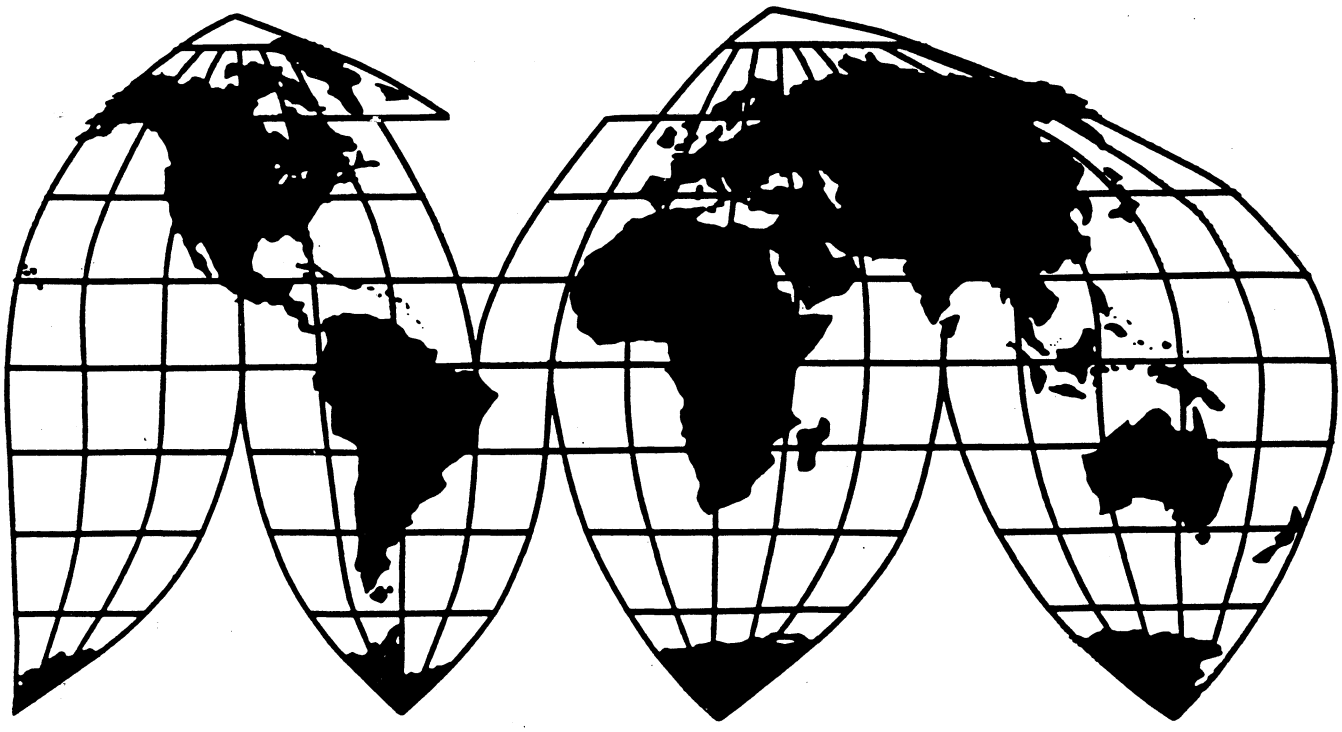
Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine

Investigations Nos. 731-TA-753-756 (Preliminary)

Publication 3009 **December 1996**

U.S. International Trade Commission



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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

GLOSSARY OF ABBREVIATIONS

ABS	American Bureau of Shipping
AISI	American Iron and Steel Institute
Alchevsk	Alchevsk Iron and Steel Works
API	American Petroleum Institute
ASME	American Society of Mechanical Engineers
ASOMA	ASOMA Corp.
ASTM	American Society for Testing and Materials
Azovstal	Azovstal Iron and Steel Works
Bethlehem	Bethlehem Steel Corp.
Cargill Ferrous	Cargill Ferrous International
CAAA	Comprehensive Anti-Apartheid Act of 1986
C.i.f.	Cost, insurance, freight
CIS	Commonwealth of Independent States
Citisteel	Citisteel USA, Inc.
CSI	California Steel Industries, Inc.
COGS	Cost of goods sold
Commerce	U.S. Department of Commerce
Commission	U.S. International Trade Commission
Customs	U.S. Customs Service
Ferrostaal	Ferrostaal, Inc.
Ferro Union	Ferro Union, Inc.
F.o.b.	Free on board
F.R.	*Federal Register*
Francosteel	Francosteel Corp.
Geneva	Geneva Steel Co.
Gulf	Gulf States Steel, Inc.
Highveld	Highveld Steel and Vanadium Corp. Ltd.
HTS	Harmonized Tariff Schedule
Ilyich	Ilyich Iron and Steel Works
IMF	International Monetary Fund
Inland	Inland Steel Industries
IPSCO	IPSCO, Inc.
ISCOR	ISCOR Ltd.
J. Allen	J. Allen Steel Co.
Kentucky Electric	Kentucky Electric Steel Co.
Klockner	Klockner Steel Trade/ Klockner Namasco Corp.
LeTourneau	LeTourneau, Inc.
Laclede	Laclede Steel Co.
Lone Star	Lone Star Steel Co.
LTFV	Less than fair value
Lukens	Lukens Steel Co.
Maurice Pincoffs	Maurice Pincoffs Co., Inc.
Metallia	Metallia USA, Inc.
MFN	Most-favored-nation
Newco	Newco Steel Trading, Inc.
North Star	North Star Steel Co.
Olympic	Olympic Steel Co.

Oregon	Oregon Steel Mills, Inc.
Preussag	Preussag International Steel Corp.
Prom	Prom America, Inc.
PRW	Production and related worker
Ranger	Ranger Steel Supply Co.
R & D	Research and development
Seco	Seco Steel Co.
Severstal	JSC Severstal
SG&A expenses	Selling, general, and administrative expenses
Steel Coils	Steel Coils, Inc.
Stemcor	Stemcor USA, Inc.
Thypin	Thypin Steel Co.
Thyssen	Thyssen, Inc.
TradeARBED	TradeARBED, Inc.
Tuscaloosa	Tuscaloosa Steel Co.
USX	U.S. Steel Group, division of USX Corp.
VRA	Voluntary Restraint Agreement

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-753-756 (Preliminary)

CUT-TO-LENGTH CARBON STEEL PLATE FROM CHINA, RUSSIA, SOUTH AFRICA, AND UKRAINE

Determinations

On the basis of the record[1] developed in the subject 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 threatened with material injury[2] by reason of imports from China, Russia, South Africa, and Ukraine of cut-to-length carbon steel plate,[3] provided for in provisions of headings 7208 though 7212 of the Harmonized Tariff Schedule of the United States (HTS),[4] that are alleged to be sold in the United States at less than fair value (LTFV).

Commencement of Final Phase Investigations

Pursuant to section 207.18 of the Commission's rules, as amended in 61 FR 37818 (July 22, 1996), the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling which will be published in the *Federal Register* as provided in section 207.21 of the Commission's rules upon notice from the Department of Commerce (Commerce) of an affirmative preliminary determination in an investigation under section 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of an affirmative final determination in an investigation under section 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty

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[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] Commissioner Crawford determines that there is a reasonable indication that an industry in the United States is materially injured by reason of the subject imports.

[3] For the purposes of these investigations, cut-to-length carbon steel plate is hot-rolled iron and nonalloy steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1,250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated, nor coated with metal, and whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and nonalloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated, nor coated with metal, and whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included in this definition are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")--for example, products which have been bevelled or rounded at the edges. Excluded from this definition are plates that are characterized as grade X-70 plates.

[4] Cut-to-length carbon steel plate is currently covered by the following statistical reporting numbers of the HTS: 7208.40.3030; 7208.40.3060; 7208.51.0030; 7208.51.0045; 7208.51.0060; 7208.52.0000; 7208.53.0000; 7208.90.0000; 7210.70.3000; 7210.90.9000; 7211.13.0000; 7211.14.0030; 7211.14.0045; 7211.90.0000; 7212.40.1000; 7212.40.5000; and 7212.50.0000.

investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

Background

On November 5, 1996, a petition was filed with the Commission and the Department of Commerce by Geneva Steel Co., Provo, UT, and Gulf States Steel, Inc., Gadsden, AL, alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports of cut-to-length carbon steel plate from China, Russia, South Africa, and Ukraine. Accordingly, effective November 5, 1996, the Commission instituted antidumping investigations Nos. 731-TA-753-756 (Preliminary).

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 November 13, 1996 (61 FR 58216). The conference was held in Washington, DC, on November 26, 1996, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

Based on the record in these investigations, we find that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of cut-to-length ("CTL") plate from China, Russia, South Africa and Ukraine that are allegedly sold in the United States at less than fair value ("LTFV").[1]

I. THE LEGAL STANDARD FOR PRELIMINARY DETERMINATIONS

The legal standard for preliminary antidumping duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determination, whether there is a reasonable indication that a domestic industry is materially injured, or threatened with material injury, by reason of the allegedly LTFV imports.[2] In applying this standard, the Commission weighs the evidence before it and determines 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]

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. In General

To determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the subject imports, the Commission first defines the "domestic like product" and the "industry."[4] Section 771(4)(A) of the Tariff Act of 1930 as amended ("the Act") defines the relevant industry as the "producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[5] In turn, the Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[6]

Our decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and we apply the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[7] No single factor is dispositive, and the Commission may consider other factors it deems

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[1] Commissioner Crawford finds that there is a reasonable indication that the domestic industry producing CTL plate is materially injured by reason of CTL plate imports from China, Russia, South Africa and Ukraine allegedly sold at LTFV. *See* Additional Views of Carol T. Crawford, *infra*. Except as noted, she joins in sections I-IV of these views.

[2] 19 U.S.C. § 1673b(a); *see also* American Lamb Co. v. United States, 785 F.2d 994 (Fed. Cir. 1986); Calabrian Corp. v. United States, 794 F. Supp. 377, 381 (Ct. Int'l Trade 1992).

[3] American Lamb, 785 F.2d at 1001; *see also* Texas Crushed Stone Co. v. United States, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

[4] 19 U.S.C. § 1677(4)(A).

[5] Id.

[6] 19 U.S.C. §1677(10).

[7] *See, e.g.*, Nippon Steel Corp. v. United States, Slip Op. 95-57 at 11 (Ct. Int'l Trade Apr. 3, 1995). The Commission generally considers a number of factors including: (1) physical characteristics and uses; (2)

(continued...)

relevant based on the facts of a particular investigation.[8] The Commission looks for clear dividing lines among possible like products, and disregards minor variations.[9] Although the Commission must accept the determination of Commerce as to the scope of the imported merchandise allegedly sold at LTFV, the Commission determines what domestic product is like the imported articles Commerce has identified.[10]

B. Domestic Like Product Issues

In its notice of initiation, Commerce defined the articles subject to these investigations as follows:

> hot-rolled iron and non-alloy steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), 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 iron and non-alloy steel flat-rolled products not in coils, 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 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness.[11]

CTL plate is produced on a reversing mill, a Steckel mill, or a hot-strip mill. The CTL plate produced on a hot-strip mill is always coiled, then uncoiled and cut.[12] CTL plate produced on a reversing mill is never coiled, while CTL plate produced on a Steckel mill can be produced in a conventional reversing style, or it can be coiled first and then uncoiled and cut.[13] Although plate may be imported in coil form, such product is not included in the scope of these investigations.[14]

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[7] (...continued)
interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes and production employees; and, where appropriate, (6) price. *See* id. at n.4, 18; Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[8] *See, e.g.,* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[9] Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991).

[10] Hosiden Corp. v. Advanced Display Manufacturers, 85 F.3d 1561 (Fed. Cir. 1996) (Commission may find single like product corresponding to several different classes or kinds defined by Commerce); Torrington, 747 F. Supp. at 748-752 (affirming Commission determination of six like products in investigations where Commerce found five classes or kinds).

[11] Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China, Ukraine, the Russian Federation, and the Republic of South Africa, 61 Fed. Reg. 64051, 64052 (Dec. 3, 1996).

[12] Confidential Report ("CR") at I-9, Public Report ("PR") at I-8.

[13] CR at I-8-10, PR at I-8-9.

[14] Domestic mills sell plate in coil form (1) directly to end users that prefer plate in coil form due to their particular production processes and cost considerations; and (2) to service centers that typically cut and/or process the plate and resell it to end users. CR at I-9-10, PR at I- 8.

There are two domestic like product issues in these investigations. The first issue is whether plate in coil form should be included in the same like product as CTL plate. The second issue is whether CTL plate produced in coil form by domestic mills and then shipped to service centers to be cut to length should be included in the like product.

1. Inclusion of All Plate in Coil Form

We first consider whether we should include all plate in coil form in the like product. While we must accept the determination of Commerce as to the scope of the allegedly LTFV imports, we may define the domestic like product more broadly than the category of imported merchandise subject to investigation.[15]

In 1993, the Commission determined not to include plate in coil form in the CTL plate like product, and instead included plate in coil form in the same like product as hot-rolled steel, which was subject to simultaneous investigations.[16]

For purposes of this preliminary phase of the investigations, we do not include plate in coil form in the same like product as CTL plate. The majority of plate in coil form has distinctly different end uses than CTL plate.[17] Because of the different end uses, there are major differences in channels of distribution and customer and producer perceptions, as well as limited interchangeability for most applications.[18] For

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[15] Hosiden Corp. v. Advanced Display Manufacturers, 85 F.3d 1561, 1568 (Fed. Cir. 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-752 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991).

[16] Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, et al., Invs. Nos. 701-TA-319-332, 334, 336-342, 344, 347-353 and 731-TA-573-579, 581-592, 594-597, 599-609, and 612-619 (Final), USITC Pub. 2664 (Aug. 1993) at 13.

In prior investigations, the Commission has variously included and excluded plate in coil form in the CTL plate like product. *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), USITC Pub. 1642 (1985)(plate in coil form included in CTL plate like product); Certain Hot-Rolled Carbon Steel Plate from the Republic of Korea, Inv. No. 731-TA-151 (Final), USITC Pub. 1561 (1984)(same); Hot-Rolled Carbon Steel Plate from Brazil, Inv. No. 701-TA-87 (Final), USITC Pub. 1356 (1983)(plate in coil form not included in CTL plate like product); Certain Carbon Steel Products from the Republic of Korea, Invs. Nos. 701-TA-171, 173 (Final), USITC Pub. 1346 (1983)(same).

[17] CR at I-12-13, PR at I-10.

[18] Approximately half of all CTL plate produced in U.S. mills and 35.6 percent of plate in coil form was shipped to service centers or distributors in 1995. CR at I-13-14, PR at I-11-12. Petitioners claim that while both CTL plate and plate in coil form are sold to service centers, many service centers that carry CTL plate do not carry plate in coil form or have the cut-to-length equipment. Petitioners' Postconference Brief at 9. Two of the service centers which had representatives testifying at the Commission's conference reported having purchased both plate in coil form and CTL plate. CR at I-11 n.19, PR at I-9 n.19. Petitioners contend, however, that even where distributors carry both products they are aimed at different customers. Petitioners' Postconference Brief at 9. We intend to revisit this issue in the final phase of the investigations.

As to interchangeability of the products, purchasers of CTL plate from both the mills and service centers generally agree that if plate in coil form and CTL plate are to be interchangeable, the plate in coil form must first be leveled and cut. CR at I-13, PR at I-11. Interchangeability between plate in coil form and reversing mill CTL plate would be more limited than plate in coil form and CTL plate produced on hot-strip or Steckel mills. However, the same is also true with respect to the interchangeability between reversing mill CTL plate and CTL plate produced on a hot-strip or Steckel mill. Moreover, limits on interchangeability between CTL plate produced from coils and produced on a reversing mill appear to be becoming less of a factor as U.S. mills and service centers install temper mills which reduce or eliminate "coil set memory." CR at I-12 n.28, PR at I-10 n.28.

example, two of the primary end users of plate in coil form are the automotive and pipe and tube industries, which generally do not purchase CTL plate on the open market.[19]

Information developed since the 1993 investigations suggests that there has been a shift by steel mills away from producing CTL plate on reversing mills towards production on combination Steckel mills that produce both plate in coils and cut-to-length plate that has not been coiled.[20] This appears to result in plate in coil form having many of the same physical characteristics as CTL plate produced on hot-strip or Steckel mills.[21]

Moreover, U.S. steel mills representing a substantial percentage of 1995 steel mill production reported that plate in coil form could be considered a substitute product for CTL plate.[22] In addition, the manufacturing facilities, processes, and employees used to manufacture hot-strip and Steckel mill CTL plate can be identical to those used to manufacture plate in coil form for production up to the coiled form of the product.[23] Approximately 35.6 percent of plate in coil form sold by U.S. mills is leveled, cut, and perhaps further processed by steel service centers. The equipment and processes used to level and cut the coils is similar whether installed at a steel mill or at a steel service center.[24]

Based on the above, we intend to examine closely in any final phase of these investigations whether the like product should include all plate in coil form.[25]

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[19] However, there is evidence that the automotive industry cuts to length the coiled product prior to use. In any final phase of these investigations, we will seek information regarding the manner in which plate in coil form is processed by end users and regarding the differences in physical characteristics of plate in coil form destined for end users versus plate in coil form that is cut to length by CTL producers and service centers.

[20] CR at I-10 n.18, PR at I-9 n.18.

[21] Indeed, petitioners acknowledged that CTL plate produced on a hot-strip mill and plate in coil form have "nearly identical characteristics . . . ." Petitioners' Postconference Brief at 7.

[22] CR at I-15, PR at I-12.

[23] CR at I-9, PR at I-8.

[24] CR at I-11, PR at I-9.

[25] We also intend to analyze this issue under the Commission's semifinished product analysis. The Commission has used its semifinished products analysis, rather than its traditional domestic like product analysis, when analyzing whether a product at an earlier stage of its production process is "like" a finished or further processed product. *See, e.g.*, Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Germany and Japan, Invs. Nos. 731-TA-736 and 737 (Final), USITC Pub. 2988 (Aug. 1996) at 6; Engineered Process Gas Turbo-Compressor Systems from Japan, Inv. No. 731-TA-748 (Preliminary), USITC Pub. 2976 (July 1996) at 6-7. Plate in coil form is an upstream form of CTL plate produced on a hot-strip or Steckel mill. According to petitioners, only the traditional six-factor test is applicable to this issue since plate in coil form is a finished product in its own right. Petitioners' Postconference Brief at 5 n.3. The fact that plate in coil form could be considered a finished product, however, is not dispositive. Under such circumstances, the Commission has on occasion focused primarily on the traditional six-factor test, but also considered the semifinished product test. *See, e.g.*, Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Final), USITC Pub. 2907 (July 1995) at I-8 n.25.

Therefore, we will explore further, and we request the parties to submit arguments concerning, the following factors: (1) whether the upstream article is dedicated to the production of the downstream article or has independent uses; (2) whether there are perceived to be separate markets for the upstream and downstream articles; (3) differences in the physical characteristics and functions of the upstream and downstream articles; (4) differences in the costs or value of the vertically differentiated articles; and (5) significance and extent of the processes used to transform the upstream into the downstream articles. *See* Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Germany and Japan, Invs. Nos. 731-TA-736 and 737 (Final), USITC Pub. 2988 (Aug. 1996) at 6 n.23; Engineered Process Gas Turbo-Compressor Systems from Japan, Inv. No. 731-TA-748 (Preliminary), USITC

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2. Inclusion of Domestic CTL Plate Cut by Service Centers

As already discussed, in the 1993 CTL plate investigations, the Commission found all plate in coil form to be in the same like product as hot-rolled steel products, and not part of the CTL plate like product.[26] In those determinations, the issue of how to treat plate in coil form that is cut to length by service centers was not addressed. Evidence collected in the current investigations indicates that service centers are expanding their role in the cutting and distribution of plate.[27]

CTL plate, regardless of whether it is plate in coil form cut to length by a mill or by a service center, is essentially an identical product that has the same chemistry, metallurgy and physical dimensions.[28] As such, it is sold for the same end uses (*e.g.*, fabrication, barge production and construction) and therefore is apparently interchangeable.[29] There is also a significant overlap in prices of these two categories of products. The average unit value of plate that has been cut by service centers is $420 to $440 per short ton; the average unit value of plate cut by the mills ranges from $414 to $463 per short ton.[30]

The channels of distribution of CTL plate cut at a mill differ from those of plate cut by a service center. The former may go through a service center or distributor prior to sale to the ultimate end user, or it may be shipped directly to an end user. Service centers purchase plate in coil form from U.S. mills, cut it to length and then ship the CTL plate to end users.

In addition, the two products can share manufacturing facilities, processes, and employees up through the production of the plate in coil form. The manufacturing facilities and employees for the decoiling and cutting operations differ, but regardless of where the plate is cut, it appears that the process and the equipment are essentially the same.[31] [32]

During this preliminary phase of the investigations, we did not collect any data from U.S. steel mill operations concerning their production and shipments of plate in coil form to service centers to be cut to

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[25] (...continued)
Pub. 2988 (July 1996) at I-8-9.

[26] Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, et al., Invs. Nos. 701-TA-319-332, 334, 336-334, 336-342, 344, 347-353 and 731-TA-573-579, 581-592, 594-597, 599-609, 612-619 (Final), USITC Pub. 2664 (Aug. 1993) at 13.

