sources	13.0	14.3	15.2	16.2	15.2	+1.3	+0.9	+2.2	-1.0
All sources	14.0	15.3	15.9	17.6	15.6	+1.2	+0.6	+1.8	-2.0
U.S. consumption value:									
Amount	6,516	6,550	5,431	1,336	1,567	+0.5	-17.1	-16.6	+17.3
Producers' share 1/	84.3	83.7	82.9	81.4	83.5	-0.6	-0.8	-1.4	+2.1
Importers' share: 1/									
Subject sources	14.6	15.4	16.5	17.4	16.1	+0.8	+1.1	+1.9	-1.3
All sources	15.7	16.3	17.1	18.6	16.5	+0.6	+0.8	+1.4	-2.1
U.S. importers' imports from--									
Subject sources:									
Imports quantity	2,245	2,700	2,508	632	734	+20.3	-7.1	+11.7	+16.1
Imports value	951	1,007	894	232	252	+5.9	-11.2	-6.0	+8.7
Unit value	$424	$373	$356	$367	$344	-12.0	-4.4	-15.9	-6.4
Ending inventory qty	-	-	-	-	-	-	-	-	-
All sources:									
Imports quantity	2,429	2,886	2,618	685	753	+18.8	-9.3	+7.8	+9.8
Imports value	1,024	1,070	930	248	259	+4.5	-13.1	-9.1	+4.2
Unit value	$421	$371	$355	$362	$344	-12.0	-4.2	-15.7	-5.1
U.S. producers'--									
Ending capacity quantity	53,204	55,791	51,945	13,800	13,495	+4.9	-6.9	-2.4	-2.2
Production quantity	44,834	46,656	41,341	9,317	11,434	+4.1	-11.4	-7.8	+22.7
Capacity utilization 1/	83.6	82.8	78.7	66.7	84.0	-0.7	-4.1	-4.9	+17.2
Domestic shipments:									
Quantity	14,878	16,022	13,890	3,211	4,064	+7.7	-13.3	-6.6	+26.6
Value	5,493	5,479	4,501	1,087	1,308	-0.2	-17.9	-18.0	+20.3
Unit value	$369	$342	$324	$339	$322	-7.4	-5.2	-12.2	-5.0
Company transfers:									
Quantity	27,960	29,053	24,827	5,214	7,136	+3.9	-14.5	-11.2	+36.9
Value	10,018	9,755	7,779	1,716	2,225	-2.6	-20.3	-22.3	+29.7
Unit value	$358	$336	$313	$329	$312	-6.3	-6.7	-12.5	-5.3
Export shipments:									
Quantity	1,826	968	2,218	620	154	-47.0	+129.1	+21.5	-75.1
Exports/shipments 1/	4.1	2.1	5.4	6.9	1.4	-2.0	+3.3	+1.3	-5.5
Value	662	355	604	176	44	-46.4	+70.0	-8.8	-75.3
Unit value	$363	$367	$272	$284	$282	+1.1	-25.8	-25.0	-0.6
Ending inventory quantity	1,653	1,823	1,766	1,984	1,743	+10.3	-3.1	+6.8	-12.2
Inventory/shipments 1/	3.7	4.0	4.3	5.5	3.8	+0.3	+0.4	+0.6	-1.6
Production workers	18,055	19,027	17,997	18,652	17,978	+5.4	-5.4	-0.3	-3.6
Hours worked (1,000s)	39,886	41,657	39,050	9,926	10,045	+4.4	-6.3	-2.1	+1.2
Total comp. ($ million)	944	1,050	1,070	270	283	+11.2	+1.9	+13.3	+5.0
Hourly total compensation	$23.67	$25.21	$27.40	$27.16	$28.18	+6.5	+8.7	+15.8	+3.8
Productivity (short tons per 1,000 hours)	1,115.2	1,109.4	1,046.8	927.5	1,128.0	-0.5	-5.6	-6.1	+21.6
Unit labor costs	$21	$23	$26	$29	$25	+7.1	+15.2	+23.3	-14.7
Net trade sales value	5,426	5,073	4,351	1,062	1,133	-6.5	-14.2	-19.8	+6.7
COGS/sales 1/	86.8	94.6	105.0	107.8	101.7	+7.8	+10.5	+18.2	-6.0
Operating income (loss)	466	16	(448)	(144)	(82)	-96.5	2/	-196.1	+43.0
Op. income (loss)/sales 1/	8.6	0.3	(10.3)	(13.6)	(7.3)	-8.3	-10.6	-18.9	+6.3

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.
2/ A decrease of 1,000 percent or more.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table C-7
Cold-rolled products: Summary data concerning the U.S. open-market only (except where specified), 1989-91, January-March 1991, and January-March 1992

(Quantity=1,000 short tons, value=million dollars, unit values and unit labor costs are per short ton, period changes=percent, except where noted)

Item	Reported data			Jan.-Mar.--		Period changes			Jan.-Mar.
	1989	1990	1991	1991	1992	1989-90	1990-91	1989-91	1991-92
U.S. consumption quantity:									
Amount	13,795	13,767	11,959	2,757	3,450	-0.2	-13.1	-13.3	+25.1
Producers' share 1/	86.5	85.9	85.4	83.5	87.6	-0.6	-0.5	-1.1	+4.1
Importers' share: 1/									
Subject sources	13.1	13.4	14.0	15.8	12.1	+0.3	+0.6	+0.9	-3.7
All sources	13.5	14.1	14.6	16.5	12.4	+0.6	+0.5	+1.1	-4.1
U.S. consumption value:									
Amount	6,804	6,535	5,507	1,303	1,565	-4.0	-15.7	-19.1	+20.1
Producers' share 1/	85.0	85.0	84.5	82.8	86.9	2/	-0.5	-0.4	+4.1
Importers' share: 1/									
Subject sources	14.4	14.2	14.9	16.4	12.8	-0.2	+0.6	+0.4	-3.7
All sources	15.0	15.0	15.5	17.2	13.1	3/	+0.5	+0.4	-4.1
U.S. importers' imports from--									
Subject sources:									
Imports quantity	1,802	1,842	1,675	436	417	+2.2	-9.0	-7.0	-4.3
Imports value	977	926	813	214	200	-5.2	-12.2	-16.8	-6.7
Unit value	$542	$503	$485	$492	$479	-7.2	-3.5	-10.5	-2.5
Ending inventory qty	-	-	-	-	-	-	-	-	-
All sources:									
Imports quantity	1,863	1,941	1,741	455	427	+4.2	-10.3	-6.5	-6.1
Imports value	1,018	975	848	224	206	-4.2	-13.0	-16.7	-8.4
Unit value	$546	$502	$487	$493	$481	-8.1	-3.1	-10.9	-2.4
U.S. producers'--									
Ending capacity quantity	28,992	29,902	29,947	7,436	7,744	+3.1	+0.2	+3.3	+4.1
Production quantity	24,415	24,510	21,207	4,502	6,161	+0.4	-13.5	-13.1	+36.9
Capacity utilization 1/	83.1	81.1	69.7	59.4	78.5	-2.0	-11.3	-13.3	+19.0
Domestic shipments:									
Quantity	11,932	11,826	10,218	2,302	3,023	-0.9	-13.6	-14.4	+31.3
Value	5,786	5,560	4,659	1,079	1,360	-3.9	-16.2	-19.5	+26.0
Unit value	$485	$470	$456	$469	$450	-3.0	-3.0	-6.0	-4.0
Company transfers:									
Quantity	11,834	12,039	10,528	2,326	3,085	+1.7	-12.6	-11.0	+32.6
Value	5,513	5,497	4,715	1,069	1,390	-0.3	-14.2	-14.5	+29.9
Unit value	$466	$457	$448	$460	$451	-2.0	-1.9	-3.9	-2.0
Export shipments:									
Quantity	326	189	172	42	54	-42.1	-8.7	-47.1	+29.8
Exports/shipments 1/	1.4	0.8	0.8	0.9	0.9	-0.6	2/	-0.5	3/
Value	153	90	85	21	26	-41.2	-5.9	-44.7	+28.0
Unit value	$470	$477	$492	$493	$483	+1.6	+3.0	+4.7	-2.0
Ending inventory quantity	1,659	1,864	1,845	1,607	1,757	+12.4	-1.0	+11.2	+9.3
Inventory/shipments 1/	6.9	7.7	8.8	8.6	7.1	+0.9	+1.1	+1.9	-1.5
Production workers	16,844	16,406	13,548	12,882	14,748	-2.6	-17.4	-19.6	+14.5
Hours worked (1,000s)	36,413	35,458	28,996	6,748	8,097	-2.6	-18.2	-20.4	+20.0
Total comp. ($ million)	879	894	802	187	236	+1.7	-10.3	-8.8	+26.2
Hourly total compensation	$24.15	$25.21	$27.65	$27.70	$29.15	+4.4	+9.7	+14.5	+5.2
Productivity (short tons per 1,000 hours)	668.8	691.0	729.4	655.0	750.6	+3.3	+5.3	+8.8	+14.6
Unit labor costs	$36	$37	$38	$42	$39	+1.1	+4.1	+5.2	-8.2
Net trade sales value	5,430	5,064	4,272	993	1,243	-6.7	-15.7	-21.3	+25.1
COGS/sales 1/	87.8	93.1	99.8	104.8	97.3	+5.3	+6.7	+12.0	-7.5
Operating income (loss)	464	153	(164)	(93)	(19)	-67.1	-206.9	-135.2	+79.7
Op. income (loss)/sales 1/	8.6	3.0	(3.8)	(9.3)	(1.5)	-5.5	-6.8	-12.4	+7.8