[27] CR at I-11 n.19, PR at I-9 n.19; Table III-3, CR at III-5, PR at III-4 (comparing growth in CTL plate shipments and steel mill CTL plate shipments).

[28] Our analysis of this issue focuses on a comparison between plate in coil form cut to length by service centers and CTL plate produced by U.S. mills on hot-strip or Steckel mills that produce CTL plate by coiling, uncoiling and then cutting the product. Today, a larger percentage of plate is being produced on a hot-strip or Steckel mill in coil form (approximately 20 percent) than during the period of investigation of previous investigations.

[29] CR at I-12-13, PR at I-11. According to American Iron and Steel Institute (AISI) data, approximately 35.6 percent of plate in coil form is shipped to service centers to be cut to length. CR at I-14, PR at I-12. According to Bethlehem and U.S. Steel, however, as much as 70 percent of plate in coil form is cut to length by service centers. Postconference Brief of Bethlehem and U.S. Steel, Answers to Staff Questions, at 16. We will seek further information in the final phase of these investigations regarding whether there has been an increase in the processing of plate in coil form into CTL plate.

[30] CR at I-16, PR at I-12.

[31] CR at I-11, PR at I-9.

[32] Commissioner Crawford joins in the preceding discussion, but finds that CTL plate cut by service centers from plate in coil form is part of the domestic like product. *See* Additional Views of Carol T. Crawford, *infra*.

length, or any data from steel service centers.[33] Accordingly, for purposes of this preliminary phase we do not include plate in coil form cut by service centers in the domestic like product. Nonetheless, given the significant similarities between CTL plate cut to length by service centers and U.S. mills, we will explore more closely whether to include plate in coil form cut to length by service centers in the like product in any final phase of these investigations.[34]

C. Domestic Industry and Related Party

The Commission is directed to consider the effect of the subject imports on the industry, defined as "the producers as a [w]hole of a domestic like product."[35] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.[36] [37]

Because we have not included all plate in coil form in the like product for purposes of this preliminary phase of the investigations, we have not included all producers of plate in coil form in the industry. Similarly, because we have not included plate in coil form that is cut to length by service centers in the like product, we have not included steel service centers in the industry. In any final phase of these investigations, we intend to examine whether to include all producers of plate in coil form and steel service centers in the industry.

At this stage in the investigations, we have only limited data with which to analyze whether service centers should be included in the industry. In any final phase of these investigations we intend to collect more comprehensive data from steel service centers and will revisit the issue at that time.[38] Accordingly, for

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[33] Since the scope of these investigations covers all CTL plate, in any final phase of the investigations we intend to collect full data from U.S. mills covering their production of plate in coil form that is shipped to service centers to be cut to length, as well as data from service centers. We note that we do have AISI data covering U.S. mills' shipments of plate in coil form to service centers. If we were to include AISI's shipment data in the industry data, our industry coverage would still represent 80 percent of total shipments.

[34] One U.S. mill, ***, produces plate in coil form which is cut to length by a toll producer. CR at I-12 & n.27, PR at I-10 & n.27. We have included this toll-produced CTL plate in the like product. In the final phase of these investigations we will further examine whether to include in the like product plate in coil form that is cut to length by toll producers.

[35] 19 U.S.C. §1677(4)(A).

[36] *See* United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996); Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Germany and Japan, Invs. Nos. 731-TA-736 and 737 (Final), USITC Pub. 2988 (Aug. 1996) at 7-8.

[37] Commissioner Crawford does not join the remainder of this discussion. For her definition of the domestic industry, see Additional Views of Carol T. Crawford, *infra*.

[38] The Commission generally includes processors/finishers in the definition of the domestic industry only if the overall nature of a firm's production-related activities in the United States are sufficient to be considered production. To make this assessment, the Commission generally considers six factors: (1) the extent and source of the firm's capital investment; (2) the technical expertise involved in U.S. production activity; (3) the value added to the product in the United States; (4) employment levels; (5) the quantities and type of parts sourced in the United States; and (6) any other costs and activities in the United States directly leading to production of the like product. No single factor is determinative and the Commission may consider other factors it deems relevant. As noted previously, one U.S. producer, ***, reported that it has a toll arrangement whereby a company performs cut-to-length operations for ***. CR at I-12 & n.27, PR at I-10 & n.27. We have not included this toll producer in the industry. In the final phase of

(continued...)

purposes of our preliminary determinations we define the industry to include only U.S. steel mills that produce CTL plate.[39]

There is one related party in these investigations. North Star, a producer of the domestic like product, is related to an importer of subject merchandise (Cargill Ferrous) by virtue of the fact that both are owned by a common parent company (Cargill, Inc.).[40] Thus, we have considered whether appropriate circumstances exist to exclude North Star from the domestic industry.[41] We do not find appropriate circumstances exist to exclude North Star from the industry. North Star ***[42] Moreover, North Star was responsible for *** of domestic CTL plate production for 1995.[43] Thus, neither inclusion nor exclusion of North Star will skew the data.

III. CONDITION OF THE DOMESTIC INDUSTRY

In assessing whether there is a reasonable indication that the domestic industry is materially injured or threatened with material injury by reason of allegedly LTFV imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[44] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all

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[38] (...continued)
these investigations, we will consider whether toll producers and other distributors or processors of plate in coil form perform sufficient production-related activities to be included in the industry.

[39] We note that excluding plate in coil form from the CTL plate like product raises several analytical issues. First, the primary distinction between CTL plate and plate in coil form is that one product has been cut to length, while the other has not. This raises the question of whether the cutting of the coil to length by steel service centers is or is not a sufficiently significant operation to constitute "production" of the like product, where this cutting operation differentiates what is included in the like product from what is not. On the other hand, expanding the like product to include all plate in coil form, would also capture in the like product that plate in coil form which is destined in large part for completely separate end uses than CTL plate, such as coil shipped to pipe and tube producers.

Second, if additional evidence does justify inclusion of service centers in the industry, we would need to consider whether the CTL operations performed by service centers on imported plate in coil form are sufficient to transform the imported product into a domestic product. In the final phase of these investigations, we invite the parties to address these issues and to address whether different analytical tests should be considered given the facts of these investigations.

[40] *See* 19 U.S.C. § 1677(4)(B)(ii)(III).

[41] Factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the percentage of domestic production attributable to the importing producer; the reason the U.S. producer has decided to import the product subject to investigation; whether inclusion or exclusion of the related party will skew the data for the rest of the industry; the ratio of import shipments to U.S. production for related producers; and whether the primary interest of the related producer lies in domestic production or importation. *See, e.g.*, Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993). *See also* Open-End Spun Rayon Singles Yarn from Austria, Inv. No. 731-TA-751 (Preliminary), USITC Pub. 2999 (Oct. 1996) at 7 n.39.

[42] Domestic Producer Questionnaire Response of North Star.

[43] Table III-1, CR at III-2, PR at III-2.

[44] 19 U.S.C. § 1677(7)(C)(iii).

relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[45] [46]

A significant development since the Commission's last CTL plate investigations in 1993 is the growing importance of steel service centers.[47] This appears to be due in part to the end users' preference of having first- and second-stage processing of CTL plate done by outside service centers rather than by the end users themselves.[48] It also appears to reduce the cost of inventory for the end users and increases "throughput" of the mill by allowing the mills to focus on production of plate in coil form which can be cut by the service centers.[49] Most of the subject imports are sold through service centers (and other distributors or processors),[50] which concentrate on sales of standardized products meeting the most common American Society for Testing and Materials (ASTM) specifications.[51] This increasing role of service centers may also have resulted in greater competition between steel service centers and U.S. mills.

Petitioners and the other domestic parties contend that the Commission should compare the condition of the industry during the peak of the current business cycle to the industry's condition during the peak of the most recent business cycle of 1988-90.[52] It is unclear, however, what period would constitute the peak of the current business cycle or whether that peak has yet occurred. Petitioners maintain that 1996 is the peak of the business cycle, but respondents and other U.S. producers believe that demand in the market will continue to increase for a longer period.[53] In any event, we find that the current strong market -- characterized by increasing U.S. consumption of CTL plate -- is a relevant condition of competition insofar as it has led to increasing sales and generally improved financial and operating performance for the domestic industry.[54] [55]

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[45] 19 U.S.C. §1677(7)(C)(iii).

[46] As noted previously and discussed in her Additional Views, Commissioner Crawford has included in the domestic industry those toll producers and steel service centers that cut CTL plate. Although the record does not contain specific data for these producers, the data on which this discussion is based nonetheless cover a vast majority of the broader industry that includes these producers. *See, e.g.*, note 33, *supra*. Commissioner Crawford finds that these data clearly constitute sufficient information on which to base a determination of whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury by reason of the subject imports, in accordance with 19 U.S.C. § 1673b(a)(1). Consequently, Commissioner Crawford has relied on these data in reaching her determination.

[47] Commissioner Newquist concurs that the role of steel service centers appears to be growing. Based on the available data, however, he cannot conclude that such development is or is not "significant." Commissioner Newquist will further assess the significance of this development, if any, in any final phase investigation.

[48] Petitioners' Postconference Brief at 18.

[49] Russian and Ukrainian Respondents' Postconference Brief at 17.

[50] *See* Table I-2, CR at I-13, PR at I-11. In 1995, 96.2 percent of imports from China were sold to distributors, processors and service centers, 94.9 percent of imports from South Africa were sold to this channel of distribution, and 92.2 percent of imports from Ukraine were sold to this channel of distribution. The majority of imports from Russia were sold to end users, but a substantial share of Russian imports (43 percent) were also sold to distributors, processors and service centers. Id.

[51] Virtually all CTL plate products are made to specified standards prescribed by the ASTM, with the majority of CTL plate produced to one of three standardized commercial grade products. CR at II-7, PR at II-5; Petitioners' Postconference Brief at 12.

[52] Petitioners' Postconference Brief at 18, 19; Postconference Brief of Bethlehem and U.S. Steel at 8-11.

[53] *See generally* Russian and Ukrainian Respondents' Postconference Brief at 25-28.

[54] Certain domestic producers internally transfer production of CTL plate for production of downstream products. Thus, we have considered whether the captive production provision applies in these investigations. The captive

(continued...)

Apparent U.S. consumption increased from 5.43 million short tons in 1993 to 6.27 million short tons in 1995. For the period January through September 1995 ("interim 1995"), apparent U.S. consumption was 4.78 million short tons compared to 5.18 million short tons for the period January through September 1996 ("interim 1996").[56]

The domestic industry's share of apparent consumption, measured by volume, fell from 86.8 percent in 1993 to 79.2 percent in 1994, and then to 78.4 percent in 1995. The interim 1995 and 1996 figures were 76.9 percent and 76.4 percent, respectively. By value, the domestic industry's share of apparent consumption fell from 86.9 percent in 1993 to 81.2 percent in 1994, and then to 80.1 percent in 1995. The interim 1995 and 1996 figures were 79.0 percent and 78.8 percent, respectively.[57]

The quantity of U.S. producers' shipments rose by 9.3 percent from 1993 to 1994, from 4.7 million short tons to 5.2 million short tons, then fell by 4.7 percent from 1994 to 1995, to 4.9 million short tons. The quantity of shipments in interim 1995 was 3.7 million short tons compared to 4.0 million short tons in interim 1996. By value, U.S. shipments increased by 17.2 percent from 1993 to 1994, from $2.0 billion to $2.3 billion, and held constant in 1995. The value of interim 1996 shipments, $1.8 billion, was slightly higher than the value of interim 1995 shipments of $1.7 billion.[58]

The domestic industry's production increased from 4.8 million short tons in 1993 to 5.3 million short tons in 1994, then decreased in 1995 to 5.0 million short tons. Production was higher in interim 1996 than in interim 1995, 4.0 million short tons compared to 3.7 million short tons.[59] Production capacity increased slightly from 6.7 million short tons in 1993 to 6.8 million short tons in 1994, then decreased slightly in 1995 to 6.5 million short tons. Capacity figures for interim 1995 and 1996 remained constant at 4.9 million short tons.[60] Capacity utilization rose from 71.4 percent in 1993 to 77.8 percent in 1994, then fell slightly in 1995 to 77.5 percent. Capacity utilization was higher in interim 1996 than in interim 1995, 82.3 percent compared to 76.8 percent.[61]

End-of-period inventories increased from 1993 to 1995, from 237,764 short tons in 1993, to 270,123 short tons in 1994, and to 284,461 short tons in 1995. End-of-period inventories stood at 277,039 short tons in interim 1995, compared to 307,613 short tons in interim 1996.[62]

The number of production and related workers (PRWs) in the domestic CTL plate industry increased from 6,789 in 1993 to 7,032 in 1994, then decreased to 6,994 in 1995. The number of PRWs was higher in interim 1996 than in interim 1995, 7,150 compared to 6,921. Hours worked rose from 1993 to 1995, from

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[54] (...continued)
roduction provision may be applicable if, as a threshold matter, significant production of the domestic like product is internally transferred and significant production is sold in the merchant market. 19 U.S.C. § 1677(7)(C)(iv). In 1995, and for the period January through September 1996, only *** and *** percent, respectively, of domestic production was captively consumed. CR at III-4 n.5, PR at III-3 n.5; Table III-3, CR at III-5, PR at III-4. We find this level of captive consumption to be insignificant and therefore do not apply the captive production provision.

[55] Commissioner Newquist concurs that total apparent domestic consumption of CTL plate increased during the period of investigation. In his view, however, this development alone does not necessarily evince a "strong market" nor a robust domestic industry.

[56] Table IV-5, CR at IV-9, PR at IV-7.

[57] Table IV-6, CR at IV-10, PR at IV-8.

[58] Table III-3, CR at III-5, PR at III-4.

[59] Table III-2, CR at III-4, PR at III-3.

[60] Id.

[61] Id.

[62] Table III-4, CR at III-6, PR at III-5.

14.6 million in 1993 to 15.7 million in 1994, and to 15.8 million in 1995. Hours worked were higher in interim 1996 than in interim 1995, 12.1 million compared to 11.8 million. Wages paid in the industry also increased from 1993 to 1995, from $291.3 million in 1993 to $326.7 million in 1994, then to $340.6 million in 1995. Wages paid were higher in interim 1996 than in interim 1995, $262.5 million compared to $251.9 million.[63] Productivity, as measured by short tons per 1,000 hours, increased from 330.9 short tons in 1993 to 335.6 short tons in 1994, and then decreased to 319.5 short tons in 1995. Productivity was higher in interim 1996 than in interim 1995, 332.6 short tons compared to 319.1 short tons.[64]

Sales revenues increased from $1.96 billion in 1993 to $2.26 billion in 1994, then to $2.33 billion in 1995. The figures for interim 1995 and 1996 were $1.74 billion and $1.82 billion, respectively.[65] The average per ton unit value of sales similarly rose from $406 in 1993 to $436 in 1994, and then to $464 in 1995. However, the average per ton unit value of sales was lower in interim 1996 than in interim 1995, $455 compared to $466.[66] The unit value of cost of goods sold rose from $408 in 1993 to $412 in 1994, then to $423 in 1995; but the figure was lower in interim 1996 than in interim 1995, $419 compared to $424.[67]

The ratio of costs of goods sold to net sales value decreased from 100.6 percent in 1993 to 94.5 percent in 1994, then to 91.2 percent in 1995. The figures for interim 1995 and 1996 were 91.1 percent and 92.1 percent, respectively. The ratio of selling, general and administrative expenses to net sales value fell from 4.1 percent in 1993 to 3.6 percent in 1994, then to 3.3 percent in 1995. The ratio held constant between the interim periods, at 3.2 percent. Cash flow increased from a negative $41.0 million in 1993 to a positive $96.6 million in 1994, then to $173.2 million in 1995. Cash flow in interim 1995 and 1996 was $130.4 million and $122.9 million, respectively.[68]

In 1993, the domestic industry had an operating loss of $92.6 million, but in 1994 the industry had an operating income of $43.3 million, and in 1995 it had an operating income of $129.4 million. However, operating income was lower in interim 1996 than in interim 1995, $86.2 million compared to $99.4 million.[69]

Capital expenditures rose dramatically between 1993 and 1994, from $39.6 million to $144.3 million, and then fell slightly in 1995 to $143.6 million. Capital expenditures were lower, however, in interim 1996 than interim 1995, $71.1 million compared to $118.3 million. Spending on research and development decreased from $5.6 million in 1993 to $5.4 million in 1994, and to $5.3 million in 1995. The figures for interim 1995 and 1996 were $3.9 million and $3.8 million, respectively.[70] [71] [72]

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[63] Table III-5, CR at III-7, PR at III-5.

[64] Id.

[65] Table VI-1, CR at VI-2, PR at VI-2.

[66] Table VI-2, CR at VI-3, PR at VI-3.

[67] Id.

[68] Table VI-1, CR at VI-2, PR at VI-2.

[69] Id.

[70] Table VI-5, CR at VI-9, PR at VI-5.

[71] Vice Chairman Bragg determines that the domestic industry is not materially injured by reason of imports of CTL plate from China, Russia, South Africa and Ukraine. *See* Additional Views of Vice Chairman Lynn M. Bragg.

[72] Based on the foregoing, Commissioner Newquist finds a reasonable indication that the domestic industry is vulnerable to the continuing adverse effects of allegedly unfair imports of CTL plate from China, Russia, South Africa and Ukraine.

IV. REASONABLE INDICATION OF THREAT OF MATERIAL INJURY BY REASON OF ALLEGEDLY LTFV IMPORTS

A. Cumulation of Subject Imports

We have cumulated the subject imports from China, Russia, South Africa and Ukraine for purposes of our threat analysis. Under section 771(7)(H) of the Act, the Commission may "to the extent practicable" cumulatively assess the volume and price effects of subject imports from all countries as to which petitions were filed on the same day if the requirements for cumulation for material injury are satisfied.[73]

We find that the requirements for cumulation for purposes of material injury are satisfied in these investigations. Section 771(7)(G)(i) requires the Commission to cumulate imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with domestic like products in the United States market.[74]

In assessing whether imports compete with each other and with the domestic like product,[75] the Commission has generally considered four factors, including:

> (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;
>
> (2) the presence of sales or offers to sell in the same geographical 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.[76] [77]

While no single factor is 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

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[73] 19 U.S.C. § 1677(7)(H).

[74] 19 U.S.C. § 1677(7)(G)(i).

[75] The SAA expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." SAA at 848 *citing* Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int'l Trade 1988), *aff'd* 859 F.2d 915 (Fed. Cir. 1988).

[76] *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*, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

[77] Commissioner Newquist notes that, in his view, once a like product determination is made, that determination establishes an inherent level of fungibility within that like product. Only in exceptional circumstances could Commissioner Newquist find products to be "like" and then turn around and find that, for purposes of cumulation, there is no "reasonable overlap of competition" based on some roving standard of substitutability. *See* Additional and Dissenting Views of Chairman Newquist in Flat-Rolled Carbon Steel Products, USITC Pub. 2664 (August 1993).

with the domestic like product.[78] Only a "reasonable overlap" of competition is required.[79] Thus, even if a certain volume of subject imports from a country are of a type or specification not produced by the domestic industry, imports from that country will be cumulated if the remaining imports "collectively do compete with the domestic like product (and with other imports)."[80]

In these investigations, the South African respondents argue that South African imports do not meet the first of the above four criteria. With respect to competition between South African and other subject imports, they argue that South African imports consist of products of different thicknesses and grades, are of a generally higher quality and, consequently, are higher priced than the other subject imports.[81] With respect to competition between South African imports and the domestic like product, they argue that competition is lacking since South African imports move through different channels of distribution than domestic CTL plate.[82] In addition, they argue that the import penetration of South African imports is too "minuscule" to be found to compete with the U.S. product.[83]

We find that each of the statutory criteria for cumulation are met in these investigations. There is no dispute that the domestic like product and the subject imports from all four countries compete in the same geographical markets nationwide.[84] There is also an overlap in channels of distribution of the subject imports and domestic like product. Imports from China, South Africa and Ukraine are sold predominantly to distributors, processors, and service centers. Domestic producers and Russian importers sell almost half of their CTL plate to distributors, processors and service centers, with the remaining sales directly to end users.[85] The parties also do not dispute that imports from Russia, South Africa and Ukraine have been present in the U.S. market throughout the period of investigation.[86]

The subject imports from China, Russia, South Africa and Ukraine also appear to be generally fungible both with the domestic like product and with each other. Most of the domestic and subject imports are produced to widely-accepted ASTM specifications and are sold in similar grades and sizes. Domestic and imported products made to the same specifications are considered physically interchangeable by all domestic producers and most importers.[87] All responding U.S. producers and virtually all importers reported that

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[78] *See, e.g.*, Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[79] *See* Wieland Werke, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); United States Steel Group v. United States, 873 F. Supp. 673, 685-86 (Ct. Int'l Trade 1994).

[80] *See* Sandvik AB v. United States, 721 F. Supp. 1322, 1332-33 (Ct. Int'l Trade 1989), *aff'd* 904 F.2d 461 (Fed. Cir. 1990).

[81] South African Respondents' Postconference Brief at 6.

[82] Id. at 6-7, 9.

[83] Id. at 9.

[84] *See* CR at IV-5-6, PR at IV-4-5.

[85] *See* Table I-2, CR at I-14, PR at I-11. In 1995, the share of U.S. producers' shipments to end users was 50.9 percent with the remaining 49.1 percent of sales to distributors, processors and service centers. For Russian imports, 57.0 percent were sold to end users with the remaining 43.0 percent of sales to distributors, processors and service centers. Id.