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.
2/ An increase of less than 0.05 percentage points.
3/ A decrease of less than 0.05 percentage points.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table C-8
Corrosion-resistant products: Summary data concerning the U.S. open-market only (except where specified), 1989-91, January-March 1991, and January-March 1992

(Quantity=1,000 short tons, value=million dollars, unit values and unit labor costs are per short ton, period changes=percent, except where noted)

Item	Reported data					Period changes			
				Jan.-Mar.--					Jan.-Mar.
	1989	1990	1991	1991	1992	1989-90	1990-91	1989-91	1991-92
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share 1/	***	***	***	***	***	***	***	***	***
Importers' share: 1/									
Subject sources	***	***	***	***	***	***	***	***	***
All sources	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share 1/	***	***	***	***	***	***	2/	***	***
Importers' share: 1/									
Subject sources	***	***	***	***	***	***	***	***	***
All sources	***	***	***	***	***	***	3/	***	***
U.S. importers' imports from--									
Subject sources:									
Imports quantity	1,740	1,722	1,611	453	393	-1.0	-6.5	-7.4	-13.3
Imports value	1,184	1,182	1,035	290	297	-0.2	-12.4	-12.6	+2.3
Unit value	$680	$686	$643	$641	$756	+0.8	-6.4	-5.6	+18.0
Ending inventory qty	-	-	-	-	-	-	-	-	-
All sources:									
Imports quantity	1,871	1,870	1,753	494	422	4/	-6.2	-6.3	-14.7
Imports value	1,270	1,273	1,118	316	320	+0.2	-12.2	-12.0	+1.1
Unit value	$679	$681	$638	$640	$759	+0.3	-6.3	-6.1	+18.5
U.S. producers'--									
Ending capacity quantity	11,730	12,345	12,828	3,115	3,303	+5.2	+3.9	+9.4	+6.0
Production quantity	10,832	10,424	9,291	2,015	2,615	-3.8	-10.9	-14.2	+29.8
Capacity utilization 1/	91.3	83.7	71.6	63.8	78.5	-7.6	-12.1	-19.7	+14.6
Domestic shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Company transfers:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	448	252	247	56	57	-43.8	-1.7	-44.8	+1.5
Exports/shipments 1/	4.2	2.4	2.7	2.7	2.2	-1.8	+0.2	-1.6	-0.6
Value	263	158	163	36	38	-40.0	+2.9	-38.3	+5.1
Unit value	$588	$628	$657	$644	$667	+6.7	+4.7	+11.7	+3.5
Ending inventory quantity	1,102	1,241	1,155	1,196	1,195	+12.6	-6.9	+4.8	-0.1
Inventory/shipments 1/	10.6	12.3	12.7	15.0	11.6	+1.7	+0.4	+2.1	-3.3
Production workers	12,351	11,861	10,823	9,878	11,015	-4.0	-8.8	-12.4	+11.5
Hours worked (1,000s)	26,595	25,200	22,685	5,210	6,036	-5.2	-10.0	-14.7	+15.9
Total comp. ($ million)	644	650	641	146	179	+0.9	-1.4	-0.5	+22.1
Hourly total compensation	$24.22	$25.80	$28.25	$28.12	$29.63	+6.5	+9.5	+16.6	+5.4
Productivity (short tons per 1,000 hours)	392.1	400.5	393.7	369.9	418.2	+2.1	-1.7	+0.4	+13.1
Unit labor costs	$62	$64	$72	$76	$71	+4.3	+11.4	+16.2	-6.8
Net trade sales value	***	***	***	***	***	***	***	***	***
COGS/sales 1/	***	***	***	***	***	***	***	***	***
Operating income (loss)	***	***	***	***	***	***	***	***	***
Op. income (loss)/sales 1/	***	***	***	***	***	***	***	***	***