[86] Imports of plate from China entered the United States in 31 of the 45 months between January 1993 and September 1996; imports from Russia entered in 41 months; and imports from South Africa and Ukraine entered in 44 months. CR at IV-7, PR at IV-4-5.

[87] CR at II-8, PR at II-5. In response to the question of whether or not the imported and domestic plate products were used interchangeably, 11 of 12 firms reported "yes" for China, 11 of 13 firms reported "yes" for Russia, all 10 firms reported "yes" for South Africa, and 11 of 13 firms reported "yes" for Ukraine. CR at II-8 n.19, PR at II-5 n.19.

imports of CTL plate from each of the four subject countries are used interchangeably.[88] The evidence also indicates that the majority of imported CTL plate and plate sold in the U.S. is "commodity" grade plate.[89]

With respect to imports from South Africa, we are unable on the existing record to confirm that they consist of CTL plate product categories that do not compete with other subject imports. Based on the South African respondents' own presentation of such product breakouts, however, there is at least a 30 percent overlap of South African products competing in the same product categories as other subject imports.[90] Further, while there is some support for the South African respondents' claim that the quality of imports from South Africa is considered generally better than other subject imports, questionnaire data indicate that importers and U.S. producers find that all of the subject imports are generally interchangeable.[91] [92] [93]

Based on the interchangeability of all of the subject imports with the domestic like product and with each other, competition in the same geographical markets, substantial overlap in sales in the same channels of distribution, and the simultaneous presence of all of the subject imports in the U.S. market during most of the period of investigation, we find a reasonable overlap of competition between imports from China, Russia, South Africa and Ukraine and subject imports and the domestic like product.[94] [95]

In deciding whether to cumulate for purposes of making our threat determinations, we also consider whether the subject imports are increasing at similar rates and have similar pricing patterns.[96] [97] We find that there is sufficient similarity in volume trends of subject imports insofar as all subject imports exhibited

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[88] CR at II-9, PR at II-6.

[89] CR at II-8 & n.20, PR at II-5 n.20.

[90] South African Respondents' Postconference Brief at 6.

[91] As noted *supra*, domestic producers and importers that responded to the question of whether the U.S. products and South African products were interchangeable answered in the affirmative where they had familiarity with both products.

[92] We reject the South African respondents' argument that the share of South African shipments in the United States is too minuscule to support a finding of competition with the domestic like product. Imports from South Africa meet the criteria discussed above. We also note that the South African imports clearly do not meet the negligibility test under the current law. *See* 19 U.S.C. § 1677(24). Subject imports from South Africa accounted for 5.7 percent of the volume of all such merchandise imported into the United States from October 1995 through September 1996 (the 12-month period prior to the filing of the petition). Table IV-2, CR at IV-5, PR at IV-4.

[93] As discussed in her separate views, Commissioner Crawford finds that subject imports and the domestic product are at least moderate substitutes for each other. *See* Additional Views of Carol T. Crawford, *infra*.

[94] In the final phase of these investigations, we will collect more information about the alleged "niche" CTL plate products produced in South Africa to analyze further the South African respondents' claim of lack of competition.

[95] Commissioner Crawford concurs in the preceding cumulation analysis and finds that subject imports compete with each other and with the domestic like product. She therefore cumulates subject imports for purpose of her determination that there is a reasonable indication of material injury by reason of allegedly LTFV imports. She does not join in the remainder of these views, in which the majority finds a reasonable indication of threat of material injury by reason of allegedly LTFV imports.

[96] *See* Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int'l Trade 1992); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (Ct. Int'l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int'l Trade 1988).

[97] Commissioner Newquist notes that when assessing whether to cumulate for purposes of a threat of material injury analysis, he places little weight on whether imports from various subject countries are increasing at similar rates or have similar margins of underselling and pricing patterns. Nowhere does the statute require that these "factors" be examined in determining whether to cumulate for a threat analysis.

significant increases in volume during the period of investigation.[98] While South African imports declined in 1995, ***.[99] Most subject imports also increased between the interim periods.[100] In addition, in the vast majority of pricing comparisons, imports from each of the subject countries undersold the domestic like product and had overlapping margins of underselling.[101] Therefore, we have cumulated subject imports from China, Russia, South Africa and Ukraine in determining whether there is a reasonable indication of threat of material injury by reason of alleged LTFV imports from those countries.

B. Analysis of the Relevant Statutory Threat Factors[102] [103]

Section 771(7)(F) of the Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted."[104] The Commission may not make such a determination "on the basis of mere conjecture or supposition,"[105] and considers the threat factors "as a

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[98] Table IV-1, CR at IV-3, PR at IV-2.

[99] Table VII-2, CR at VII-4, PR at VII-2.

[100] Table IV-1, CR at IV-3, PR at IV-2.

[101] CR at V-9, 13, 19, PR at V-6, 9, 12; Table V-5, CR at V-17, PR at V-12; Table V-6, CR at V-18, PR at V-12.

[102] As part of our consideration of the impact of imports, the statute specifies that the Commission is to consider in an antidumping proceeding, "the magnitude of the dumping margin." 19 U.S.C. § 1677(7)(C)(iii)(V). The SAA indicates that the amendment "does not alter the requirement in current law that none of the factors which the Commission considers is necessarily dispositive of the Commission's material injury analysis." SAA at 180. The statute defines the "magnitude of the margin of dumping' to be used by the Commission in a preliminary determination as "the dumping margin or margins published by the administering authority [Commerce] in its notice of initiation of the investigation." 19 U.S.C. § 1677(35)(C). The estimated dumping margin identified by Commerce in its notice of initiation of these investigations range from 10.01 percent to 45.84 percent for China, 139.97 percent to 230.38 percent for Russia, 6.66 percent to 33.87 percent for South Africa, and 201.61 percent to 274.82 percent for Ukraine. 61 Fed. Reg. 58,216 (Nov. 13, 1996).

[103] Commissioner Newquist notes that, in his analytical framework, "evaluation of the magnitude of the alleged margin of dumping" is not generally helpful in answering the questions posed by the statute: whether the domestic industry is threatened with material injury; and, if so, whether such threat of injury is by reason of the allegedly dumped subject imports.

[104] 19 U.S.C. § 1673b(a) and 1677(7)(F)(ii).

[105] 19 U.S.C. §1677(7)(F)(ii). An affirmative threat determination must be based upon "positive evidence tending to show an intention to increase the levels of importation." Metallverken Nederland B.V. v. United States, 744 F. Supp. 281, 287 (Ct. Int'l Trade 1990), *citing* American Spring Wire Corp. v. United States, 590 F. Supp. 1273, 1280 (Ct. Int'l Trade 1984). *See also* Calabrian Corp. v. United States, 794 F. Supp. 377, 387 & 388 (Ct. Int'l Trade 1992), *citing* H.R. Rep. No. 1156, 98th Cong., 2d Sess. 174 (1984).

whole."[106] In making our determination, we have considered all statutory factors[107] that are relevant to these investigations.[108]

The industry began to show signs of a weakened financial condition late in the investigative period. Notably, the industry's operating income, net income, and cash flow were all lower in interim 1996 than in interim 1995.[109] In addition, the average unit value of sales was lower in interim 1996 compared to interim 1995 as were capital expenditures,[110] while end-of-period inventories were higher.[111] [112] These developments indicate the U.S. industry is likely vulnerable to the adverse effects of subject imports .[113]

There has been a significant increase in subject imports during the period of investigation. Cumulated subject imports increased from 245,542 short tons in 1993 to 972,368 short tons in 1995, an increase of 296 percent. Further, subject import volumes were significantly higher in interim 1996 (860,552 short tons) compared to interim 1995 (783,351 short tons).[114] Market share of subject imports also increased considerably from 4.5 percent in 1993 to 15.5 percent in 1995, and was 16.6 percent in interim 1996 compared to 16.4 percent in interim 1995.[115] Subject foreign producers also project significant levels of exports to the United States in 1996 and 1997.[116] U.S. importers reported current or outstanding orders for

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[106] While the language referring to imports being imminent (instead of "actual injury" being imminent and the threat being "real") is a change from the prior provision, the SAA indicates the "new language is fully consistent with the Commission's practice, the existing statutory language, and judicial precedent interpreting the statute." SAA at 184.

[107] The statutory factors have been amended to track more closely the language concerning threat of material injury determinations in the Antidumping and Subsidies Agreements, although "[n]o substantive change in Commission threat analysis is required." SAA at 185.

[108] 19 U.S.C. § 1677(7)(F)(I). Factor I regarding consideration of the nature of the subsidies alleged is inapplicable because there have not been any subsidies alleged. Factor VII regarding raw and processed agriculture products is also inapplicable to the products at issue. *See* 19 U.S.C. § 1677(7)(F)(iii)(I).

[109] Operating income was $86.2 million compared to $99.4 million; net income was $38.8 million compared to $51.1 million; and cash flow was $122.9 million compared to $130.4 million. Table VI-1, CR at VI-2, PR at VI-2.

[110] Average unit sales value was $455 compared to $466. Table VI-2, CR at VI-3, PR at VI-3. Capital expenditures were $71.1 million compared to $118. 3 million. Table VI-5, CR at VI-9, PR at VI-5.

[111] Inventories were 307,613 short tons in interim 1996 compared to 277,039 short tons in interim 1995. Table III-4, CR at III-6, PR at III-5.

[112] Commissioner Newquist notes that this "weakening" occurred while consumption nonetheless increased. *See* note 55, *supra.*

[113] Commissioner Nuzum notes that the magnitude of dumping alleged in the petition is significant with respect to imports from South Africa and China, and extremely large with respect to imports from Russia and Ukraine. Imports from Ukraine consistently undersold the domestic like product, while imports from China, Russia and South Africa undersold the domestic like product in the vast majority of comparisons. Although the size and patterns of underselling by imports from each of the subject countries varied, the magnitude of dumping for each of the subject countries generally exceeded the margins of underselling. Tables V-5, V-6, CR at V-17, V-18; PR at V-12. Moreover, with respect to nonprice factors, the lack of significant differences between the subject imports and the domestic like product suggests that price is an important determinant of purchasers' decisions. In her view, the magnitude of dumping alleged in the petition likely contributed to the ability of subject imports to undersell the domestic like product, and to the adverse price effects and declines in operating income evident toward the end of the period examined.

[114] Table IV-5, CR at IV-9, PR at IV-7.

[115] Table IV-6, CR at IV-10, PR at IV-8.

[116] We have no data regarding projected Chinese exports to the U.S. market. Russian exports to the United States are projected to be *** than in 1993 and 1994. Table VII-1, CR at VII-2, PR at VII-1. South African exports to the United

(continued...)

501,939 short tons of subject imports for delivery after September 30, 1996.[117] This volume is the equivalent of approximately 52 percent of all subject imports in 1995, and does not include orders placed by importers that did not respond to the Commission's request for data, most notably, importers from China and Ukraine. We find that these factors indicate the likelihood of substantially increased imports.

While unused capacity varies among the subject countries, we find that there is current capacity to allow exports to the United States to increase further.[118] Moreover, it is unlikely that the traditional European and Canadian export markets for Russian and Ukrainian CTL plate will be able to absorb large amounts of exports, due to a recent Canadian dumping order against Ukrainian CTL plate and recent European Union quotas on CTL plate from both Russia and Ukraine.[119] [120]

We also find evidence that increased subject imports will enter at prices likely to depress or suppress domestic prices to a significant degree. As noted previously, all CTL plate must meet the same ASTM specifications. The majority of CTL plate imported from the subject countries is "commodity" grade CTL plate. This type of plate apparently accounts for as much as 80 percent of the U.S. market.[121] Although there is some evidence that suggests there are nonprice differences between imported CTL plate and domestic CTL plate, on balance, purchasers reported price to be an important factor.[122] In the vast majority of price comparisons, subject imports undersold the domestic product.[123] Although domestic producers' prices increased throughout much of the period of investigation due in part to strong U.S. demand, evidence of price depression began to emerge late in the investigative period. Weighted-average prices in the first three quarters of 1996 were generally lower than in the corresponding quarters of 1995 for sales to end users and

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[116] (...continued)
States are projected to be *** than in 1995. Table VII-2, CR at VII-4, PR at VII-2. Ukrainian 1996 and 1997 exports to the United States are projected to be *** than during most of the period of investigation. Table VII-3, CR at VII-6, PR at VII-3.

[117] CR at VII-9, PR at VII-3.

[118] We have no capacity utilization data for China. CR at VII-1, PR at VII-1. Capacity utilization for Russian producers was *** percent in 1995, but *** percent in interim 1996. Russian capacity is also *** in 1996 and 1997. Table VII-1, CR at VII-2, PR at VII-1. Capacity utilization for South Africa was *** percent in 1995, but *** percent in interim 1996 and is ***. Table VII-2, CR at VII-4, PR at VII-2. Ukrainian capacity utilization was *** percent in 1995, and *** percent in interim 1996. Table VII-3, CR at VII-6, PR at VII-3.

[119] CR at VII-3, VII-7, PR at VII-2, VII-3. The Canadian antidumping duty order went into effect in 1994. CR at VII-7, PR at VII-3. The European Union decided to impose quotas on certain Russian and Ukrainian CTL plate products in November 1995. Russian and Ukrainian Respondents' Postconference Brief at 7 n.15.

[120] Commissioner Newquist notes that in addition to these specific outstanding orders and quotas, all four subject countries both consume in their home markets and export to third countries substantially more subject merchandise than each exports to the United States. Accordingly, the subject countries can likely increase exports to the United States merely by diverting existing production from these markets.

[121] *See* CR at II-8 & n.20, PR at II-5-6 & n.20.

[122] CR at II-6, PR at II-4.

[123] Chinese imports undersold the domestic like product in 34 out of 39 possible pricing comparisons at underselling margins ranging from 2.0 to 14.0 percent; Russian imports undersold the domestic like product in 42 out of 44 instances at margins ranging from 0.4 and 23.5 percent; South African imports undersold the domestic like product in 23 out of 26 instances at margins ranging from 1.0 to 8.7 percent; and Ukrainian imports undersold the domestic like product in all 33 instances where price comparisons were possible at margins ranging from 4.7 to 22.8 percent. *See* CR at V-13, 18, PR at V-9; Table V-5, CR at V-8, PR at V-12; Table V-6, CR at V-18, PR at V-12.

service centers, distributors and processors.[124] We therefore find that the surge in subject imports, coupled with the consistent underselling of the domestic like product by subject imports, is likely to have a significant depressing or suppressing effect on domestic prices.[125]

U.S. inventories of the subject merchandise rose significantly over the period of investigation from 13,011 short tons in 1993 to 26,037 short tons in 1995 -- an increase of 100 percent. U.S. inventories remained high in interim 1996, at 20,920 short tons.[126] Foreign producer inventories were significant and growing in South Africa and Ukraine.[127]

We note that many domestic producers have invested significant capital in their production facilities in anticipation of the growth in demand.[128] The surge in allegedly LTFV imports and the decline in the financial performance of the industry in interim 1996 lend support to the claim by domestic producers that they will not be able to recoup these investments.[129]

Based on the significant increasing levels and market share of subject imports, underutilized foreign producer capacity, rising levels of inventories of the subject imports, and the potential for the subject imports to enter at prices that are likely to have significant depressing or suppressing effects on domestic prices, at a time when the financial condition of the domestic industry has begun to deteriorate and domestic prices have begun to fall, we find there is a reasonable indication that the domestic industry producing CTL plate is threatened with material injury by reason of the allegedly LTFV imports from China, Russia, South Africa and Ukraine.[130]

CONCLUSION

For the foregoing reasons, we determine that there is a reasonable indication that the domestic industry producing CTL plate is threatened with material injury by reason of allegedly LTFV imports from China, Russia, South Africa and Ukraine.

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[124] Tables V-1 through V-4, CR at V-10-15, PR at V-7-11.

[125] *See generally* CR at V-8-19, PR at V-6-12.

[126] Table VII-4, CR at VII-8, PR at VII-4.

[127] Again, we had no data from Chinese producers with which to analyze this factor. The responding Russian producer reported ***. Table VII-1, CR at VII-2, PR at VII-1.

[128] Table VI-5, CR at VI-8, PR at VI-5.

[129] There is also potential for product shifting since the facilities in the subject countries are used to produce other products. We intend to seek information in the final phase of the investigations, however, as to whether foreign producers are likely to shift from production of these other products to the production of CTL plate.

[130] We did not receive questionnaire data from several important foreign producers and U.S. importers. One importer that is a party to these investigations, Ranger Steel Supply Co., refused to provide questionnaire data, which it had at its disposal, despite the fact that its counsel obtained access under the administrative protective order to all questionnaire data submitted by other parties and industry participants. In any final investigations, we expect to have full cooperation with our data requests.

ADDITIONAL VIEWS OF VICE CHAIRMAN LYNN M. BRAGG

NO REASONABLE INDICATION OF MATERIAL INJURY BY REASON OF ALLEGEDLY LTFV IMPORTS OF CUT-TO-LENGTH CARBON STEEL PLATE

I join my colleagues in the sections of this opinion involving the domestic like product and industry, the condition of the domestic industry, cumulation of subject imports, and threat of material injury to the domestic industry. When making an affirmative threat determination, as I have in these investigations, I believe that it is necessary to first address the question of present material injury. For the reasons discussed below, I do not find a reasonable indication that the domestic industry producing cut-to-length carbon steel plate is presently experiencing material injury by reason of allegedly LTFV imports from China, Russia, South Africa, and Ukraine.

In preliminary antidumping investigations, the Commission must determine whether there is a reasonable indication that an industry in the United States is materially injured by reason of the imports under investigation.[1] In making this determination, the Commission must consider the volume of imports, their effect on prices for the domestic like product, and their impact on producers of the domestic like product, but only in the context of U.S. production operations.[2] Although the Commission may consider causes of injury to the industry other than the allegedly LTFV and subsidized imports,[3] it is not to weigh causes.[4]

I. Volume of Subject Imports

I find that the increase in the volume of cumulated imports of cut-to-length plate from the subject countries was significant over the investigation period.[5] Measured by quantity, subject imports increased from 245,542 tons in 1993 to 650,038 tons in 1994, and then further increased to 972,368 tons in 1995. The volume of subject imports increase by 296.0 percent between 1993 and 1995. Subject imports further increased by 9.9 percent from 783,351 tons during the first nine months of 1995 to 860,552 tons in the first nine months of 1996. Measured by value, cumulated subject imports increased by 341.1 percent overall, rising from $78.0 million in 1993, to $206.0 million in 1994, and to $344.1 million in 1995. The value of

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[1] 19 U.S.C. § 1673b(a). The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant." 19 U.S.C. § 1677(7)(A).

[2] 19 U.S.C. § 1677(7)(B)(I). The Commission "may consider such other economic factors as are relevant to the determination," but shall "identify each [such] factor . . . and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B)(I)(III).

[3] Alternative causes may include the following:

> [T]he volume and prices of imports sold at fair value, contraction in demand or changes in patterns of consumption, trade, restrictive practices of and competition between the foreign and domestic producers, developments in technology, and the export performance and productivity of the domestic industry.

S. Rep. No. 249, 96th Cong., 1st Sess. 74 (1979). Similar language is contained in the House Report. H.R. Rep. No. 317, 96th Cong., 1st Sess. 46-47 (1979).

[4] See, e.g., Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1101 (Ct. Int'l Trade 1988).

[5] I evaluated the same factors in cumulating imports from the subject countries for purposes of analyzing present injury as I evaluated in cumulating for purposes of analyzing threat of material injury. See Views of the Commission.

subject imports increased by 10.0 percent from $272.4 million to $299.6 million between the first nine months of 1995 and 1996.[6]

Subject imports as a share of the quantity of apparent U.S. consumption also increased markedly from 4.5 percent in 1993 to 10.0 percent in 1994, and to 15.5 percent in 1995. This market share increased from 16.4 percent in interim 1995 to 16.6 percent in interim 1996.[7] Market share by value increased from 3.5 percent in 1993, to 7.3 percent in 1994, and then to 12.1 percent in 1995. Interim market shares by value were 12.6 percent and 13.1 percent in 1995 and 1996, respectively. Market share for the domestic industry, meanwhile, declined by a similar magnitude. In particular, between 1993 and 1995 subject import market share increased by 11.0 percentage points by quantity, and 8.6 percentage points by value, while over the same period, the domestic industry's market share declined by 8.4 percentage points by quantity, and 6.8 percentage points by value.[8] Based on the foregoing, I find that the increase in the volume of imports of cut-to-length plate from the subject countries was significant.

II. Price Effects of the Subject Imports

Based on the available information in the preliminary phase of these investigations, I am not able to conclude that the subject imports depressed domestic prices or prevented price increases, which otherwise would have occurred, to a significant degree.[9] Evidence on the record does clearly demonstrate that imports of the subject merchandise were priced consistently below the comparable domestic product over the period of investigation.[10] However, these prices do not appear to have had a significant adverse effect on prices for the domestic product. The available data show that quarterly weighted average prices for two domestic products sold into two different channels of distribution increased significantly between the first quarter of 1993 and the third quarter of 1996. Prices for the two domestic products sold to service centers, distributors, and processors increased by 20.5 percent and 21.2 percent, respectively; while prices for the two domestic products sold to end users increased by 17.2 percent and 15.6 percent, respectively, over this period. These price increases were more than sufficient to offset the slight increase in cost of goods sold that the industry experienced over the same period.