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.
2/ An increase of less than 0.05 percentage points.
3/ A decrease of less than 0.05 percentage points.
4/ A decrease of less than 0.05 percent.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

APPENDIX D

HARMONIZED TARIFF SCHEDULE

HARMONIZED TARIFF SCHEDULE of the United States (1992)

Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf. & cd		Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
			II. IRON AND NONALLOY STEEL				
7206			Iron and nonalloy steel in ingots or other primary forms (excluding iron of heading 7203):				
7206.10.00	00	5	Ingots	kg	4.2%	Free (E,IL) 2.5% (CA)	20%
7206.90.00	00	8	Other	kg	4.2%	Free (A,E,IL) 2.5% (CA)	20%
7207			Semifinished products of iron or nonalloy steel: Containing by weight less than 0.25 percent of carbon:				
7207.11.00	00	3	Of rectangular (including square) cross section, the width measuring less than twice the thickness	kg	4.2%	Free (E,IL) 2.5% (CA)	20%
7207.12.00			Other, of rectangular (other than square) cross section		4.2%	Free (E,IL) 2.5% (CA)	20%
	10	0	Having a width measuring less than four times the thickness	kg			
	50	1	Having a width measuring at least four times the thickness	kg			
7207.19.00			Other		4.2%	Free (E,IL) 2.5% (CA)	20%
	30	9	Of circular cross section	kg			
	90	6	Other	kg			
7207.20.00			Containing by weight 0.25 percent or more of carbon		4.2%	Free (E,IL) 2.5% (CA)	20%
			Of rectangular (including square) cross section:				
	25	3	Having a width measuring less than four times the thickness	kg			
	45	9	Having a width measuring at least four times the thickness	kg			
	75	2	Of circular cross section	kg			
	90	3	Other	kg			
7208			Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated: In coils, not further worked than hot-rolled, of high-strength steel:				
7208.11.00	00	2	Of a thickness exceeding 10 mm	kg	6%	Free (E,IL) 3.6% (CA)	20%
7208.12.00	00	1	Of a thickness of 4.75 mm or more but not exceeding 10 mm	kg	6%	Free (E,IL) 3.6% (CA)	20%
7208.13			Of a thickness of 3 mm or more but less than 4.75 mm:				
7208.13.10	00	8	Pickled	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7208.13.50	00	9	Other	kg	4.9%	Free (E,IL) 2.9% (CA)	20%
7208.14			Of a thickness of less than 3 mm:				
7208.14.10	00	7	Pickled	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7208.14.50	00	8	Other	kg	4.9%	Free (E,IL) 2.9% (CA)	20%

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Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
7208 (con.)		Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated (con.):				
		Other, in coils, not further worked than hot-rolled:				
7208.21		Of a thickness exceeding 10 mm:				
7208.21.10	00 8	Pickled	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7208.21.50	00 9	Other	kg	6%	Free (E,IL) 3.6% (CA)	20%
7208.22		Of a thickness of 4.75 mm or more but not exceeding 10 mm:				
7208.22.10	00 7	Pickled	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7208.22.50	00 8	Other	kg	6%	Free (E,IL) 3.6% (CA)	20%
7208.23		Of a thickness of 3 mm or more but less than 4.75 mm:				
7208.23.10	00 6	Pickled	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7208.23.50		Other		4.9%	Free (E,IL) 2.9% (CA)	20%
	30 1	With untrimmed edges	kg			
	90 8	Other	kg			
7208.24		Of a thickness of less than 3 mm:				
7208.24.10	00 5	Pickled	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7208.24.50		Other		4.9%	Free (E,IL) 2.9% (CA)	20%
	30 0	With untrimmed edges	kg			
	90 7	Other	kg			
		Not in coils, not further worked than hot-rolled, of high-strength steel:				
7208.31.00	00 8	Universal mill plate	kg	6%	Free (E,IL) 3.6% (CA)	20%
7208.32.00	00 7	Other, of a thickness exceeding 10 mm	kg	6%	Free (E,IL) 3.6% (CA)	20%
7208.33		Other, of a thickness of 4.75 mm or more but not exceeding 10 mm:				
7208.33.10	00 4	Pickled	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7208.33.50	00 5	Other	kg	6%	Free (E,IL) 3.6% (CA)	20%
7208.34		Other, of a thickness of 3 mm or more but less than 4.75 mm:				
7208.34.10	00 3	Pickled	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7208.34.50	00 4	Other	kg	4.9%	Free (E,IL) 2.9% (CA)	20%
7208.35		Other, of a thickness of less than 3 mm:				
7208.35.10	00 2	Pickled	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7208.35.50	00 3	Other	kg	4.9%	Free (E,IL) 2.9% (CA)	20%
		Other, not in coils, not further worked than hot-rolled:				
7208.41.00	00 6	Universal mill plate	kg	6%	Free (E,IL) 3.6% (CA)	20%
7208.42.00	00 5	Other, of a thickness exceeding 10 mm	kg	6%	Free (E,IL) 3.6% (CA)	20%
7208.43.00	00 4	Other, of a thickness of 4.75 mm or more but not exceeding 10 mm	kg	6%	Free (E,IL) 3.6% (CA)	20%
7208.44.00	00 3	Other, of a thickness of 3 mm or more but less than 4.75 mm	kg	4.9%	Free (E,IL) 2.9% (CA)	20%
7208.45.00	00 2	Other, of a thickness of less than 3 mm	kg	4.9%	Free (E,IL) 2.9% (CA)	20%
7208.90.00	00 6	Other	kg	5%	Free (E,IL) 3% (CA)	20%