I do note that weighted average prices for both domestic products sold into these two channels of distribution generally declined in quarter-to-quarter comparisons between the first three quarters of 1995 and 1996.[11] These slight downward price trends late in the investigation period provide support for the finding that the domestic industry is threatened with material injury, but they do not support a finding of a significant present adverse price effect.

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[6] Table IV-1, CR at IV-3, PR at IV-2.

[7] Table IV-6, CR at IV-10, PR at IV-8.

[8] Table IV-6, CR at IV-10, PR at IV-8.

[9] 19 U.S.C. § 1677(7)(C)(ii).

[10] In 34 of a possible 39 comparisons, the Chinese product was priced below the comparable domestic product; in 42 of a possible 44 comparisons, the Russian product was priced below the comparable domestic product; in 23 of a possible 26 comparisons, the South African product was priced below the comparable domestic product; and in all 33 possible comparisons, the Ukrainian product was priced below the comparable domestic product. CR at V-13-V-19, PR at V-9-V-12.

[11] CR at V-13-V-19, PR at V-9-V-12.

III. Impact of the Subject Imports on the Domestic Industry[12]

In this preliminary phase of these investigations, I do not find any significant adverse impact attributable to the subject imports. The domestic industry's gross profits and operating income increased from negative levels in 1993 to significantly positive levels in 1995.[13] This improvement occurred at the same time that subject imports surged in volume and were priced significantly below the comparable domestic products. The domestic industry also experienced increases in production, domestic shipments, export shipments, hours worked, and wages paid over the investigation period. Thus, I am not able to find a significant current connection between the cumulated volumes or prices of subject imports, and the financial and operating condition of the domestic industry.

It is noteworthy, however, that unit operating income in the domestic industry declined by 18.9 percent between interim 1995 and 1996, largely because net sales unit values declined faster than did unit cost of goods sold and unit selling, general, and administrative expenses. This recent deterioration in financial performance, in addition to the rapidly increasing volume of subject imports, and slight price declines for the domestic products between interim 1995 and 1996, support a finding of a reasonable indication that the domestic industry faces a threat of material injury by reason of imports of cut-to-length plate from the subject countries.

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[12] As part of its consideration of the impact of imports, the statute as amended by the Uruguay Round Agreements Act (URAA) specifies that the Commission is to consider "the magnitude of the margin of dumping." 19 U.S.C. § 1677(7)(C)(iii)(V). The URAA Statement of Administrative Action (SAA) indicates that the amendment "does not alter the requirement in current law that none of the factors which the Commission considers is necessarily dispositive in the Commission's material injury analysis." SAA at 180, H.R. Doc. No. 316, Vol. 1, 103d Cong., 2d Sess. (1994) at 850. New section 771(35)(C), 19 U.S.C. § 1677(35)(C), defines the "margin of dumping" to be used by the Commission in a preliminary determination as the margin or margins published by Commerce in its notice of initiation. The estimated dumping margins identified by Commerce in its notice of initiation of these investigations range from 10.01 percent to 45.84 for China; from 139.97 percent to 230.38 percent for Russia; from 6.66 percent to 33.87 percent for South Africa; and from 201.61 percent to 274.82 percent for Ukraine. 61 Fed. Reg. 64,051, 64,055 (Dec. 3, 1996). I note that I do not ordinarily consider the margin of dumping to be of particular significance in evaluating the effects of subject imports on domestic producers. See Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles from China, Inv. No. 731-TA-731 (Final), USITC Pub. 2968 (June 1996).

[13] Table VI-1, CR at VI-2, PR at VI-2.

ADDITIONAL VIEWS OF COMMISSIONER CAROL T. CRAWFORD

On the basis of information obtained in these preliminary investigations, I determine that there is a reasonable indication that the industry in the United States producing cut-to-length plate ("CTL plate") is materially injured by reason of imports of CTL plate from China, Russia, South Africa, and Ukraine that are allegedly sold in the United States at less-than-fair-value ("LTFV"). I join my colleagues in the decision to cumulate subject imports from all four countries, and I join their discussion of the condition of the domestic industry. However, I do not concur in their conclusion that the like product should be limited to CTL plate that is cut by domestic steel mills or in their definition of the domestic industry. Furthermore, I do not concur in the majority's determination that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of the subject imports. Rather, I determine that there is a reasonable indication that the industry in the United States producing CTL plate is materially injured by reason of the allegedly LTFV imports of CTL plate from China, Russia, South Africa, and Ukraine. Because my analysis and determination differ from the majority, my separate views follow.

I. ANALYTICAL FRAMEWORK

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

(I) the volume of imports of the merchandise which is the subject of the investigation,
(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 . . .[1]

In making its determination, the Commission may consider "such other economic factors as are relevant to the determination."[2] In addition, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry . . . within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[3]

The statute directs that we determine whether there is a reasonable indication of "material injury by reason of the dumped imports." Thus we are called upon to evaluate the effect of allegedly dumped imports on the domestic industry and determine if there is a reasonable indication that they are causing material injury. There may be, and often are, other "factors" that are causing injury. These factors may even be causing greater injury than the alleged dumping. However, the statute does not require us to weigh or prioritize the factors that are independently causing material injury. Rather, the Commission is to determine whether there is a reasonable indication that any injury "by reason of" the allegedly dumped imports is material. That is, the Commission must determine if there is a reasonable indication that the subject imports are causing material injury to the domestic industry. "When determining the effects 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."[4] It is important, therefore, to assess the effects of the allegedly dumped imports in a way that distinguishes those effects from the effects of other factors unrelated

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[1] 19 U.S.C. § 1677(7)(B)(I).

[2] 19 U.S.C.§ 1677(7)(B)(ii).

[3] 19 U.S.C. § 1677(7)(C)(iii).

[4] S. Rep. No. 71, 100th Cong., 1st Sess. 116 (1987)(emphasis added).

to the dumping. To do this, I compare the current condition of the industry to the industry conditions that would have existed without the dumping, that is, had subject imports all been fairly priced. I then determine whether the change in conditions constitutes material injury. Both the Court of International Trade and the United States Court of Appeals for the Federal Circuit have held that the "statutory language fits very well" with my mode of analysis, expressly holding that my mode of analysis comports with the statutory requirements for reaching a determination of material injury by reason of the subject imports.[5]

In my analysis of material injury, I evaluate the effects of the alleged dumping[6] on domestic prices, domestic sales, and domestic revenues. To evaluate the effects of the alleged dumping on domestic prices, I compare domestic prices that existed when the imports were allegedly dumped with what domestic prices would have been if the imports had been priced fairly. Similarly, to evaluate the effects of dumping on the quantity of domestic sales,[7] I compare the level of domestic sales that existed when imports were allegedly dumped with what domestic sales would have been if the imports had been priced fairly. The combined price and quantity effects translate into an overall domestic revenue impact. Understanding the impact on the domestic industry's prices, sales, and overall revenues is critical to determining the state of the industry, because the impact on other industry indicators (e.g., employment, wages, etc.) is derived from the impact on the domestic industry's prices, sales, and revenues.

I then determine whether the price, sales, and revenue effects of the alleged dumping, either separately or together, demonstrate that there is a reasonable indication that the domestic industry would have been materially better off if the imports had been priced fairly. If so, there is a reasonable indication that the domestic industry is materially injured by reason of the allegedly dumped imports.

For the reasons discussed below, I determine that there is a reasonable indication that the domestic industry producing CTL plate is materially injured by reason of allegedly LTFV imports of CTL plate from China, Russia, South Africa, and Ukraine.

II. LIKE PRODUCT AND DOMESTIC INDUSTRY

As discussed previously, I concur in my colleagues' finding that, for purposes of the preliminary phase of these investigations, plate in coil form and CTL plate should not be included in the same like product. However, I do not concur in their conclusion that the like product should be limited to the CTL plate that is cut by domestic steel mills. Rather, I find that all CTL plate is part of the same like product, regardless of who cuts it into CTL plate. In addition, I find that the domestic industry includes the toll producers and steel service centers that cut CTL plate. Because I differ from my colleagues, my analysis of these like product and domestic industry issues follows.

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[5] United States Steel Group v. United States, 96 F.3rd 1352, at 1361 (Fed.Cir. 1996), *aff'g* 873 F.Supp. 673, 694-695 (Ct. Int'l Trade 1994).

[6] As part of its consideration of the impact of imports, the statute as amended by the URAA now specifies that the Commission is to consider in an antidumping proceeding, "the magnitude of the margin of dumping." 19 U.S.C. § 1677(7)(C)(iii)(V).

[7] In examining the quantity sold, I take into account sales from both existing inventory and new production.

A. Like Product

CTL plate is cut to length by at least three different entities: steel mills, toll producers,[8] and steel service centers. There is no dispute that the CTL plate produced by the steel mills is "like" the subject imports of CTL plate.[9] Therefore, CTL plate cut by toll producers and service centers is also "like" subject imports unless it differs from the CTL plate produced by the steel mills. The record indicates no such differences. Rather, there is no dispute that all CTL plate is essentially the same product, with the same chemistry, metallurgy, and physical characteristics.[10] Since the CTL plate produced by the steel mills is the same product as the CTL plate cut by toll producers and the service centers, CTL plate from all three domestic sources is "like" subject imports of CTL plate.[11] In my view, it makes no difference what entity cuts the CTL plate so long as the CTL plate is "like" the subject imports. Therefore, I include CTL plate cut by toll producers and service centers in the like product, and find that the like product consists of all CTL plate.

B. Domestic Industry[12]

The statute defines the domestic industry as "the producers as a whole of a domestic like product . . ."[13] Having defined the domestic like product as all CTL plate, it follows that the domestic industry consists of all the domestic producers of CTL plate. Consequently, I include in the domestic industry the toll producers and service centers that cut CTL plate.

The Commission's general practice is to include in the domestic industry producers of all domestic production, including toll producers.[14] In my view, the record contains no evidence to merit deviating from this general practice, and thus no basis on which to exclude toll producers from the domestic industry. Similarly, there is nothing in the record to merit treating toll producers differently from the service centers that cut CTL plate from plate in coil form. The only difference between these service centers and toll producers appears to be ownership of the product. Toll producers do not own either the CTL plate they produce or the input from which they produce it, while the service centers purchase the input and thus own the

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[8] One U.S. mill reported that a portion of its plate in coil form is cut into CTL plate by a service center under a toll arrangement, and that the U.S. mill sells this product as CTL plate. In addition, a second U.S. mill began testing the occasional use of outside service centers to process some of its plate in coil form into CTL plate by cutting it. CR at I-12, n.27; PR at I-10.

[9] Subject imports consist of all CTL plate, regardless of how it is produced.

[10] While there are some limits on interchangeability between plate produced on a reversing mill and plate cut from coils, the limits do not appear to be significant. CR at I-13; PR at I-11. Moreover, the limits on interchangeability are diminishing. CR at I-12, n. 28; PR at I-10.

[11] In my like product analysis, the availability of trade and financial data from toll producers and service centers is not germane to the issue of whether the CTL plate they cut is "like" subject imports of CTL plate.

[12] I concur that North Star should not be excluded from the domestic industry. The record demonstrates clearly that North Star's primary interest lies in production, not importation.

[13] 19 U.S.C. § 1677(4)(A).

[14] *See* United States Steel Group v. United States, 873 F.Supp. 673, 682-683 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996); Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Germany and Japan, Invs. Nos. 731-TA-736 and 737 (Final), USITC Pub. 2988 (Aug. 1996), at 7-8.

CTL plate they cut from the input.[15] The production-related activities performed by the service centers and the toll producers are either the same or, if not the same, result in the same product, i.e., CTL plate.

On the surface, the issue of whether toll producers and service centers perform sufficient production-related activity to make them "producers" of CTL plate may seem complicated. However, in my view the analysis is actually quite straightforward, and follows from the like product finding. Plate in coil form and CTL plate are either part of the same like product, or they are separate like products. If they are part of the same like product, then by definition the products are so similar that the production-related activities of toll producers and service centers must be minor. In the preliminary phase of these investigations, on the other hand, we have found that plate in coil form and CTL plate are separate like products, and thus the production-related activity required to convert the plate in coil form into CTL plate is by definition sufficient to convert one like product into a different like product. Therefore, it follows that converting plate in coil form into CTL plate constitutes "production" of CTL plate.

In my view, it is analytically inconsistent to find that plate in coil form and CTL plate are so different that they are separate like products and, at the same time, to find that the production-related activity required to convert one into the other is too small to constitute production of one of the separate like products. So long as they are separate like products, the conversion from plate in coil form into CTL plate must constitute "production" of CTL plate. Therefore, under the statutory scheme, toll producers and service centers that cut CTL plate are producers of CTL plate. Consequently, they are members of the domestic industry producing CTL plate.

III. CONDITIONS OF COMPETITION

To understand how an industry is affected by unfair imports, we must examine the conditions of competition in the domestic market. The conditions of competition constitute the commercial environment in which the domestic industry competes with unfair imports, and thus form the foundation for a realistic assessment of the effects of the dumping. This environment includes demand conditions, substitutability among and between products from different sources, and supply conditions in the market.

A. Demand Conditions

An analysis of demand conditions tells us what options are available to purchasers, and how they are likely to respond to changes in market conditions, for example an increase in the general level of prices in the market. Purchasers generally seek to avoid price increases, but their ability to do so varies with conditions in the market. The willingness of purchasers to pay a higher price will depend on the importance of the product to them (e.g., how large a cost factor), whether they have options that allow them to avoid the price increase, for example by switching to alternative products, or whether they can exercise buying power to negotiate a lower price. An analysis of these demand-side factors tells us whether demand for the product is elastic or inelastic, that is, whether purchasers will reduce the quantity of their purchases if the price of the product increases. For the reasons discussed below, I find that the overall elasticity of demand for CTL plate is relatively low.

Importance of the Product and Cost Factor. Key factors that measure the willingness of purchasers to pay higher prices are the importance of the product to purchasers and the significance of its cost. In the case of an intermediate product (e.g., an input), the importance will depend on its cost relative to the total cost of the downstream product in which it is used. When the price of the input is a small portion of the total

[15] If the difference in ownership has any significance, it would seem to indicate that a service center more closely resembles other CTL producers than a toll producer does.

cost of the downstream product in which it is used, changes in the price of the input are less likely to alter demand for the downstream product, and, by extension, demand for the input.

Record evidence shows that CTL plate accounts for a relatively small cost share of the downstream products in which it is used.[16] This small cost share indicates an inelastic demand for CTL plate.

Alternative Products. Another important factor in determining whether purchasers would be willing to pay higher prices is the availability of viable alternative products. Often purchasers can avoid a price increase by switching to alternative products. If such an option exists, it can impose discipline on producer efforts to increase prices.

Information on the record indicates that alternative products that can substitute for CTL plate are available for a limited number of the most common applications. However, the record also indicates that there are practical and functional limits on the substitutability of the alternative products.[17] Thus, the limited availability and substitutability of alternative products indicate an inelastic demand for CTL plate.

Based on the small cost share of CTL plate in downstream products and the limited availability of alternative products, I find that the overall elasticity of demand for CTL plate is relatively low. That is, purchasers will not reduce significantly the amount of CTL plate they buy in response to a general increase in the price of CTL plate.

B. Substitutability

Simply put, substitutability measures the similarity or dissimilarity of imported versus domestic products from the purchaser's perspective. Substitutability depends upon 1) the extent of product differentiation, measured by product attributes such as physical characteristics, suitability for intended use, design, convenience or difficulty of usage, quality, etc.; 2) differences in other non-price considerations such as reliability of delivery, technical support, and lead times; and 3) differences in terms and conditions of sale. Products are close substitutes and have high substitutability if product attributes, other non-price considerations, and terms and conditions of sale are similar.

While price is nearly always important in purchasing decisions, non-price factors that differentiate products determine the value that purchasers receive for the price they pay. If products are close substitutes, their value to purchasers is similar, and thus purchasers will respond more readily to relative price changes. On the other hand, if products are not close substitutes, relative price changes are less important and are therefore less likely to induce purchasers to switch from one source to another.

Because demand elasticity for CTL plate is relatively low, overall purchases will not decline significantly if the overall prices of CTL plate increase. However, purchasers can avoid price increases from one source by seeking other sources of CTL plate. In addition to any changes in overall demand for CTL plate, the demand for CTL plate from different sources will decrease or increase depending on their relative prices and their substitutability. If CTL plate from different sources is substitutable, purchasers are more likely to shift their demand when the price from one source (i.e., subject imports) increases. The magnitude of this shift in demand is determined by the degree of substitutability among the sources.

Purchasers have three potential sources of CTL plate: domestically produced CTL plate, subject imports, and nonsubject imports. Purchasers are more or less likely to switch from one source to another depending on the similarity, or substitutability, between and among them. I have evaluated the substitutability among CTL plate from different sources as follows.

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[16] CR at II-6; PR at II-4.

[17] CR at II-5 to II-6; PR at II-4.

For purposes of these preliminary investigations, I find that subject imports, nonsubject imports, and domestic CTL plate are all at least moderate substitutes for each other. Thus, a shift in demand away from subject imports likely would increase demand for both nonsubject imports and domestic CTL plate.

Overall, there is a basic level of substitutability among subject imports, nonsubject imports, and the domestic like product because all three generally must meet ASTM specifications. In addition, evidence indicates that the low end of CTL plate (e.g. plate used for construction and other basic industrial applications) accounts for about 80 percent of consumption, and a majority of subject imports consists of this low-end plate.[18] Some domestic producers manufacture higher-value products that historically have not faced significant competition from subject imports. However, the record indicates that competition from subject imports for sales of these higher-value products is increasing.[19] Therefore, in the vast majority of the market subject imports and the domestic product compete head-to-head, which indicates that they are fairly good substitutes for each other.

The substitutability among subject imports and between subject imports and the domestic product is reduced somewhat by non-price factors. Less than one-half of responding importers identified non-price factors that differentiate subject imports from among the four countries, which indicates that the subject imports are fairly good substitutes for each other.[20] On the other hand, over one-half of responding importers reported significant non-price differences between imports from China, Russia and Ukraine and the domestic product, which reduces the substitutability between subject imports from these three countries and the domestic product. There is some evidence of quality differences (e.g. rustiness) among subject imports, with South African imports the highest quality, although there is no evidence that South African imports are not substitutable with the domestic product.[21] As noted above, a majority of subject imports compete in the low end of the market, and there is increasing competition for sales of higher-value products. Thus, while non-price differences reduce substitutability somewhat, overall there is at least moderate substitutability among subject imports and between subject imports and the domestic product.

The record indicates that nonsubject imports, subject imports, and the domestic product compete with each other, and that there are no significant non-price differences between nonsubject imports and either subject imports or the domestic product.[22] Therefore, there is at least moderate substitutability among subject imports, nonsubject imports, and the domestic product.

For these reasons, I find that subject imports, nonsubject imports, and domestic CTL plate are at least moderate substitutes for each other. Therefore, I find that purchasers would have switched from purchases of subject imports to purchases of both nonsubject imports and domestic CTL plate had subject imports been fairly priced.

C. Supply Conditions

Supply conditions in the market are a third condition of competition. Supply conditions determine how producers would respond to an increase in demand for their product, and also affect whether producers are able to institute price increases and make them stick. Supply conditions include producers' capacity utilization, their ability to increase their capacity readily, the availability of inventories and products for

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[18] CR at II-8; PR at II-5.

[19] CR at II-8; PR at II-6.

[20] CR at II-10; PR at II-6.

[21] CR at II-9 and n.23 and n.24; PR at II-6.

[22] CR at II-10; PR at II-7.

export markets, production alternatives and the level of competition in the market. For the reasons discussed below, I find that the elasticity of supply of CTL plate appears to be moderate to high.

Capacity Utilization and Capacity. Unused capacity can exercise discipline on prices, if there is a competitive market, as no individual producer could make a price increase stick. Any attempt at a price increase by any one producer would be beaten back by its competitors who have the available capacity and are willing to sell more at a lower price. In 1995, 22.5 percent of the domestic industry's capacity to produce CTL plate was not used and therefore was available to increase production.[23] Available capacity exceeded the total quantity of subject imports in 1995.[24] Thus, the domestic industry had sufficient capacity available to supply the demand for subject imports.

Inventories and Exports. The domestic industry had 284,461 short tons of CTL plate in inventories available at the end of 1995 which it could have shipped into the U.S. market.[25] However, the domestic industry's exports are fairly small, and thus do not represent a significant source of supply of CTL plate.[26] Notwithstanding its small volume of exports, the domestic industry had available inventories that could have filled the demand supplied by subject imports.

Level of Competition. The level of competition in the domestic market has a critical effect on producer responses to demand increases. A competitive market is one with a number of suppliers in which no one producer has the power to influence price significantly. In the U.S. market, there are 13 domestic producers of CTL plate, and thus there is significant competition within the domestic industry. Nonsubject imports are not a substantial source of competition in this market, accounting for only 6.0 percent of consumption in 1995.[27] Notwithstanding the limited competition from nonsubject imports, there is significant competition among domestic producers. Consequently, I find that there is a significant level of competition in the U.S. market for CTL plate.

Because of the level of competition in the U.S. market and the domestic industry's ability to supply the demand for subject imports, I find that the elasticity of supply is moderate to high.