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Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
7209		Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated:				
		In coils, not further worked than cold-rolled (cold-reduced), of high-strength steel:				
7209.11.00	00 1	Of a thickness of 3 mm or more	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.12.00		Of a thickness exceeding 1 mm but less than 3 mm		5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
	30 4	Annealed	kg			
	90 1	Other	kg			
7209.13.00		Of a thickness of 0.5 mm or more but not exceeding 1 mm		5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
	30 3	Annealed	kg			
	90 0	Other	kg			
7209.14.00		Of a thickness of less than 0.5 mm		5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
	30 2	Annealed	kg			
	90 9	Other	kg			
		Other, in coils, not further worked than cold-rolled (cold-reduced):				
7209.21.00	00 9	Of a thickness of 3 mm or more	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.22.00	00 8	Of a thickness exceeding 1 mm but less than 3 mm	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.23.00	00 7	Of a thickness of 0.5 mm or more but not exceeding 1 mm	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.24		Of a thickness of less than 0.5 mm:				
7209.24.10	00 4	Of a thickness of less than 0.361 mm (blackplate)	kg	3.2%	Free (E,IL) 1.9% (CA)	20%
7209.24.50	00 5	Other	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
		Not in coils, not further worked than cold-rolled (cold-reduced), of high-strength steel:				
7209.31.00	00 7	Of a thickness of 3 mm or more	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.32.00	00 6	Of a thickness exceeding 1 mm but less than 3 mm	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.33.00	00 5	Of a thickness of 0.5 mm or more but not exceeding 1 mm	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.34.00	00 4	Of a thickness of less than 0.5 mm	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
		Other, not in coils, not further worked than cold-rolled (cold-reduced):				
7209.41.00	00 5	Of a thickness of 3 mm or more	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.42.00	00 4	Of a thickness exceeding 1 mm but less than 3 mm	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.43.00	00 3	Of a thickness of 0.5 mm or more but not exceeding 1 mm	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.44.00	00 2	Of a thickness of less than 0.5 mm	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7209.90.00	00 5	Other	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%

HARMONIZED TARIFF SCHEDULE of the United States (1992)

Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
7210		Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, clad, plated or coated:				
		Plated or coated with tin:				
7210.11.00	00 8	Of a thickness of 0.5 mm or more.....	kg.....	3.5%	Free (E,IL) 2.1% (CA)	6%
7210.12.00	00 7	Of a thickness of less than 0.5 mm.....	kg.....	3.5%	Free (E,IL) 2.1% (CA)	6%
7210.20.00	00 7	Plated or coated with lead, including terne-plate.....	kg.....	4%	Free (E,IL) 2.4% (CA)	6%
		Electrolytically plated or coated with zinc:				
7210.31.00	00 4	Of high-strength steel.....	kg.....	6.5%	Free (E,IL) 3.9% (CA)	21.5%
7210.39.00	00 6	Other.....	kg.....	6.5%	Free (E,IL) 3.9% (CA)	21.5%
		Otherwise plated or coated with zinc:				
7210.41.00	00 2	Corrugated.....	kg.....	6.5%	Free (E,IL) 3.9% (CA)	21.5%
7210.49.00		Other.....	.....	6.5%	Free (E,IL) 3.9% (CA)	21.5%
	30 8	Of high-strength steel.....	kg			
	90 5	Other.....	kg			
7210.50.00	00 0	Plated or coated with chromium oxides or with chromium and chromium oxides.....	kg.....	5.7%	Free (E,IL) 3.4% (CA)	45%
7210.60.00	00 8	Plated or coated with aluminum.....	kg.....	6.5%	Free (E,IL) 3.9% (CA)	21.5%
7210.70		Painted, varnished or coated with plastics:				
7210.70.30	00 0	Not coated or plated with metal and not clad.....	kg.....	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7210.70.60		Other.....	.....	6.5%	Free (E,IL) 3.9% (CA)	21.5%
		Zinc coated or plated:				
	30 7	Electrolytically coated or plated.....	kg			
	60 0	Other.....	kg			
	90 4	Other.....	kg			
7210.90		Other:				
7210.90.10	00 0	Clad.....	kg.....	6.5%	Free (E,IL) 3.9% (CA)	30%
		Other:				
7210.90.60	00 9	Electrolytically coated or plated with base metal.....	kg.....	5.7%	Free (E,IL) 3.4% (CA)	45%
7210.90.90	00 3	Other.....	kg.....	6.5%	Free (E,IL) 3.9% (CA)	21.5%

HARMONIZED TARIFF SCHEDULE of the United States (1992)

Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
7211		Flat-rolled products of iron or nonalloy steel, of a width of less than 600 mm, not clad, plated or coated:				
		Not further worked than hot-rolled, of high-strength steel:				
7211.11.00	00 7	Universal mill plate	kg	6%	Free (E,IL) 3.6% (CA)	20%
7211.12.00	00 6	Other, of a thickness of 4.75 mm or more	kg	6%	Free (E,IL) 3.6% (CA)	20%
7211.19		Other:				
7211.19.10	00 7	Of a width of less than 300 mm	kg	5.7%	Free (E,IL) 3.4% (CA)	25%
7211.19.50	00 8	Other	kg	4.9%	Free (E,IL) 2.9% (CA)	20%
		Other, not further worked than hot-rolled:				
7211.21.00	00 5	Universal mill plate	kg	6%	Free (E,IL) 3.6% (CA)	20%
7211.22.00		Other, of a thickness of 4.75 mm or more		6%	Free (E,IL) 3.6% (CA)	20%
	45 1	Not in coils	kg			
	90 5	Other	kg			
7211.29		Other:				
		Of a width of less than 300 mm:				
7211.29.10	00 5	Of a thickness exceeding 1.25 mm	kg	5.7%	Free (E,IL) 3.4% (CA)	25%
7211.29.30	00 1	Other	kg	3.4%	Free (E,IL) 2% (CA)	25%
		Other:				
7211.29.50	00 6	Pickled	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7211.29.70		Other		4.9%	Free (E,IL) 2.9% (CA)	20%
		In coils:				
	30 6	With untrimmed edges	kg			
	60 9	Other	kg			
	90 3	Other	kg			
7211.30		Not further worked than cold-rolled (cold-reduced), of high-strength steel:				
		Of a width of less than 300 mm:				
7211.30.10		Of a thickness exceeding 0.25 mm		3.4%	Free (E,IL) 2% (CA)	25%
	30 6	Of a width less than 51 mm, in coils	kg			
	90 3	Other	kg			
7211.30.30	00 8	Other	kg	2.4%	Free (E,IL) 1.4% (CA)	25%
7211.30.50	00 3	Other	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%

HARMONIZED TARIFF SCHEDULE of the United States (1992)

Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
7211 (con.)		Flat-rolled products of iron or nonalloy steel, of a width of less than 600 mm, not clad, plated or coated (con.):				
		Other, not further worked than cold-rolled (cold-reduced):				
7211.41		Containing by weight less than 0.25 percent of carbon:				
		Of a width of less than 300 mm:				
7211.41.10	00 9	Of a thickness exceeding 1.25 mm	kg	5.7%	Free (E,IL) 3.4% (CA)	25%
7211.41.30		Of a thickness exceeding 0.25 mm but not exceeding 1.25 mm		3.4%	Free (E,IL) 2% (CA)	25%
	30 9	Of a width less than 51 mm, in coils	kg			
	90 6	Other	kg			
7211.41.50	00 0	Of a thickness not exceeding 0.25 mm	kg	2.4%	Free (E,IL) 1.4% (CA)	25%
7211.41.70		Other		5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
	30 0	Of a thickness exceeding 1.25 mm	kg			
	60 3	Of a thickness exceeding 0.25 mm but not exceeding 1.25 mm	kg			
	90 7	Of a thickness not exceeding 0.25 mm	kg			
7211.49		Other:				
7211.49.10		Of a width of less than 300 mm:				
		Of a thickness exceeding 0.25 mm		3.4%	Free (E,IL) 2% (CA)	25%
	30 5	Of a width less than 51 mm, in coils	kg			
	90 2	Other	kg			
7211.49.30	00 7	Other	kg	2.4%	Free (E,IL) 1.4% (CA)	25%
7211.49.50		Other		5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
	30 6	Of a thickness exceeding 1.25 mm	kg			
	60 9	Of a thickness exceeding 0.25 mm but not exceeding 1.25 mm	kg			
	90 3	Of a thickness not exceeding 0.25 mm	kg			
7211.90.00	00 1	Other	kg	5.1%	Free (E,IL) 3% (CA)	20%