IV. REASONABLE INDICATION OF MATERIAL INJURY BY REASON OF ALLEGEDLY LTFV IMPORTS OF CTL PLATE FROM CHINA, RUSSIA, SOUTH AFRICA AND UKRAINE

The statute requires us to consider the volume of subject imports, their effect on domestic prices, and their impact on the domestic industry. I consider each requirement in turn.

A. Volume of Subject Imports

Cumulated subject imports increased from 245,542 short tons in 1993 to 650,038 short tons in 1994, and to 972,368 short tons in 1995. In the first 9 months of 1996, subject imports were 860,552 short tons. The value of subject imports was $78.0 million in 1993, $206.0 million in 1994, $344.1 million in 1995, and $299.6 million in interim 1996.[28] By quantity, subject imports held a market share of 4.5 percent in 1993, 10.0 percent in 1994, 15.5 percent in 1995, and 16.6 percent in interim 1996. Their market share by value

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[23] Table III-2, CR at III-4; PR at III-3.

[24] Table III-2 and table IV-1, CR at III-4 and IV-3; PR at III-3 and IV-2.

[25] Table III-4, CR at III-6; PR at III-5.

[26] Table III-3, CR at III-5; PR at III-4.

[27] Table IV-6, CR at IV-10; PR at IV-8.

[28] Table IV-1, CR at IV-3; PR at IV-2.

was 3.5 percent in 1993, 7.3 percent in 1994, 12.1 percent in 1995, and 13.1 percent in interim 1996.[29] While it is clear that the larger the volume of subject imports, the larger the effect they will have on the domestic industry, whether the volume is significant cannot be determined in a vacuum, but must be evaluated in the context of its price and volume effects. Based on the market share of cumulated subject imports and the conditions of competition in the domestic market, I find that the volume of subject imports is significant in light of its price and volume effects.

B. Effect of Subject Imports on Domestic Prices

To determine the effect of subject imports on domestic prices, I examine whether the domestic industry could have increased its prices if the subject imports had not been dumped. As discussed, both demand and supply conditions in the CTL plate market are relevant. Examining demand conditions helps us understand whether purchasers would have been willing to pay higher prices for the domestic product, or buy less of it, if subject imports had been sold at fairly traded prices. Examining supply conditions helps us understand whether available capacity and competition among suppliers to the market would have imposed discipline and prevented price increases for the domestic product, even if subject imports had not been unfairly priced.

If the subject imports had not been dumped, their prices in the U.S. market would have increased significantly. Thus, if subject imports had been fairly priced, they would have become more expensive relative to domestic CTL plate. In such a case, if subject imports are good substitutes with other CTL plate, purchasers would have shifted towards the relatively less expensive products.

In these investigations, the alleged dumping margins for subject imports generally are quite large, ranging from 6.66 percent to 33.87 percent for South Africa; 10.01 percent to 45.84 percent for China; 139.97 percent to 230.38 percent for Russia; and 201.61 percent to 274.82 percent for Ukraine. Therefore, subject imports likely would have been priced significantly higher had they been fairly traded. Subject imports and domestic CTL plate are at least moderate substitutes, and thus some of the demand for subject imports likely would have shifted to domestic CTL plate had subject imports been fairly traded. However, nonsubject imports and subject imports also are at least moderate substitutes, and thus some of the demand for subject imports likely would have shifted to nonsubject imports as well.

At fairly traded prices, all or nearly all of the demand supplied by subject imports from Russia and Ukraine likely would have shifted away from these sources of CTL plate. Since these two sources account for over 75 percent of the cumulated subject imports,[30] the shift in demand away from subject imports from Russia and Ukraine likely would have been quite large. It is likely that very little of this demand would have shifted to the other subject imports because they too, at fairly traded prices, would have been priced significantly higher. In addition, it is likely that at fairly traded prices some, and perhaps most, of the demand supplied by subject imports from China and South Africa also would have shifted away from these sources of CTL plate. Consequently, demand likely would have shifted away from subject imports from all four sources. Since subject imports held a cumulated market share of 15.5 percent by quantity in 1995,[31] the shift in demand away from subject imports would have been fairly large. Nonsubject imports accounted for only 6.0 percent of the market in 1995,[32] and thus represent only limited competition for the domestic industry. Therefore, most of the demand for subject imports likely would have shifted to the domestic product.

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[29] Table IV-6, CR at IV-10, PR at IV-8.

[30] Table IV-6, CR at IV-10; PR at IV-8.

[31] Table IV-6, CR at IV-10; PR at IV-8.

[32] Table IV-6, CR at IV-10; PR at IV-8.

The elasticity of demand indicates that domestic suppliers should have been able to increase prices in response to this shift in demand. However, any attempt by the domestic industry to increase its prices in response to the shift in demand would have been unsuccessful. Although competition from nonsubject imports is limited, there is significant competition among producers within the domestic industry. The domestic industry has available production capacity, as well as some inventories, with which producers would have competed for sales, had demand shifted away from subject imports. This competition would have enforced price discipline in the market. In these circumstances, any effort by a domestic producer to raise its prices would have been beaten back by the competition. Therefore, significant effects on domestic prices cannot be attributed to the unfair pricing of subject imports. Consequently, I find that subject imports are not having significant effects on prices for domestic CTL plate.

C. Impact of Subject Imports on the Domestic Industry

To assess the impact of subject imports on the domestic industry, I consider output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, research and development and other relevant factors.[33] These factors together either encompass or reflect the volume and price effects of the dumped imports, and so I gauge the impact of the dumping through those effects.

The domestic industry would not have been able to increase its prices significantly if subject imports had been sold at fairly traded prices. Therefore, any impact of allegedly dumped imports on the domestic industry would have been on the domestic industry's output and sales.

As I have discussed above, competition from nonsubject imports is limited, and thus, had subject imports not been dumped, the domestic industry would have captured most of the demand satisfied by subject imports. The increase in demand for the domestic product likely would have been substantial, and the domestic producers could have increased their production and sales to satisfy the increased demand. The domestic industry likely would have captured enough of the demand for subject imports that its output and sales, and therefore its revenues, would have increased significantly had subject imports not been dumped. Consequently, the domestic industry likely would have been materially better off if the subject imports had been fairly traded.

V. CONCLUSION

On the basis of the foregoing analysis, I determine that there is a reasonable indication that the domestic industry producing CTL plate is materially injured by reason of allegedly LTFV imports of CTL plate from China, Russia, South Africa, and Ukraine.

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[33] 19 U.S.C. § 1677(7)(C)(iii).

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed by Geneva, Provo, UT, and Gulf , Gadsden, AL, on November 5, 1996, alleging that an industry in the United States is materially injured and threatened with material injury by reason of LTFV imports of cut-to-length carbon steel plate[1] from China, Russia, South Africa, and Ukraine. Information on previous and related Commission investigations is provided in table I-1. Relevant *Federal Register* notices appear in appendix A; a list of participants in the Commission's conference is provided in appendix B; current rates of duty are included in appendix C; and a summary of data collected in the investigations is presented in appendix D. General information relating to the background of these investigations is provided below:

Date	Action
Nov. 5, 1996	Petitions filed with the Commission and Commerce; institution of the Commission's investigations (61 F.R. 58216, Nov. 13, 1996)
Nov. 26	Commission's conference
Dec. 3	Commerce's notice of initiation[1] (61 F.R. 64051, Dec. 3, 1996)
Dec. 18	Commission's vote
Dec. 20	Commission's preliminary determinations transmitted to Commerce

[1] The estimated dumping margins in Commerce's notice of initiation are as follows: Based on comparisons of export price to normal value, 6.66 to 33.87 percent for South Africa; based on comparisons of export price to the factors of production, 10.01 to 45.84 percent for China, 139.97 to 230.38 percent for Russia, and 201.61 to 274.82 percent for Ukraine.

Geneva is also the plaintiff in a private action filed against Ranger and Thyssen under the 1916 Antidumping Act in Federal District Court in Utah. Geneva is requesting a monetary reward for damage from their actions in importing plate ***.

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[1] For the purposes of these investigations, cut-to-length carbon steel plate is hot-rolled iron and nonalloy steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1,250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated, nor coated with metal, and whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and nonalloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated, nor coated with metal, and whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included in this definition are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process--for example, products which have been beveled or rounded at the edges. Excluded from this definition are plates that are characterized as grade X-70 plates. Cut-to-length carbon steel plate is currently covered by the following statistical reporting numbers of the HTS: 7208.40.3030; 7208.40.3060; 7208.51.0030; 7208.51.0045; 7208.51.0060; 7208.52.0000; 7208.53.0000; 7208.90.0000; 7210.70.3000; 7210.90.9000; 7211.13.0000; 7211.14.0030; 7211.14.0045; 7211.90.0000; 7212.40.1000; 7212.40.5000; and 7212.50.0000.

Table I-1
Carbon steel plate: Previous and related investigations

Source	Investigation number	Investigation date	Report number	Result
Belgium	731-TA-018 (P)	1980	USITC 1064	Affirmative
	701-TA-083 (P)	1982	USITC 1207	Affirmative
	701-TA-086 (P)	1982	USITC 1221	Affirmative
	731-TA-053 (P)	1982	USITC 1221	Affirmative
	701-TA-086 (F)	1982	N/A	Terminated 10/26/82
	731-TA-053 (F)	1982	N/A	Terminated 10/26/82
	731-TA-146 (P)	1983	USITC 1451	Affirmative
	701-TA-319 (P)	1992	USITC 2549	Affirmative
	731-TA-573 (P)	1992	USITC 2549	Affirmative
	701-TA-319 (F)	1993	USITC 2664	Affirmative[1]
	731-TA-573 (F)	1993	USITC 2664	Affirmative
Brazil	701-TA-084 (P)	1982	USITC 1208	Affirmative
	701-TA-087 (P)	1982	USITC 1221	Affirmative
	701-TA-087(F)	1983	USITC 1356	Affirmative (suspension agreement reached)
	701-TA-204 (P)	1983	N/A	Petition withdrawn 11/83
	701-TA-320 (P)	1992	USITC 2549	Affirmative
	731-TA-574 (P)	1992	USITC 2549	Affirmative
	701-TA-320 (F)	1993	USITC 2664	Affirmative[1]
	731-TA-574 (F)	1993	USITC 2664	Affirmative[1]
Canada	731-TA-575 (P)	1992	USITC 2549	Affirmative
	731-TA-575 (F)	1993	USITC 2664	Affirmative[1]
Czechoslovakia	731-TA-213 (P)	1985	USITC 1642	Affirmative
	731-TA-213 (F)	1985	N/A	Petition withdrawn 05/85

Continued on the following page.

Table I-1 -- Continued
Carbon steel plate: Previous and related investigations

Source	Investigation number	Investigation date	Report number	Result
Finland	731-TA-169 (P)	1984	USITC 1510	Affirmative
	731-TA-169 (F)	1985	N/A	Petition withdrawn 01/85
	731-TA-576 (P)	1992	USITC 2549	Affirmative
	731-TA-576 (F)	1993	USITC 2664	Affirmative[1]
France	731-TA-020 (P)	1980	USITC 1064	Affirmative
	701-TA-088 (P)	1982	USITC 1221	Negative
	731-TA-054 (P)	1982	USITC 1221	Negative
	701-TA-321 (P)	1992	USITC 2549	Affirmative
	731-TA-577 (P)	1992	USITC 2549	Affirmative
	701-TA-321 (F)	1993	USITC 2664	Negative
	731-TA-577 (F)	1993	USITC 2664	Negative
Germany (East)	731-TA-214 (P)	1985	USITC 1642	Affirmative
	731-TA-214 (F)	1985	N/A	Terminated 08/85
Germany (West)	731-TA-019 (P)	1980	USITC 1064	Affirmative
	701-TA-093 (P)	1982	USITC 1221	Affirmative
	731-TA-060 (P)	1982	USITC 1221	Affirmative
	701-TA-093 (F)	1982	N/A	Terminated 10/82
	731-TA-060 (F)	1982	N/A	Terminated 10/82
	731-TA-147 (P)	1984	USITC 1550	Affirmative (on remand)
	731-TA-147 (F)	1984	N/A	Terminated 11/84
Germany (Unified)	701-TA-322 (P)	1992	USITC 2549	Affirmative
	731-TA-578 (P)	1992	USITC 2549	Affirmative
	701-TA-322 (F)	1993	USITC 2664	Affirmative[1]
	731-TA-578 (F)	1993	USITC 2664	Affirmative[1]
Hungary	731-TA-215 (P)	1985	USITC 1642	Affirmative
	731-TA-215 (F)	1985	N/A	Petition withdrawn 05/85

Continued on the following page.

Table I-1 -- Continued
Carbon steel plate: Previous and related investigations

Source	Investigation number	Investigation date	Report number	Result
Italy	731-TA-021 (P)	1980	USITC 1064	Affirmative
	701-TA-089 (P)	1982	USITC 1221	Negative
	731-TA-055 (P)	1982	USITC 1221	Negative
	701-TA-323 (P)	1992	USITC 2549	Affirmative
	731-TA-579 (P)	1992	USITC 2549	Affirmative
	701-TA-323 (F)	1993	USITC 2664	Negative
	731-TA-579 (F)	1993	USITC 2664	Negative
Japan	AA1921-179	1978	USITC 0882	Affirmative
	731-TA-580 (P)	1992	USITC 2549	Negative
Korea	701-TA-170 (P)	1982	USITC 1261	Affirmative
	701-TA-170 (F)	1983	USITC 1346	Affirmative
	731-TA-151 (P)	1983	USITC 1459	Affirmative
	731-TA-151 (F)	1984	USITC 1561	Affirmative
	701-TA-324 (P)	1992	USITC 2549	Affirmative
	731-TA-581 (P)	1992	USITC 2549	Affirmative
	701-TA-324 (F)	1993	USITC 2664	Negative
	731-TA-581 (F)	1993	USITC 2664	Negative
Luxembourg	701-TA-090 (P)	1982	USITC 1221	Negative
	731-TA-056 (P)	1982	USITC 1221	Negative
Mexico	701-TA-325 (P)	1992	USITC 2549	Affirmative
	731-TA-582 (P)	1992	USITC 2549	Affirmative
	701-TA-325 (F)	1993	USITC 2664	Affirmative[1]
	731-TA-582 (F)	1993	USITC 2664	Affirmative[1]
Netherlands	731-TA-023 (P)	1980	USITC 1064	Affirmative
	701-TA-091 (P)	1982	USITC 1221	Negative
	731-TA-057 (P)	1982	USITC 1221	Negative

Continued on the following page.

Table I-1 -- Continued
Carbon steel plate: Previous and related investigations

Source	Investigation number	Investigation date	Report number	Result
Poland	AA1921-203	1979	USITC 0984	Negative
	731-TA-216 (P)	1985	USITC 1642	Affirmative
	731-TA-216 (F)	1985	N/A	Terminated 08/85
	731-TA-583 (P)	1992	USITC 2549	Affirmative
	731-TA-583 (F)	1993	USITC 2664	Affirmative[1]
Romania	731-TA-051(P)	1982	USITC 1207	Affirmative
	731-TA-058 (P)	1982	USITC 1221	Affirmative
	731-TA-058 (F)	1982	N/A	Suspension agreement reached 01/83; terminated 07/85
	731-TA-584 (P)	1992	USITC 2549	Affirmative
	731-TA-584 (F)	1993	USITC 2664	Affirmative[1]
South Africa	731-TA-170 (P)	1984	USITC 1510	Affirmative
Spain	701-TA-155 (P)	1982	USITC 1255	Affirmative
	701-TA-155 (F)	1982	USITC 1331	Affirmative
	731-TA-171 (P)	1984	USITC 1510	Affirmative
	731-TA-171 (F)	1985	N/A	Terminated 01/85
	701-TA-326 (P)	1992	USITC 2549	Affirmative
	731-TA-585 (P)	1992	USITC 2549	Affirmative
	701-TA-326 (F)	1993	USITC 2664	Affirmative[1]
	731-TA-585 (F)	1993	USITC 2664	Affirmative[1]
Sweden	701-TA-225 (P)	1985	USITC 1642	Affirmative
	701-TA-225 (F)	1985	USITC 1759	Negative
	701-TA-327 (P)	1992	USITC 2549	Affirmative
	731-TA-586 (P)	1992	USITC 2549	Affirmative
	701-TA-327 (F)	1993	USITC 2664	Affirmative[1]
	731-TA-586 (F)	1993	USITC 2664	Affirmative[1]

Continued on the following page.

Table I-1 -- Continued Carbon steel plate: Previous and related investigations				
Source	**Investigation number**	**Investigation date**	**Report number**	**Result**
Taiwan	AA1921-197	1979	USITC 0970	Affirmative[1]
United Kingdom	731-TA-024 (P)	1980	USITC 1064	Affirmative
	701-TA-092 (P)	1982	USITC 1221	Affirmative
	731-TA-059 (P)	1982	USITC 1221	Affirmative
	701-TA-092 (F)	1982	N/A	Terminated 10/82
	731-TA-059 (F)	1982	N/A	Terminated 10/82
	701-TA-328 (P)	1992	USITC 2549	Affirmative
	731-TA-587 (P)	1992	USITC 2549	Affirmative
	701-TA-328 (F)	1993	USITC 2664	Affirmative[1]
	731-TA-587 (F)	1993	USITC 2664	Affirmative[1]
Venezuela	701-TA-226 (P)	1985	USITC 1642	Affirmative
	731-TA-217 (P)	1985	USITC 1642	Affirmative

[1] **Order in place.**

Source: Cited Commission publications.

THE PRODUCT

This section presents information on both imported and domestically produced carbon steel plate, as well as information related to the Commission's "domestic like product" determination.[2] The imported product subject to these investigations, cut-to-length carbon steel plate, consists of hot-rolled iron and nonalloy steel universal mill plates of rectangular shape as well as certain iron and nonalloy steel flat-rolled products not in coils,[3] of rectangular shape, hot-rolled, 4.75 mm or more in thickness and of a width which

[2] The Commission's decision regarding the appropriate domestic products that are "like" the subject imported products is based on a number of 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, where appropriate, (6) price.

[3] Iron and nonalloy steel are defined in chapter 72 of the HTS. 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. The subject products have not been further mechanically worked than hot-rolled, a rolling process in which the semifinished form (in this case, a slab) is heated and its thickness is reduced by rolling. Heat-treatments, such as annealing or normalizing, in which the temperature of the steel product is raised followed by controlled cooling, do not

(continued...)

exceeds 150 mm and measures at least twice the thickness.[4] The imported product includes flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (for example, products which have been bevelled or rounded at the edges) but does not include plates in coils; plates that are not of rectangular shape;[5] plates that are characterized as grade X-70 plates; or plates that have been clad, plated, or coated with metal.

In the preliminary investigations conducted on flat-rolled carbon steel products (including carbon steel plate) in 1992, the Commission addressed like product issues concerning coiled hot-rolled product in plate thicknesses (concluding that such product should be separated from cut-to-length plate and treated as a hot-rolled product); universal mill plate (concluding that universal mill plate was "like" cut-to-length plate); and flat bars (concluding that flat bars were "like" cut-to-length plate).[6] In its final investigations in 1993, the Commission again addressed plate in coils (reaffirming that such product should be separated from cut-to-length plate and treated as a hot-rolled product); universal mill plate (reaffirming that universal mill plate was "like" cut-to-length plate); and beveled plate (concluding that beveled plate was "like" cut-to-length plate).[7] In the present investigations, Petitioners argue that the Commission should adopt the same like product definition contained in its determinations in the 1992/93 investigations; thus the product "like" the imported product would include all cut-to-length plate, whether produced on a reversing mill, a Steckel mill, or a hot-strip mill, but would not include coiled plate produced on a Steckel mill or a hot-strip mill, nor product from service centers that purchase coiled plate and cut it to length.[8] Respondents argue that the appropriate like product, in addition to plate in the Petitioners' definition, should include plate cut to length in U.S. service centers from coiled plate produced by U.S. mills (but not from imports of coiled plate).[9]

Manufacturing Process, Physical Characteristics, and Uses

There are three principal types of mills that produce cut-to-length carbon steel plate[10] in the United States: reversing plate mills (also called sheared plate mills), hot-strip mills, and Steckel mills.[11] The

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[3] (...continued)
constitute mechanical working, nor does uncoiling a coiled plate and cutting it to length.

[4] Painting, varnishing, or coating with plastic does not affect inclusion within this definition.

[5] Non-rectangular cut-to-length plates include circular and semi-circular plates, termed "sketch" plates and "rings." They are produced by shearing or gas-cutting hot-rolled rectangular plates to specified shapes.

[6] *Certain Flat-rolled Carbon Steel Products (Preliminary)*, USITC Pub. No. 2549, Aug. 1992, pp. 18, 25, and 27.

[7] *Certain Flat-rolled Carbon Steel Products (Final), Vol. I*, USITC Pub. No. 2664, Aug. 1993, pp. 13, 214, and 215.

[8] *Petitioners' Postconference Brief*, pp. 4-5 and fn. 3.

[9] *Joint Respondents' Postconference Brief*, p. 6. South African Respondents appeared to argue that the domestic like product should include all coiled plate (see *South African Respondents' Postconference Brief* at p. 5, fn. 2), but indicated that their proposed like product would add only coiled plate that was going to be cut to length by U.S. service centers. Interviews with ***.