HARMONIZED TARIFF SCHEDULE of the United States (1992)

Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
7212		Flat-rolled products of iron or nonalloy steel, of a width of less than 600 mm, clad, plated or coated:				
7212.10.00	00 7	Plated or coated with tin	kg	3.5%	Free (E,IL) 2.1% (CA)	6%
		Electrolytically plated or coated with zinc:				
7212.21.00	00 4	Of high-strength steel	kg	6.5%	Free (E,IL) 3.9% (CA)	21.5%
7212.29.00	00 6	Other	kg	6.5%	Free (E,IL) 3.9% (CA)	21.5%
7212.30		Otherwise plated or coated with zinc:				
7212.30.10		Of a width of less than 300 mm: Of a thickness exceeding 0.25 mm or more		3.4%	Free (E,IL) 2% (CA)	25%
	30 5	Of a width less than 51 mm, in coils	kg			
	90 2	Other	kg			
7212.30.30	00 7	Other	kg	2.4%	Free (E,IL) 1.4% (CA)	25%
7212.30.50	00 2	Other	kg	6.5%	Free (E,IL) 3.9% (CA)	21.5%
7212.40		Painted, varnished or coated with plastics:				
7212.40.10	00 9	Of a width of less than 300 mm	kg	3.4%	Free (E,IL) 2% (CA)	25%
7212.40.50	00 0	Other	kg	5.1%	Free (E,IL) 3% (CA)	0.4¢/kg + 20%
7212.50.00	00 8	Otherwise plated or coated	kg	6.5%	Free (E,IL) 3.9% (CA)	21.5%
7212.60.00	00 6	Clad	kg	6.5%	Free (E,IL) 3.9% (CA)	30%
7213		Bars and rods, hot-rolled, in irregularly wound coils, of iron or nonalloy steel:				
7213.10.00	00 6	Concrete reinforcing bars and rods	kg	4.9%	Free (E,IL) 2.9% (CA)	20%
7213.20.00	00 4	Of free-cutting steel	kg	1.9%	Free (E,IL) 1.1% (CA)	5.5%
		Other, containing by weight less than 0.25 percent of carbon:				
7213.31		Of circular cross section measuring less than 14 mm in diameter:				
7213.31.30	00 5	Not tempered, not treated and not partly manufactured	kg	1.9%	Free (E,IL) 1.1% (CA)	5.5%
7213.31.60	00 8	Other	kg	2.3%	Free (E,IL) 1.3% (CA)	6%
7213.39.00		Other		1.9%	Free (E,IL) 1.1% (CA)	5.5%
		Of circular cross section:				
	30 7	With a diameter of 14 mm or more but less than 19 mm	kg			
	60 0	With a diameter of 19 mm or more	kg			
	90 4	Other	kg			

APPENDIX E

ADDITIONAL TABLES

Table E-1
Certain flat-rolled carbon steel products: U.S. shipments of selected products, 1989-91

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Table E-2
Certain flat-rolled carbon steel products: U.S. importers' shipments of selected products, 1989-91

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Table E-3
Corrosion-resistant carbon steel products that have been painted, varnished, or coated with plastics: Summary data concerning the U.S. market, 1989-91, January-March 1991, and January-March 1992

(Quantity=1,000 short tons, value=million dollars, unit values and unit labor costs are per short ton, period changes=percent, except where noted)

	Reported data					Period changes			
				Jan.-Mar.--					Jan.-Mar.
Item	1989	1990	1991	1991	1992	1989-90	1990-91	1989-91	1991-92
U.S. consumption quantity:									
Amount	811	773	759	160	188	-4.6	-1.8	-6.3	+17.7
Producers' share 1/	80.5	75.3	74.8	69.3	72.8	-5.2	-0.5	-5.6	+3.5
Importers' share: 1/									
Subject sources	18.4	22.2	22.7	26.5	25.0	+3.9	+0.4	+4.3	-1.5
All sources	19.5	24.7	25.2	30.7	27.2	+5.2	+0.5	+5.6	-3.5
U.S. consumption value:									
Amount	658	654	604	133	148	-0.7	-7.6	-8.3	+10.8
Producers' share 1/	77.1	72.4	73.3	69.1	71.1	-4.7	+0.8	-3.8	+2.0
Importers' share: 1/									
Subject sources	21.8	25.2	24.5	27.2	27.0	+3.4	-0.7	+2.7	-0.2
All sources	22.9	27.6	26.7	30.9	28.9	+4.7	-0.8	+3.8	-2.0
U.S. importers' imports from--									
Subject sources:									
Imports quantity	149	172	172	42	47	+15.5	+0.2	+15.7	+11.0
Imports value	143	165	148	36	40	+14.8	-10.3	+2.9	+10.0
Unit value	$963	$957	$857	$858	$849	-0.6	-10.4	-11.0	-1.0
Ending inventory qty	8	12	13	11	11	+39.5	+9.3	+52.4	+4.9
All sources:									
Imports quantity	158	191	191	49	51	+20.7	+0.1	+20.8	+4.3
Imports value	151	180	161	41	43	+19.6	-10.4	+7.1	+3.8
Unit value	$952	$943	$844	$841	$837	-0.9	-10.5	-11.3	-0.5
U.S. producers'--									
Ending capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	378	327	327	77	81	-13.7	-13.5	-13.6	+5.5
Capacity utilization 1/	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	652	582	568	111	137	-10.8	-2.4	-12.9	+23.7
Value	507	473	442	92	105	-6.7	-6.6	-12.8	+14.0
Unit value	$809	$833	$799	$862	$795	+3.0	-4.1	-1.2	-7.8
Export shipments:									
Quantity	***	***	2/	2/	2/	***	***	***	***
Exports/shipments 1/	***	***	2/	2/	***	***	***	***	***
Value	***	***	2/	2/	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventory/shipments 1/	***	***	***	***	***	***	***	***	***
Production workers	214	212	212	215	219	-0.9	0	-0.9	+1.9
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Total comp. ($ million)	***	***	***	***	***	***	***	***	***
Hourly total compensation	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales value	***	***	***	***	***	***	***	***	***
COGS/sales 1/	***	***	***	***	***	***	***	***	***
Operating income (loss)	***	***	***	***	***	***	***	***	***
Op. income (loss)/sales 1/	***	***	***	***	***	***	***	***	***

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.
2/ Positive figure, but less than significant digits displayed.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table E-4
Hot-rolled coiled carbon steel plate: Summary data concerning the U.S. market, 1989-91, January-March 1991, and January-March 1992

(Quantity=1,000 short tons, value=million dollars, unit values and unit labor costs are per short ton, period changes=percent, except where noted)

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APPENDIX F

COMMENTS RECEIVED FROM U.S. PRODUCERS ON THE IMPACT OF IMPORTS OF CERTAIN FLAT-ROLLED CARBON STEEL PRODUCTS FROM ARGENTINA, AUSTRALIA, AUSTRIA, BELGIUM, BRAZIL, CANADA, FINLAND, FRANCE, GERMANY, ITALY, JAPAN, KOREA, MEXICO, THE NETHERLANDS, NEW ZEALAND, POLAND, ROMANIA, SPAIN, SWEDEN, TAIWAN, AND THE UNITED KINGDOM ON THEIR GROWTH, INVESTMENT, ABILITY TO RAISE CAPITAL, AND EXISTING DEVELOPMENT EFFORTS

Winthrop, Stimson, Putnam & Roberts
Washington, DC
On behalf of

SSAB Svenskt Staal AB

Louis H. Kurrelmeyer)--OF COUNSEL

Squire, Sanders & Dempsey
Washington, DC
On behalf of

Kawasaki Steel Corp.

T. Thomas Ritchie)--OF COUNSEL

Rogers & Wells
Washington, D.C.
On behalf of

Ilva Sp.A
Ilva USA, Inc.

William Silverman)--OF COUNSEL
Ryan Trainor)

Herzfeld & Rubin
Washington, DC
On behalf of

Stalexport
Huta Czestochowa

Theodore Ness)--OF COUNSEL

Willkie Farr & Gallagher
Washington, DC
On behalf of

Stelco Ltd.

Christopher Dunn)--OF COUNSEL

The Commission requested the U.S. producers to describe and explain the actual and potential negative effects, if any, of imports of certain flat-rolled carbon steel products from the subject countries on their growth, investment, ability to raise capital, and development and production efforts (including efforts to develop a derivative or improved version of their product).

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