[10] An integrated mill's facilities for melting (or refining) raw steel and casting the raw steel into a semifinished form called a slab are common to all products produced in a steel mill, while hot-rolling the semifinished form into a flat-rolled carbon steel plate may be accomplished on one of several different types of hot-rolling mills. For a further description of the steelmaking and steel refining process, see *Steel Industry Annual Report*, USITC Pub. No. 2436, Sept. 1991, fig. 2-2; also, *Certain Flat-Rolled Products Carbon Steel Products (Preliminary)*, USITC Pub. No. 2549, Aug. 1992, pp. I-28-30.

[11] Rolling mills for making plate are usually separated from hot-strip mills and employ different production workers when located at the same facility. For example, the reversing mills at Bethlehem (Burns Harbor, IN, and Sparrows
(continued...)

processes for hot-rolling slab into plate and shearing or flame-cutting the plate to the desired width and length are described briefly below. The processes vary by type of mill; although there is overlap with respect to physical characteristics and uses of the types of plate produced by these mills, there is also variance.

On a reversing mill, the slab is reheated, then passed through a scalebreaker and into the breakdown section of the mill; following initial breakdown and transverse rolling[12] the reduced slab (now 1-2 inches thick and called a transfer bar) is rolled in a single finishing stand, which also is a reversing stand, and passed to runout tables located at the end of the hot-rolling mill. There is no coiler on this type of rolling mill. Final widths are attained either by edge-shearing or flamecutting or by rolling.[13] The ends of the plate are then sheared or flame cut by the mill.

Reversing mills produce plate ranging from 3/16" to 20" (4.8 to 508 mm) in thickness and 48" to 154" (1,219 to 3,912 mm) in width. Because of its generally larger dimensions, plate from a reversing mill is preferred for welded load-bearing applications or structural applications. These include uses in bridgework; machine parts (e.g., the body of the machine or its frame); the shell or structural parts of water storage tanks and pressure vessels; transmission towers and light poles; buildings; mobile equipment (e.g., cranes, bulldozers, scrapers, and other tracked or self-propelled machinery); and heavy transportation equipment, such as railroad cars (especially tanker cars) and oceangoing ships. In addition, end users concerned about "coil set memory" (such as those which burn out parts from the plate) may prefer plate produced on a reversing mill, since the edges of plate cut from coil can curl on heating.

Hot-strip mills consist of a scale breaker; a roughing train (four or five rolling stands that reduce the slab to a transfer bar) or a single reversing stand (the slab is passed back and forth through the stand until it reaches the thickness of a transfer bar);[14] and a finishing train (four to seven stands) that reduce the transfer bar to the desired thickness of the hot-rolled plate (exceeding 0.187" or 4.75 mm) or sheet (about 0.06" to 0.10" or 1.5 to 2.5 mm). The flat-rolled product exits the finishing train onto the runout table where it is subjected to a combination of water sprays, laminar jets, and/or air cooling in order to reduce the steel's temperature. At the end of the runout table, the steel is coiled.

A minority of the coiled plate is moved to an uncoiler, uncoiled, and cut to length at the U.S. mill. This product ranges from 3/16" to 5/8" (4.8 to 15.9 mm) in thickness and 48" to 72" (1,219 to 1,828 mm) in width and is used in applications such as barge production and the manufacturing of construction equipment.[15] The remainder of the coiled plate is either sold directly to manufacturers which prefer coiled product[16] or to service centers which will cut it to length for their customers.

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[11] (...continued)
Point, MD) and Gulf (Gadsden, AL) are separate from the hot-strip mills at the same locations.

[12] During transverse rolling, the slab is rotated 90 degrees and may be rolled several times to establish the desired width, and then rotated back to its original direction.

[13] The layout of a "universal" reversing mill includes two sets of vertical rolls located in front of and behind the finishing stand in order to roll the plate's edges; the horizontal and vertical rolls are integrated into a single mill unit and work the stock simultaneously. There are no universal mills in operation in the United States, although this technology is used in Russia and Ukraine.

[14] Hot-strip mills are increasingly being equipped with a coilbox, an innovation that reduces the length of a hot-strip mill, lowers its operating costs, and offers improvements in product quality. One or two coilboxes may be located at the reversing stand roughing train.

[15] Interview with ***.

[16] The production of pipes and tubes and automotive parts and accessories are the predominant uses of coiled plate that is sold on the open market to users other than service centers. *Shipments of Steel Products by Market Classification, AIS 16C*, AISI, 1995.

Steckel mills share certain common features with both the reversing and the hot-strip mills. The primary distinction lies in the placement of a heated coilbox on either side of a single stand reversing mill. In this process the slab is passed through a scalebreaker and reduced to the desired intermediate thickness (transfer bar). The transfer bar is then fed back and forth through the reversing mill from one coilbox to the other. The series of passes through the rolling stand reduces the product to the desired final thickness. Slabs can also be rolled back and forth without using the heated coilboxes, in which case the mill operates like a conventional reversing plate mill. When coiled plate is produced, it may be sheared at the mill (Tuscaloosa's cut-to-length coil processing facility is adjacent to the hot-rolling mill)[17] or sold as is.

The product produced on a Steckel mill ranges from 3/16" to 3/4" (4.8 to 19.1 mm) in thickness and 48" to 96" (1,219 to 2,438 mm) in width. In the United States, only about *** of the cut-to-length plate produced in 1995 by the two then-operational Steckel mills was produced as reversing mill plate; the large majority was produced in coil form, cut to length, then sold by the U.S. mill. Both facilities also produce coiled plate on their Steckel mills.[18]

Service centers have traditionally served as distributors of flat-rolled steel products. Many service centers maintain extensive inventories of a variety of steel products,[19] providing both just-in-time delivery and one-stop shopping. Service centers also fill low-volume orders for customers with smaller purchasing needs. In addition, service centers perform value-added processing, such as specialized burning (in the case of cut-to-length plate) or buying coiled plate, uncoiling it, and cutting it to length to meet their customers' specifications.[20] The coiled plate used by the service center may be imported or sourced from a U.S. mill.

The equipment required to cut hot-rolled coils to length is similar, whether installed at a steel mill or at a steel service center. The coil is placed on a mandrel, fed through a series of rollers until level, then trimmed with a blade (or shear) to the desired length. A shear line typically requires a capital investment of between $1 million and $3 million, which most service centers fund through bank loans, revenue streams, or, in some cases, public offerings.[21] Capital investment can be substantially higher, however, reaching $15 million to $18 million.[22] The operation of a shear line typically requires a crew of four to five workers to process 175-200 tons per shift (approximately 5.5 tons per worker-hour).[23] The technical expertise needed to

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[17] Tuscaloosa has operated a Steckel mill including a cut-to-length line since 1985. Approximately 30 percent of the company's hot-rolled product is processed on this cutting line, which consists of an uncoiler/processor, shear, edge trimmer, leveler, and plate/sheet piler (device for stacking plates and sheets from a coil). Norman L. Samways, "Tuscaloosa Steel Corp.--A Unique Market Mill for Hot-rolled Flat Products," *Iron and Steel Engineer*, Mar. 1989, pp. 19-25.

[18] The two Steckel mills that were operational in 1995 were operated by Tuscaloosa and Geneva. In addition, Lukens, Oregon, and IPSCO are all scheduled to bring Steckel mills online in late 1996 or early 1997. *Ibid*; *Bethlehem/USX Postconference Brief*, p. 8; and questionnaire responses.

[19] For example, two of the service centers which had representatives testifying at the Commission's conference, ***, purchase plate in coils in addition to plate cut to length by U.S. and foreign mills. *Petitioners' Postconference Brief*, pp. ii-iii. In fact, U.S. mills shipped 1,086,774 short tons of coiled plate to service centers in 1993; 1,199,058 short tons in 1994; and 1,240,534 short tons in 1995. *Shipments of Steel Products by Market Classification, AIS 16C*, AISI, 1993, 1994, and 1995.

[20] Estimates of value added to plate by service centers on behalf of their end user customers ranged from *** to *** percent. *Petitioners' Postconference Brief*, pp. ii-v. Although not all service centers purchase plate in coils, the two reporting firms that did estimated that the value added by cutting the coil to length was *** or *** percent. *Ibid.*

[21] Interviews with ***, Dec. 12, 1996.

[22] *Joint Respondents' Brief*, p. 16, citing recent investments by service centers Paper Cal and Olympic.

[23] Interview with ***, Dec. 12, 1996.

operate a shear line at a service center is reportedly at least as high as that needed to operate a shear line at a mill, namely a general knowledge of steelmaking techniques as well as some computer training.[24]

Of the cut-to-length plate produced and sold by U.S. mills in 1995, approximately four-fifths was produced on a reversing mill (including the portion produced on a Steckel mill that has been transverse rolled) and one-fifth was cut from coiled plate produced in their facilities.[25] Four of 12 U.S. mills producing cut-to-length plate reported producing coiled plate on the same equipment and with the same workers.[26] One of 12 U.S. mills reported that a portion of the plate produced in coils on its mill was regularly cut to length by a service center on a toll basis and sold by that U.S. mill as cut-to-length product.[27]

The primary distinctions in the physical characteristics of plate produced and sold as cut-to-length product by U.S. mills, coiled plate generally, and coiled plate that is cut to length by service centers stem from each item's method of manufacture (and, in the case of coiled plate, the form in which it is sold). Cut-to-length plate produced on reversing mills in the United States has greater dimensional variability and may possess qualitative differences (such as higher impact strength (but less ductility) and no "coil set memory" problems) imparted by transverse rolling and flat production.[28]

The principal uses for product produced and sold by U.S. mills as cut-to-length plate are for the production of machinery, industrial equipment, and tools; for construction and contractors' products; for transportation; and for the oil and gas industry. Plate that is cut to length by service centers is most likely to be used in applications such as fabrication, barge production, and the manufacturing of construction equipment.[29] The principal uses of coiled plate (other than that sold to service centers) are the production of pipes and tubes and automotive applications.[30]

Interchangeability

Interchangeability between carbon steel plate produced in the United States and in the subject and nonsubject countries is discussed in detail in Part II of this report. There is general, although not unanimous, agreement between U.S. mills and U.S. importers that domestically produced and imported cut-to-length plate

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[24] Interviews with ***, Dec. 12, 1996.

[25] Based on questionnaire responses. Including plate cut to length by service centers (as reported in AISI data), about two-thirds of cut-to-length plate was produced on a reversing mill (including the portion produced on a Steckel mill that has been transverse rolled) and one-third was cut to length from coiled plate produced in the United States in 1995. This excludes the very small portion of U.S. plate production that was actually produced on bar or structural mills.

[26] *** accounted for *** percent of 1995 production of cut-to-length plate by U.S. mills. However, the use of common production equipment and workers reported by *** only refers to the *** of its production produced on a hot-strip mill.

[27] *** accounted for *** percent of 1995 production of cut-to-length plate by U.S. mills. However, only the equivalent of *** percent of 1995 production was cut to length by the U.S. service center, which is ***. A second mill, ***, began testing the occasional use of outside service centers to cut some (less than *** tons) of its coil to length in late 1996. Interview with ***.

[28] Both U.S. mills and U.S. service centers are taking steps to reduce or eliminate "coil set memory" in plate cut from coils by installing temper mills. *Bethlehem/USX Postconference Brief, Answers to Staff Questions*, p. 14, and "New Lines for Processing Sheet and Wide Plate" in *New Steel*, Mar. 1996, pp. 29-30.

[29] Interview with ***.

[30] *Shipments of Iron and Steel Products by Market Classification, AIS 16C*, AISI, 1995.

are broadly interchangeable, although several importers qualified this conclusion by noting domestic preference restrictions (such as "Buy American" provisions).[31]

As noted previously, dimensional differences arising from the manufacturing process can limit the interchangeability of reversing mill plate and that cut from a coil, as can "coil set memory." However, purchasers of cut-to-length plate from both mills and service centers generally agree that, for product of the same dimension and from the same type of mill, plate cut by a mill or by a service center is interchangeable, but that plate in coils must be levelled and cut if it is to be interchangeable with cut-to-length plate.[32]

Channels of Distribution

Table I-2 presents the channels of distribution for domestically produced and imported cut-to-length plate. U.S. mills sell cut-to-length plate in nearly equal proportions to end users and to intermediaries (steel distributors, service centers, and processors). Although a very slight majority of U.S. mill-produced cut-to-length plate was sold to end users in 1995, there is evidence of a shift in favor of distributor sales.[33] U.S. shipments of imports of cut-to-length plate, with some exceptions, are primarily distributor sales; however, the majority of U.S. shipments of imports from Russia were to end users.

Table I-2
Cut-to-length plate: Channels of distribution for U.S. producers and U.S. importers, 1995

Item	Share of sales to distributors, processors, and service centers	Share of sales to end users
U.S. producers' shipments	49.1	50.9
Imports from China	96.2	3.8
Imports from Russia	43.0	57.0
Imports from South Africa	94.9	5.1
Imports from Ukraine	92.2	7.8
Imports from other countries	91.3	8.7

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

[31] Only one importer, ***, reported that imports from one subject country, ***, were not interchangeable with imports from the other subject countries.

[32] Interviews with ***, Dec. 12, 1996. ***.

[33] Mr. Grow, President of Geneva, testified at the Commission's conference: "I would mention one fundamental change that's going on in the industry. And that is the service center business has become increasingly more important to all of us. If you go back a decade ago, service centers were handling about 25 percent of the plate in the United States. They're now handling about 50 percent of the plate." *Conference Transcript*, pp. 40-41.

Approximately 35.6 percent of open-market shipments of coiled plate produced by U.S. mills were shipped to service centers or distributors in 1995.[34] Nearly all coiled plate purchased by service centers is believed to be cut to length by the service center and sold to end users.[35]

Customer and Producer Perceptions

Testimony at the Commission's conference by representatives of U.S. service centers indicated general support for the proposition that domestically produced and imported plate are broadly interchangeable. One participant noted: "We have not experienced any noticeable quality problems with our imports from China, Russia, and the Ukraine. Because our domestic and imported purchases meet the same specifications, our service centers blend both domestic and imported plate into our every day inventory."[36] Two other witnesses testified that the quality of the imported product was acceptable.[37]

All U.S. mills which had sufficient experience to compare their plate with imported plate reported that the products were interchangeable. Testimony at the Commission's conference was consistent with questionnaire responses.[38]

U.S. producers were split on the issue of whether coiled plate generally (and coiled plate subsequently cut to length specifically) could be a substitute for cut-to-length plate. Four mills (representing *** of 1995 mill production of cut-to-length plate) reported that coiled plate in general could be considered a substitute product for cut-to-length plate.[39] Two other mills (representing an additional *** of 1995 mill production) indicated coiled plate would be substitutable if levelled and cut. Interviews with representatives of U.S. service centers indicate that they and their customers view plate that has been cut to length by a mill or by a service center as acceptable for use in fabrication, construction, and certain vehicle construction.[40] None of the service centers indicated that plate in coil form was substitutable for cut-to-length plate.[41]

Price

The yearly average unit value of cut-to-length plate produced in U.S. mills ranged between $414 and $463 per short ton during 1993-96. U.S. imports of cut-to-length plate from China ranged between $328 and $353 per short ton during this period; those from Russia between $298 and $334; those from South Africa between $335 and $422; those from Ukraine between $307 and $360; and those from nonsubject countries between $461 and $588. Information regarding specific pricing items are presented in Part V of this report.

The price of coiled plate is reported to be $360-$380 per short ton for domestically produced product and $290-$360 per short ton for imported product. Plate that has been cut to length by U.S. service centers from coiled plate is reportedly selling for $420-$440 per short ton.[42]

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[34] *Shipments of Steel Products by Market Classification, AIS 16C*, AISI, 1995.

[35] Interviews with ***, Dec. 6, 1996.

[36] *Conference Transcript*, p. 98, testimony of Tom Ballou, Director of Flat Rolled Products, O'Neal Steel.

[37] *Conference Transcript*, pp. 102 and 106, testimony of Mervyn Pregulman, Vice Chairman, Ciscan Steel and Aluminum, and Leo O'Donnell, President, Leeco Steel.

[38] According to John Duncan, Vice President and General Manager of Gulf, "Both Gulf States' and the imports from China, Russia, Ukraine and South Africa are sold to standard specification such as ASTM or ABS. To my knowledge, all of the imports from these countries meet these specifications. Thus, our customers tell us, and I believe, we're competing head-to-head in these imports." *Conference Transcript*, p. 33.

[39] One of the four was ***.

[40] Interviews with ***.

[41] *Ibid.* See also *Petitioners' Postconference Brief*, p. v.

[42] Interviews with ***. Official import statistics of Commerce indicate that coiled plate entered the United States with average unit values of $323 per short ton in 1993, $338 in 1994, and $361 in 1995.

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

BUSINESS CYCLE

While there appears to be agreement that the U.S. plate industry follows a business cycle, there appears to be some disagreement as to the nature of the specifics of the cycle, particularly with regard to the length of the cycle and the point at which the industry is currently at in the cycle.[1] Petitioners stated that the plate industry follows a business cycle that tends to be delayed from the hot-rolled band cycle because the plate industry is tied to the construction industry.[2] Petitioners have argued that the U.S. plate industry is currently in the peak of the cycle and that it is not performing as well as it should be for a peak time in the cycle.[3] Respondents, however, disagree and believe that shipments of plate are still increasing and that the downturn has not yet begun.[4]

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on available information, U.S. plate producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of U.S.-produced plate to the U.S. market. Factors contributing to the responsiveness of supply are the existence of some unused capacity and the ability of some producers to manufacture products other than the subject plate products using the same equipment.

U.S. producers' capacity utilization ranged from 71 to 82 percent during the period for which data were collected. These data indicate that U.S. producers have some unused capacity with which they could increase production of plate to respond to changes in prices in the U.S. market.[5]

The ability of U.S. producers to respond to price changes in the U.S. plate market by increasing or decreasing production is enhanced by the existence of production alternatives. Nine of the responding producers, accounting for about 79 percent of plate production, reported that they produce products other than cut-to-length carbon plate on the same machinery and equipment that is used to produce the subject plate. Other products reportedly produced on this equipment include hot-rolled sheet, alloy steel plate, clad plate, coiled plate, stainless plate and sheet, and pipe skelp. Therefore, some U.S. producers have the ability to shift production to or from other products in the event of a price change for plate.

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[1] Unless specifically noted, all data and discussion of "plate" in Parts II-VII are based on the Commission's "like product" and domestic industry determinations in its 1992-93 investigations.

[2] *Conference Transcript*, p. 48.

[3] For a full discussion of Petitioners' statements regarding the business cycle in the plate industry, see *Conference Transcript*, pp. 48-52, and *Postconference Brief of Bethlehem and USX*, pp. 8-11.

[4] *Joint Respondents' Postconference Brief*, pp. 22-28.

[5] At the conference, respondents argued that domestic supply of plate has not kept pace with demand. *Conference Transcript*, pp. 137-138. However, several distributors/service centers that appeared at the conference reported that they have had only minor problems receiving any plate products. *Petitioners' Postconference Brief*, Answers to Staff Questions, pp. ii-v.

As a percentage of total shipments, inventories accounted for between 4 and 6 percent during the period for which data were collected. These data indicate that U.S. producers have some ability to use inventories to increase the supply of plate to the U.S. market.

Available data indicate that exports have not accounted for a significant portion of total shipments of plate; these shipments accounted for between 1 and 2 percent of total shipments during the period for which data were requested. These low numbers indicate that U.S. producers are not likely to be able to divert shipments of the subject plate to or from the U.S. market in response to changes in the price of plate.

Subject Imports

Data provided by foreign producer questionnaires suggest that plate producers in Russia, South Africa, and Ukraine have some unused capacity and significant alternate markets that would allow them to respond to changes in the price of plate in the U.S. market. The Commission did not receive information from any representatives of the Chinese plate producers; therefore, supply factors of the Chinese industry are not discussed.[6]

Russia

Based on available data, Russian plate producers are likely to respond to changes in price with relatively large changes in the quantity of plate supplied to the U.S. market;[7] this degree of supply responsiveness is due mainly to the availability of alternate markets.[8]

Available data indicate that Russian producers have been operating at capacity utilization levels of between *** percent during the period for which data were requested. These data indicate that Russian producers have little excess capacity with which they could increase the production of plate in response to changes in prices in the U.S. market.

Information obtained on Russian producers' shipments of plate indicate that the Russian home market and exports to markets other than the United States have been a significant outlet for Russian suppliers. Shipments to both of these markets accounted for between *** percent of total shipments. The existence of a strong home market and export markets other than the United States indicates that Russian producers have the flexibility to divert shipments to or from the U.S. market in the event of changes in prices of plate.

South Africa

Based on available data, South African plate producers are likely to respond to changes in price with relatively large changes in the quantity of plate supplied to the U.S. market; this degree of supply responsiveness is due mainly to the availability of inventories and alternate markets.[9]

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[6] Some information on the Chinese plate industry was provided in the Petition and is presented in Part VII of this report.

[7] Data on the Russian industry is presented in Part VII, table VII-1.

[8] The Russian producers reported that ***.

[9] Data on the South African industry is presented in Part VII, table VII-2.

Available data indicate that South African plate producers' capacity utilization rates have increased significantly during the period. During 1995 and interim 1996, capacity utilization rates were above *** percent. These levels indicate that South African plate producers are not likely to have the ability to significantly increase production in response to price changes in the U.S. market.

The degree of supply responsiveness of South African plate producers is enhanced by the ability of these producers to utilize inventories as a means of responding to price changes. Inventories of reporting South African producers accounted for between *** percent of total shipments during the period for which data were collected.

Available data indicate that South African suppliers have the ability to divert shipments to or from the U.S. market in response to price changes in the U.S. market. The South African home market and markets other than the United States have been significant outlets for South African plate, accounting for between *** percent of total shipments during the period January 1993-September 1996.

Ukraine

Based on available data, Ukrainian plate producers are likely to respond to changes in price with relatively large changes in the quantity of plate supplied to the U.S. market.[10] This degree of supply responsiveness is due mainly to the existence of alternate markets.

Capacity utilization rates for Ukrainian producers ranged from *** percent during the period; these data indicate that Ukrainian plate producers have the ability to increase production of plate in response to changes in the price of plate in the U.S. market.

Available data indicate that Ukrainian plate producers are constrained in their ability to use inventories as a means of increasing shipments of plate to the U.S. market, as inventories accounted for a very small portion of both production and shipments.

The existence of a strong home market and export markets other than the United States indicates that Ukrainian plate producers have the ability to shift shipments to or from the United States in response to price changes in the U.S. market. Throughout the period for which data were collected, Ukrainian producers' shipments to the home market and markets other than the United States together accounted for at least *** percent of total shipments.

U.S. Demand

Based on the available information, the overall demand for plate will not change significantly in response to changes in the price of plate. The main factors contributing to the low degree of price sensitivity is the limited availability of substitute products and the low cost share of the plate relative to the end products in which it is used.

Demand Characteristics

Overall demand for plate in the United States increased from January 1993 to September 1996, the period for which data were collected. Apparent consumption increased about 15 percent (based on quantity) during 1993-95 and about 8 percent in the interim period. Producers and importers generally agreed that demand has increased during that time;[11] these firms cited factors such as the improvement in the general

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[10] Data on the Ukrainian industry is presented in Part VII, table VII-3.

[11] One producer, ***, reported that it has forecast that demand for plate will continue at current high levels for the next several years. ***.

economy in the United States, increased activity in the construction industry, increases in the production of railcars and barges, and an improvement in the building industry.[12]

Substitute Products

Plate is used in a wide variety of end-use applications. Producers and importers were asked to list the various end uses for the plate that they produce or import. While the list of end uses for plate was lengthy, most commonly listed uses include the production of ships and/or barges, storage tanks, heavy machinery, bridges, railcars, machine parts, tanks, pressure vessels, and off-shore drilling platforms. In some of these applications, there are other products that can substitute for plate; producers and importers identified such other products as coiled plate, concrete, aluminum, and fiberglass. However, many of these responding firms also reported that the degree of substitution is limited, particularly due to width, thickness, strength, and price characteristics. Therefore, while there are some possible substitute products, the limitations of these substitutes tends to reduce the degree to which they would be used instead of plate.

Cost Share

As stated earlier, there are a large number of end-use applications for plate. In the majority of those applications, the cost of the plate is likely to account for a relatively small portion of the total cost of the end product. The low cost share accounted for by plate supports the low degree of price sensitivity in the plate market.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported plate depends upon such factors as quality (e.g., grade standard, reliability of supply, defect rates, etc.) and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product service, etc.) Based on available data at this preliminary phase, staff believes that there is at least a moderate degree of substitution between the domestic plate and the plate from the subject countries.

Factors Affecting Purchasing Decisions

Available information indicates that there are a variety of factors that are considered important in purchasing decisions for plate.[13] Several distributor/service center representatives reported that price is a very important factor in their decisions to purchase plate; however, these firms also reported that price is not the only factor, as the lowest price does not necessarily win a sale.[14] Other factors mentioned as being important include delivery time, quality, and service.

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[12] At the conference, industry representatives stated that the shipbuilding, rail, and tank industries have all been strong at the same time, which has helped cause a strong demand for plate. *Conference Transcript*, p. 57. Industry representatives also reported that the increase in demand has been experienced throughout the country. *Ibid*, p. 70.

[13] Several distributors/service centers appeared at the conference and discussed factors that affect purchasing decisions, particularly the importance of price. *Conference Transcript*, pp. 98, 116-117.

[14] *Conference Transcript*, p. 119.

As mentioned, quality is considered an important factor in the purchasing of plate.[15] Producers and importers were asked whether or not the firms to which they sold plate had certification or qualification requirements which must be met before plate will be purchased. While most producers and importers reported that purchasers do have qualification requirements, most of the requirements are standards set by independent organizations. The most commonly cited specifications that were mentioned by producers and importers were those by ASTM; other organizations with standard specifications for plate include the ABS, API, American Society of Railroads, and AISI. In general, plate must meet the specifications set forth before it will be purchased.

Another factor that is important in the purchasing decisions of plate is the lead time for delivery. In general, lead times for delivery of domestic plate are shorter than those for imported plate. U.S. producers reported that the average lead time for delivery of plate ranged from 2 to 12 weeks, with most firms reporting lead times of about 4 weeks.[16] Importers, on the other hand, reported that lead times for delivery of imported plate ranged from 2 to 7 months, with most reporting lead times of around 3-4 months.[17]

Another factor that can affect the purchasing decisions of firms when buying plate are Buy American provisions. While the percentage of sales made under either formal or informal Buy American policies is unknown, one distributor, Jeffreys Steel, reported that the percentage of sales under Buy America provisions was small. In addition, Jeffreys Steel reported that the percentage of its sales of plate to firms with Buy American policies has declined in the past few years.[18]

Comparisons of Domestic Products and Subject Imports

The degree of substitution between domestic plate and plate imported from the subject countries is enhanced by the fact that the products are generally considered physically interchangeable. As stated earlier, plate sold in the U.S. market usually conforms to the specifications of organizations such as ASTM. Because of this, domestic and imported plate have similar physical characteristics. Moreover, questionnaire responses indicate that all producers and most importers believe that the domestic and subject imported products are generally used interchangeably.[19]

Another factor that enhances the degree of substitution is the fact that domestic and imported plate are generally sold in similar grades and sizes. The majority of plate imported from subject countries is "commodity" grade plate.[20] According to petitioners, this type of plate accounts for about 80 percent of the

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[15] A small percentage of the plate market consists of nonprime material. This material includes mill rejects, field rejects, and off-chemistry product rolled to specific customer gauge and dimension. This nonprime material is sold for lower prices than prime material. According to one producer, ***, the customers who buy nonprime material are generally not the same as those who buy prime plate. ***.

[16] One producer, Bethlehem, reported that it recently started a new program at its Sparrows Point, MD production facility called the plate service depot, which reduces the lead time for certain grades/sizes of plate. In the depot, Bethlehem stocks grade A-36 commodity plate in standard sizes and Bethlehem guarantees that the product (from the depot) will be ready for pick up within 72 hours. *Conference Transcript*, p. 82.

[17] One importer reported that the lead time for delivery of Chinese plate was 14 months.

[18] *Conference Transcript*, p. 120.

[19] On the question of whether or not the imported and domestic plate products were used interchangeably, 11 of 12 firms reported "yes" for China, 11 of 13 firms reported "yes" for Russia, all 11 firms reported "yes" for South Africa, and 11 of 13 firms reported "yes" for Ukraine.

[20] "Commodity" products consist primarily of products made to ASTM A-36 and A-516 specifications. *Conference Transcript*, pp. 75-76.

U.S. market.[21] However, there are some U.S. producers that manufacture plate products that tend to be higher-value products. While these higher-value products have traditionally not faced much competition from subject imports, some producers are reporting that the subject imports are increasingly competing head-to-head in these sales.[22] Therefore, while products offered by some domestic firms and import sources may differ slightly, these differences appear to be decreasing as imports are reportedly offering competing products.

The degree of substitution is moderated by the fact that several firms reported that nonprice factors were a significant factor in their sales of plate. While U.S. producers generally reported that nonprice factors were not significant in their sales of plate, many importers reported that they were.[23] Importers reported that factors such as longer lead times, quality issues (such as rustiness and waviness of foreign plate), limited product range, inconsistent supply schedules, and less technical support tend to differentiate the domestic and subject import products.[24] Similarly, at the conference some distributors/service centers also commented on nonprice differences between the domestic plate and plate imported from the subject countries. Factors mentioned by these purchasers include limited product range, inconsistent delivery, and larger order sizes for the imported products.[25] With regard to larger order size, one purchaser stated that it needs to purchase imported plate in larger blocks of inventory than it does domestic plate and this tends to increase their inventory costs.[26]

Comparisons of Products Imported from the Subject Countries

As stated earlier, plate sold in the U.S. market usually meets certain specifications such as those of ASTM; therefore, plate imported from the subject countries tends to have similar physical characteristics. In fact, all responding U.S. producers and virtually all responding U.S. importers reported that imports of plate from the subject countries are generally used interchangeably. There are however, differences of opinion with regard to any nonprice differences that may exist. All responding U.S. producers reported that nonprice differences (between imports from the subject countries) were not a significant factor. Importers, on the other hand, were mixed with regard to this issue, with many reporting that nonprice differences do exist between the plate products available from the various subject countries.[27] Specific comments on the exact differences between the imports from the subject countries were limited. One importer, however, did report that the

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[21] *Conference Transcript*, p. 55, and *Petitioners' Postconference Brief*, p. 18.

[22] ***.

[23] Nonprice factors were reported to be significant by 6 of 11 importers with regard to Chinese imports, 8 of 12 with regard to Russian imports, 7 of 10 with regard to South African imports, and 10 of 14 with regard to Ukrainian imports.

[24] Lower quality does not appear to be an issue with regard to South African imports, as some importers pointed out that the quality of South African plate tends to be superior to that of the plate from the other subject countries.

[25] *Conference Transcript*, pp. 98, 103, and 117.

[26] *Conference Transcript*, p. 98.

[27] With respect to Chinese imports, 3 of the 8 responding importers reported that there were nonprice factors that differentiated the Chinese imports from the Russian and Ukrainian imports; 4 of 9 importers reported nonprice differences between Chinese and South African imports. Five of 10 responding importers reported that there were differences between the Russian and South African products and between the South African and the Ukrainian products. Finally, 2 of the 10 responding importers reported that there were nonprice factors that differentiated the Russian and Ukrainian products.

quality of the South African material is an important factor and as a result, the price of the South African plate is much higher than that of the other imports.[28]

Comparisons of Domestic Products and Subject Imports to Nonsubject Imports

Imports were available from a number of nonsubject countries during the period for which data were collected. In 1995, the largest sources of plate imports from nonsubject countries were Canada, France, Korea, and India. The vast majority of responding producers and importers reported that imports from nonsubject countries are generally used interchangeably with both the domestic product and the imports from subject countries. In general, most producers and importers also reported that nonprice differences between nonsubject imports and either domestic and/or subject imports were not significant.

[28] South African respondents reported that the quality of the South African product is higher than that of the products from the other subject countries. These respondents also stated that South African imports are made up of products of different thicknesses and grades as compared to the other subject imports. *South African Respondents' Postconference Brief*, pp. 6-7. However, all importers responding to the Commission's questionnaire reported that the South African imports are generally used in the same applications as imports from the other subject countries.

PART III: CONDITION OF THE U.S. INDUSTRY

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the alleged margins of dumping was presented earlier in this report and information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of 12 firms that accounted for virtually all of U.S. mill production and shipments of plate during 1995.[1]

U.S. PRODUCERS

The Commission mailed questionnaires to all 13 firms found in its 1992-93 investigations to be producing plate and to 12 firms previously found to be producing hot-rolled carbon steel products[2] but not producing plate. Twelve of the firms, representing virtually all mill production of plate in the United States, provided the Commission with data on their plate operations.[3] Three of these firms are owned in whole or in part by companies located outside the United States and one is related to an importer of the subject product.[4] Two firms, representing *** percent of reported 1995 production, constitute the petitioning coalition; seven firms, representing *** percent of reported 1995 production, are not affiliated with the coalition but support the Petition; three firms, representing *** percent of reported 1995 production, take no position on the Petition; and one firm did not report data to the Commission. Details regarding each firm's position on the Petition, share of 1995 production, production location, and parent company are presented in table III-1.

Reported U.S. production of plate is concentrated in Indiana, Alabama, California, and Pennsylvania. In 1995, Inland halted production of plate at its East Chicago, IN, facility and Oregon closed its Fontana, CA, mill. No new mills entered the U.S. industry during the period for which data were collected, but four existing mills took measures to increase their capacity. Two mills are expected to begin production in 1997.

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-2 and figure III-1 (at the end of this section) present data on U.S. mills' production and capacity to produce plate. Reported U.S. capacity fluctuated downward and upward and actual production fluctuated in a generally upward trend, resulting in sharply higher capacity utilization in more recent periods compared to 1993. These data reflect both the exits from the marketplace noted above and some of the improvements made by U.S. producers in the years included in these investigations. ***. No U.S. mill reported any labor constraints on production (e.g., inability to fill work crews, labor unrest, work stoppages).

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[1] Domestic shipments reported in questionnaire responses for 1995 were equivalent to 98 percent of U.S. open-market shipments (excluding exports) reported to AISI. *Shipments of Steel Products by Market Classification, AIS 16C*, AISI, 1995.

[2] As noted previously, some U.S. mills produce hot-rolled coiled products in plate thicknesses which they may either level and cut and sell as cut-to-length plate or sell "as is" in their coiled form.

[3] During the period for which data were collected, 6 producers produced plate on reversing mills, 1 on a strip mill, 1 on both a strip mill and a reversing mill, 2 on Steckel mills, and 2 on bar or structural mills.

[4] CSI is jointly-owned by Kawasaki Steel Corp. of Japan and Cia. Vale do Rio Doce of Brazil; Citisteel's ultimate parent is China International Trust & Investment Corp. (which does not produce or export plate); Tuscaloosa's ultimate parent is U.K. plate producer British Steel PLC. In addition, North Star's parent company, Cargill, Inc., is also the parent company of importer Cargill Ferrous.

Table III-1
Plate: U.S. producers, positions on the petitions, shares of reported 1995 U.S. production, U.S. production locations, and parent companies

Firm	Position	Share of production (percent)	Production location	Parent company and county
Bethlehem	***	***	Chesterton, IN; Sparrows Point, MD	Bethlehem (U.S.)
CSI	***	***	Fontana, CA	Kawasaki Steel Corp. (Japan): 50 percent; CIA. Vale do Rio Doce (Brazil): 50 percent
Citisteel	***	***	Claymont, DE	China International Trust & Investment Corp. (China)
Geneva	Petitioner	***	Vineyard, UT	Geneva (U.S.)
Gulf	Petitioner	***	Gadsden, AL	GSS Holding Corp. (U.S.)
Inland	***	***	East Chicago, IN	Inland Steel Industries, Inc. (U.S.)
Kentucky Electric	***	***	Ashland, KY	Kentucky Electric (U.S.)
LeTourneau	***	***	Longview, TX	Rowan Cos., Inc. (U.S.)
Lukens	***	***	Coatesville, PA; Conshohocken, PA	Lukens, Inc. (U.S.)
North Star	***	***	Calvert City, KY	Cargill, Inc. (U.S.)
Oregon	***	***	Portland, OR; Fontana, CA	Oregon (U.S.)
Tuscaloosa	***	***	Tuscaloosa, AL	British Steel PLC (U.K.)
USX	***	***	Gary, IN	USX Corp. (U.S.)
Total		100.0		

[1] This mill was unable to separate its data on product meeting the technical definition of plate, but is believed to account for *.**

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

Table III-2
Plate: U.S. capacity, production, and capacity utilization, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Item	Calendar year--			Jan.-Sept.--	
	1993	1994	1995	1995	1996
Average-of-period capacity (short tons)	6,746,059	6,768,240	6,503,019	4,884,391	4,890,347
Production (short tons)	4,817,936	5,264,620	5,041,933	3,749,338	4,026,284
Capacity utilization (percent)	71.4	77.8	77.5	76.8	82.3

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

The majority of the responding producers are capable of producing other types of steel products, such as alloy, clad, and stainless steel plate and sheet; a variety of hot-rolled carbon steel products (bands, sheet, coils in plate thicknesses, skelp, and welded pipe); cold rolled and tin-coated carbon steel products; and assorted carbon steel shapes (angles, channels, and I-beams).

U.S. PRODUCERS' SHIPMENTS

Table III-3 and figure III-2 (at the end of this section) present data on U.S. producers' shipments (company transfers, domestic commercial shipments, and export shipments) during the period for which data were collected.[5] Four U.S. mills reported company transfers, which accounted for between 3.6 and 8.3 percent of total shipments during this period. Nine mills reported exports of plate, primarily to Canada and Mexico. Exports accounted for between 1.2 and 2.2 percent of total shipments by U.S. plate producers during the period for which data were collected. U.S. mills also provided data on their order books for plate, reporting an increase of 5,175 short tons between October 1, 1995, and October 1, 1996 (from 744,628 short tons to 749,803).

U.S. PRODUCERS' INVENTORIES

Table III-4 presents end-of-period inventory data supplied by all responding U.S. plate mills during the period for which data were collected. End-of-period inventories increased throughout the period, both in absolute terms and as a share of U.S. production and shipments. Producers generally maintained inventories of high-volume products in order to respond promptly to customers' orders. Two producers further supplemented inventories with purchases of domestically produced and imported plate.[6]

[5] Company transfers consist of shipments to related distributors (accounting for ***) and internal transfers for further manufacturing into energy products or construction equipment (accounting for ***).

[6] ***.

Table III-3
Plate: Shipments by U.S. producers, by types, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Item	Calendar year--			Jan.-Sept.--	
	1993	1994	1995	1995	1996
	Quantity (*short tons*)				
Company transfers	334,266	432,832	253,790	195,548	150,766
Domestic shipments	4,383,659	4,725,391	4,661,829	3,480,238	3,803,943
Subtotal	4,717,925	5,158,223	4,915,619	3,675,786	3,954,709
Export shipments	97,121	75,467	112,063	66,697	48,551
Total	4,815,046	5,233,690	5,027,682	3,742,483	4,003,260
	Value (*$1,000*)				
Company transfers	130,615	181,546	115,631	88,639	70,665
Domestic shipments	1,821,553	2,105,896	2,162,984	1,622,097	1,728,185
Subtotal	1,952,168	2,287,442	2,278,615	1,710,736	1,798,850
Export shipments	39,661	34,930	53,657	33,221	24,138
Total	1,991,829	2,322,372	2,332,272	1,743,957	1,822,988
	Unit value (*per short ton*)				
Company transfers	$390.75	$419.44	$455.62	$453.29	$468.71
Domestic shipments	415.53	445.66	463.98	466.09	454.31
Average	413.78	443.46	463.55	465.41	454.86
Export shipments	408.37	462.85	478.81	498.09	497.17
Average	413.67	443.74	463.89	465.99	455.38

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

Table III-4
Plate: End-of-period inventories of U.S. producers, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Item	Calendar year--			Jan.-Sept.--	
	1993	1994	1995	1995	1996
End-of-period inventories (short tons)	237,764	270,123	284,461	277,039	307,613
Ratio of inventories to production (percent)	4.9	5.1	5.6	5.5	5.7
Ratio of inventories to U.S. shipments (percent)	4.9	5.2	5.7	5.6	5.8

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

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

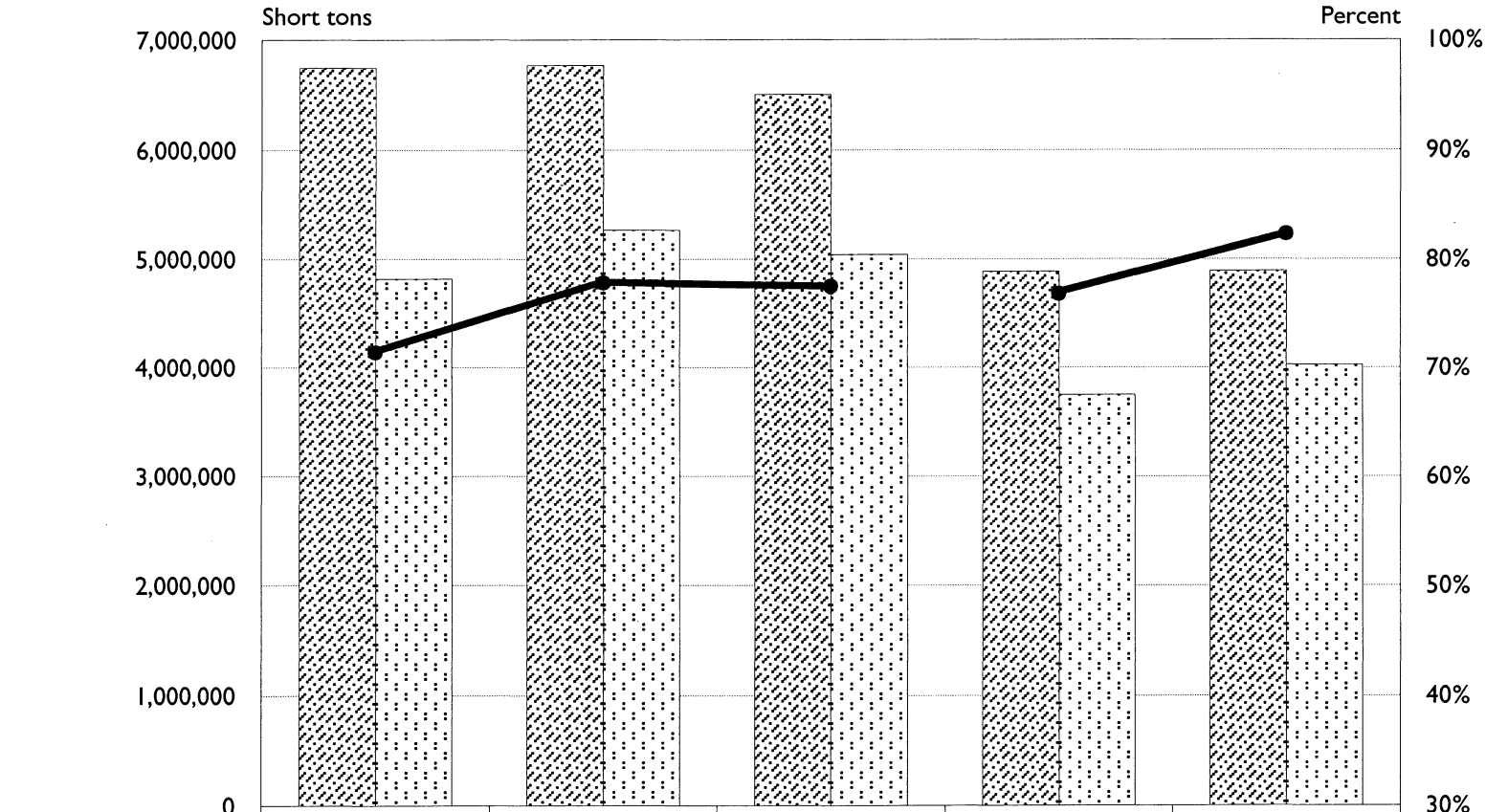
The U.S. producers' employment and productivity data are presented in table III-5. U.S. producers that produce products such as alloy, clad, and stainless steel plate and sheet; hot-rolled carbon steel products (bands, sheet, coils in plate thicknesses, skelp, and welded pipe); cold-rolled and tin-coated carbon steel products; and assorted carbon steel shapes (angles, channels, and I-beams), use the same equipment and PRWs as are used to produce plate.

Table III-5
Average number of production and related workers in U.S. establishments wherein plate is produced, hours worked, wages paid to such employees, and hourly wages, productivity, and unit production costs, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Item	Calendar year--			Jan.-Sept.--	
	1993	1994	1995	1995	1996
Number of PRWs	6,789	7,032	6,994	6,921	7,150
Hours worked (1,000)	14,560	15,685	15,780	11,751	12,106
Wages paid ($1,000)	291,341	326,661	340,585	251,880	262,519
Hourly wages (per hour)	$20.01	$20.83	$21.58	$21.43	$21.69
Productivity (short tons per 1,000 hours)	330.9	335.6	319.5	319.1	332.6
Unit production costs (per short ton)	$60.47	$62.05	$67.55	$67.18	$65.20

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

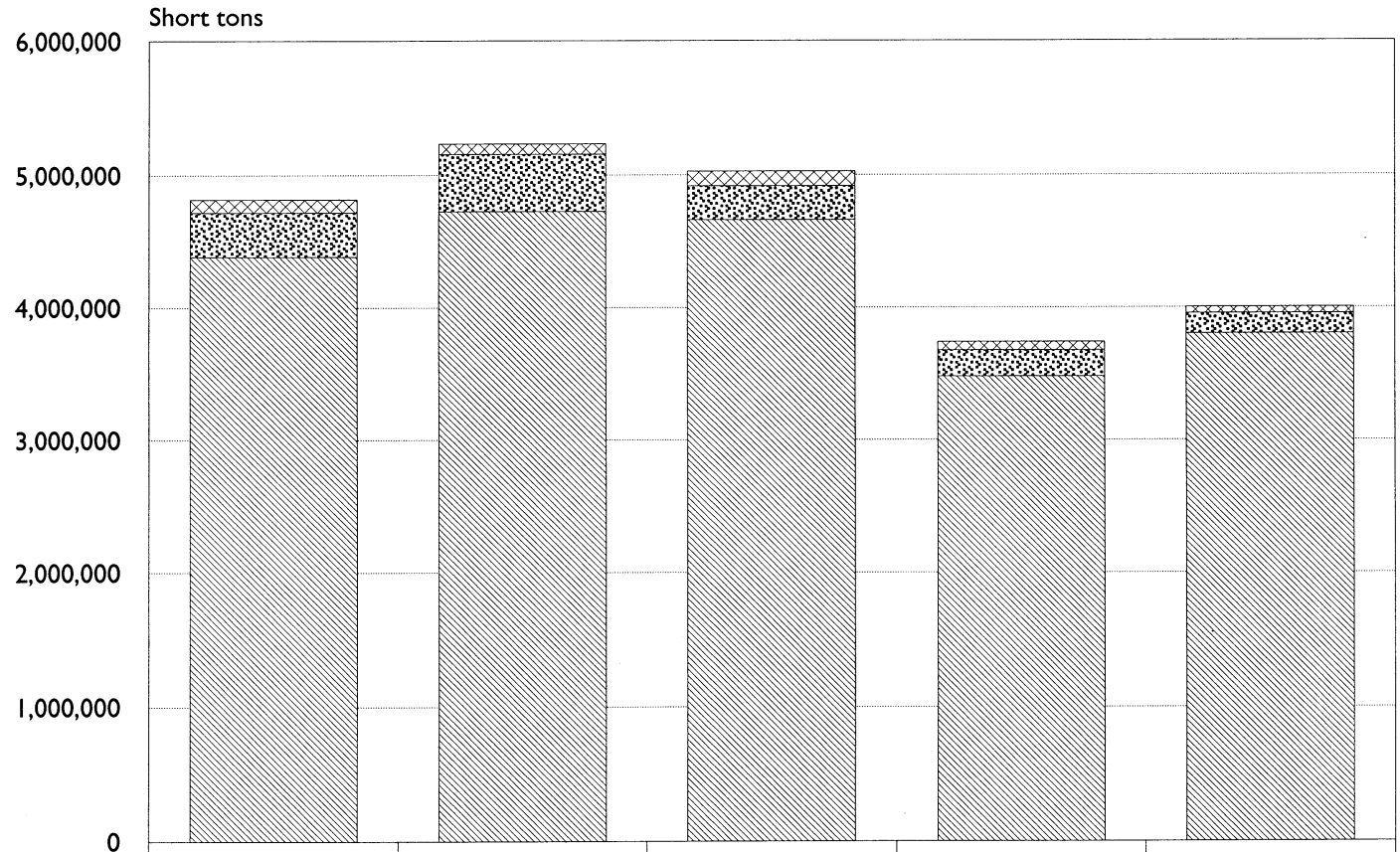
Figure III-1
Plate: U.S. capacity, production, and capacity utilization, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996



	1993	1994	1995	Jan.-Sept. 1995	Jan.-Sept. 1996
Capacity	6,746,059	6,768,240	6,503,019	4,884,391	4,890,347
Production	4,817,936	5,264,620	5,041,933	3,749,338	4,026,284
Capacity utilization	71.4%	77.8%	77.5%	76.8%	82.3%

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Figure III-2
Plate: Shipments by U.S. producers, by types, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996



	1993	1994	1995	Jan.-Sept. 1995	Jan.-Sept. 1996
Export shipments	97,121	75,467	112,063	66,697	48,551
Company transfers	334,266	432,832	253,790	195,548	150,766
Domestic shipments	4,383,659	4,725,391	4,661,829	3,480,238	3,803,943

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

PART IV: U.S. IMPORTS, APPARENT CONSUMPTION, AND MARKET SHARES

U.S. IMPORTERS

The Commission sent questionnaires to 50 firms believed to have imported plate from China, Russia, South Africa, and/or Ukraine between January 1993 and September 1996, and received usable data from 21 of the firms.[1] In addition, questionnaires were sent to all U.S. producers of plate, none of which actually imported plate (although one purchased plate originating in one of the countries subject to investigation).[2] Based on Commerce data, firms responding to the Commission's questionnaire accounted for 53.5 percent of 1995 and 73.0 percent of interim 1996 imports of plate from China; 95.5 percent of 1995 and 91.0 percent of interim 1996 imports of plate from Russia; 100.0 percent of 1995 and 91.7 percent of interim 1996 imports of plate from South Africa; 69.0 percent of 1995 and 60.7 percent of interim 1996 imports of plate from Ukraine; and 8.0 percent of 1995 and 10.0 percent of interim 1996 imports of plate from all other countries.

Reporting U.S. importers of plate are principally located in New York, Texas, or California, with individual firms located in ***. Seven of 20 reporting importers are wholly-owned by parent companies located in western Europe; ***; and 8 are wholly-owned by parent companies located in the United States. Five of 20 reporting importers are related to firms which currently import, produce, or export plate.[3]

Two of the 20 reporting importers, ***, imported from all four of the countries subject to investigation during the period for which data were collected, while three others, ***, imported from all of the subject countries except ***. Eight reporting firms imported from two of the four subject countries, while *** imported solely from China, *** solely from Russia, *** solely from South Africa, and *** solely from Ukraine.

U.S. IMPORTS

U.S. imports of plate for the period 1993-95, January-September 1995, and January-September 1996 are presented in table IV-1 and figure IV-1 (at the end of this section). U.S. imports of plate for the most recent 12-month period (October 1995 through September 1996) are presented in table IV-2. The imports subject to these investigations are provided for in provisions of headings 7208 though 7212 of the HTS.[4]

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[1] One of the 21 firms only reported partial data; 17 firms reported that they did not import plate from the countries subject to investigation during the period for which data were collected, although many of these firms were consignees for such product; and 12 firms did not respond to the Commission's questionnaires. One of those firms, Ranger, was a party to these investigations; their counsel received business proprietary information from other parties and the Commission, yet the firm refused to respond to the Commission's questionnaire.

[2] ***.

[3] ***.

[4] For the period 1993-95, cut-to-length carbon steel plate was covered by the following statistical reporting numbers of the HTS: 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. In 1996, cut-to-length carbon steel plate is covered by the following statistical reporting numbers of the HTS: 7208.40.3030; 7208.40.3060; 7208.51.0030; 7208.51.0045; 7208.51.0060; 7208.52.0000; 7208.53.0000; 7208.90.0000; 7210.70.3000; 7210.90.9000; 7211.13.0000; 7211.14.0030; 7211.14.0045; 7211.90.0000; 7212.40.1000; 7212.40.5000; and 7212.50.0000.

Table IV-1
Plate: U.S. imports, by sources, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Source	Calendar year--			Jan.-Sept.--	
	1993	1994	1995	1995	1996
	Quantity (*short tons*)				
China	0	8,639	181,737	146,940	214,776
Russia	31,515	230,156	234,255	206,258	160,037
South Africa	102,707	115,468	56,110	49,052	77,392
Ukraine	111,319	295,775	500,266	381,101	408,346
Subtotal	245,542	650,038	972,368	783,351	860,552
All other	469,458	701,627	378,226	317,909	361,329
Total	715,000	1,351,665	1,350,595	1,101,260	1,221,881
	Value (*$1,000*)				
China	0	2,836	62,271	50,201	75,907
Russia	9,395	69,556	78,164	69,256	50,207
South Africa	34,438	41,481	23,688	20,359	30,122
Ukraine	34,179	92,085	179,955	132,589	143,410
Subtotal	78,012	205,957	344,078	272,405	299,646
All other	216,307	322,594	222,665	181,886	184,896
Total	294,319	528,551	566,743	454,291	484,542
	Unit value (*per short ton*)				
China	N/A	$328.27	$342.65	$341.64	$353.43
Russia	$298.12	302.21	333.67	335.77	313.72
South Africa	335.30	359.24	422.16	415.04	389.21
Ukraine	307.04	311.33	359.72	347.91	351.20
Subtotal	317.71	316.84	353.86	347.74	348.20
All other	460.76	459.78	588.71	572.13	511.71
Total	411.64	391.04	419.62	412.52	396.55

Table IV-1--Continued
Plate: U.S. imports, by sources, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Source	Calendar year--			Jan.-Sept.--	
	1993	1994	1995	1995	1996
	Share of quantity (*percent*)				
China	0.0	0.6	13.5	13.3	17.6
Russia	4.4	17.0	17.3	18.7	13.1
South Africa	14.4	8.5	4.2	4.5	6.3
Ukraine	15.6	21.9	37.0	34.6	33.4
Subtotal	34.3	48.1	72.0	71.1	70.4
All other	65.7	51.9	28.0	28.9	29.6
Total	100.0	100.0	100.0	100.0	100.0
	Share of value (*percent*)				
China	0.0	0.5	11.0	11.1	15.7
Russia	3.2	13.2	13.8	15.2	10.4
South Africa	11.7	7.8	4.2	4.5	6.2
Ukraine	11.6	17.4	31.8	29.2	29.6
Subtotal	26.5	39.0	60.7	60.0	61.8
All other	73.5	61.0	39.3	40.0	38.2
Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official statistics of Commerce.

Data in this section of the report regarding the quantity and value of U.S. imports of plate from subject and nonsubject countries[5] are based on Commerce statistics. Import data may be somewhat overstated, because some of the HTS categories may contain products that are outside the scope of these investigations.[6]

[5] Imports from 39 countries not subject to these investigations have been present in the U.S. market between January 1993 and September 1996. In 1995, the largest volume of carbon steel plate imports from nonsubject countries originated in Canada, France, Korea, and India.

[6] Virtually all imports from the four countries subject to investigation are in HTS categories which contain no nonsubject product.

Table IV-2 Plate: U.S. imports, by sources, Oct. 1995-Sept. 1996					
Source	Quantity (short tons)	Share of quantity (percent)	Value ($1,000)	Share of value (percent)	Unit value (per short ton)
China	249,573	17.0	87,978	14.7	$352.51
Russia	188,034	12.8	59,114	9.9	314.38
South Africa	84,450	5.7	33,451	5.6	369.10
Ukraine	527,511	35.9	190,776	32.0	361.65
Subtotal	1,049,569	71.3	371,318	62.2	353.78
All other	421,646	28.7	225,676	37.8	535.22
Total	1,471,216	100.0	596,994	100.0	407.78
Source: Compiled from official statistics of Commerce.					

CUMULATION CONSIDERATIONS

In assessing whether imports compete with each other and with the domestic like product, the Commission has generally considered four factors: fungibility, presence of sales or offers to sell in the same geographical markets, common or similar channels of distribution, and simultaneous presence in the market. Issues concerning fungibility are addressed in Part II of this report and channels of distribution are discussed in Part I; geographical markets and presence in the market are discussed below.

Geographical Markets

As noted previously, plate produced in the United States is shipped nationwide. Table IV-3, based on Commerce's statistics for the period January 1993 through September 1996, presents U.S. imports of plate, by country, according to the customs district through which they entered (in percent).

Presence in the Market

Plate produced in the United States was present throughout the period for which data were collected. Based on Commerce's official statistics, imports of plate from China entered the United States in 31 of the 45 months between January 1993 and September 1996; imports from Russia entered in 42 months; imports from South Africa entered in 44 months; and imports from Ukraine entered in 44 months. Table IV-4 presents U.S. imports of plate, by subject country, according to the number of months in each period in which they entered.

Table IV-3
Plate: U.S. imports, by sources and by customs districts, Jan. 1993-Sept. 1996

Customs district	China (percent)	Russia (percent)	South Africa (percent)	Ukraine (percent)
Boston, MA	8.1	3.7	12.0	2.9
Chicago, IL	2.7	6.5	0.0	2.6
Cleveland, OH	0.0	1.8	0.2	3.7
Detroit, MI	13.1	7.7	3.4	3.6
Houston, TX	26.7	29.3	42.7	52.0
Los Angeles, CA	13.2	0.0	2.5	0.0
Mobile, AL	7.6	1.6	0.1	0.8
New Orleans, LA	17.2	41.1	17.7	22.9
Philadelphia, PA	1.0	3.3	7.1	4.4
Savannah, GA	0.1	1.8	7.1	3.1
Tampa, FL	6.0	1.0	0.4	1.9
All other	4.3	2.2	6.9	2.0
Total	100.0	100.0	100.0	100.0

Source: Compiled from official statistics of Commerce.

Table IV-4
Plate: U.S. imports, monthly entries into the United States, by sources, Jan. 1993-Sept. 1996

	Calendar year--			Jan.-Sept.--	
Source	1993	1994	1995	1995	1996
China	0	10	12	9	9
Russia	8	12	12	9	9
South Africa	12	11	12	9	9
Ukraine	11	12	12	9	9

Source: Compiled from official statistics of Commerce.

APPARENT U.S. CONSUMPTION

Data on apparent U.S. consumption of plate are based on U.S. producers' shipments as reported in Commission questionnaires and imports as recorded in official statistics. During the period for which data were collected, the economy improved in general and consumption of plate increased between 1993 and 1994, decreased in 1995, then resumed its increase during January-September 1996. Data on apparent U.S. consumption are presented in table IV-5 and figure IV-2.[7]

MARKET SHARES

The market shares of U.S. producers and imports from China, Russia, South Africa, Ukraine, and all other sources, based on apparent U.S. consumption of plate, are presented in table IV-6 and figure IV-3.[8]

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[7] If shipments of coiled plate by U.S. mills to service centers/distributors (much of which is believed to be cut to length) were included as U.S. producers' shipments, U.S. producers' shipments would total 5,804,699 short tons in 1993, 6,357,281 short tons in 1994, and 6,156,153 short tons in 1995; apparent U.S. consumption would increase to 6,519,699 short tons in 1993, 7,708,946 short tons in 1994, and 7,506,748 short tons in 1995. If shipments of all coiled plate by U.S. mills and all imports of coiled plate (regardless of source) were included, U.S. producers' shipments would be 7,851,002 short tons in 1993, 8,769,095 short tons in 1994, and 8,634,693 short tons in 1995; nonsubject imports would increase to 899,089 short tons in 1993, 1,479,484 short tons in 1994, and 1,032,194 short tons in 1995; and apparent U.S. consumption would increase to 8,995,632 short tons in 1993, 10,898,617 short tons in 1994, and 10,639,256 short tons in 1995. U.S. mill shipments of coiled plate to service centers/distributors and to all consumers are from *Shipments of Steel Products by Market Classification, AIS 16C*, AISI, 1993, 1994, and 1995, and imports of coiled plate are from official import statistics.

[8] If shipments of coiled plate by U.S. mills to service centers/distributors (much of which is believed to be cut to length) were included as U.S. producers' shipments, the market shares of U.S. producers' shipments would be 89.0 percent in 1993, 82.5 percent in 1994, and 82.0 percent in 1995; the market shares of subject imports from China would be 0.0, 0.1, and 2.4 percent for 1993, 1994, and 1995, respectively; the market shares of subject imports from Russia would be 0.5, 3.0, and 3.1 percent; the market shares of subject imports from South Africa would be 1.6, 1.5, and 0.7 percent; the market shares of subject imports Ukraine would be 1.7, 3.8, and 6.7 percent; the cumulated market shares of subject imports from the four countries would be 3.8, 8.4, and 13.0 percent; and the market shares of all imports would be 11.0, 17.5, and 18.0 percent. If shipments of all coiled plate by U.S. mills and all imports of coiled plate (regardless of source) were included, market shares of U.S. producers' shipments would be 87.3, 80.5, and 81.2 percent for 1993, 1994, and 1995, respectively; the market shares of subject imports from China would be 0.0, 0.1, and 1.7 percent; the market shares of subject imports from Russia would be 0.4, 2.1, and 2.2 percent; the market shares of subject imports from South Africa would be 1.1, 1.1, and 0.5 percent; the market shares of subject imports from Ukraine would be 1.2, 2.7, and 4.7 percent; the market shares of cumulated subject imports would be 2.7, 6.0, and 9.1 percent; the market shares of nonsubject imports (including coiled plate from China, Russia, South Africa, and Ukraine) would be 10.0, 13.5, and 9.7 percent; and the market shares of all imports would be 12.7, 19.5, and 18.8 percent, respectively. *Ibid.*

Table IV-5
Plate: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Item	Calendar year--			Jan.-Sept.--	
	1993	1994	1995	1995	1996
	Quantity (*short tons*)				
U.S. producers' shipments	4,717,925	5,158,223	4,915,619	3,675,786	3,954,347
Imports from China	0	8,639	181,737	146,940	214,776
Imports from Russia	31,515	230,156	234,255	206,258	160,037
Imports from South Africa	102,707	115,468	56,110	49,052	77,392
Imports from Ukraine	111,319	295,775	500,266	381,101	408,346
Subtotal	245,542	650,038	972,368	783,351	860,552
All other imports	469,458	701,627	378,226	317,909	361,329
Total imports	715,000	1,351,665	1,350,595	1,101,260	1,221,881
Apparent consumption	5,432,925	6,509,888	6,266,214	4,777,046	5,176,590
	Value (*$1,000*)				
U.S. producers' shipments	1,952,168	2,287,442	2,278,615	1,710,736	1,798,850
Imports from China	0	2,836	62,271	50,201	75,907
Imports from Russia	9,395	69,556	78,164	69,256	50,207
Imports from South Africa	34,438	41,481	23,688	20,359	30,122
Imports from Ukraine	34,179	92,085	179,955	132,589	143,410
Subtotal	78,012	205,957	344,078	272,405	299,646
All other imports	216,307	322,594	222,665	181,886	184,896
Total imports	294,319	528,551	566,743	454,291	484,542
Apparent consumption	2,246,487	2,815,993	2,845,358	2,165,027	2,283,392

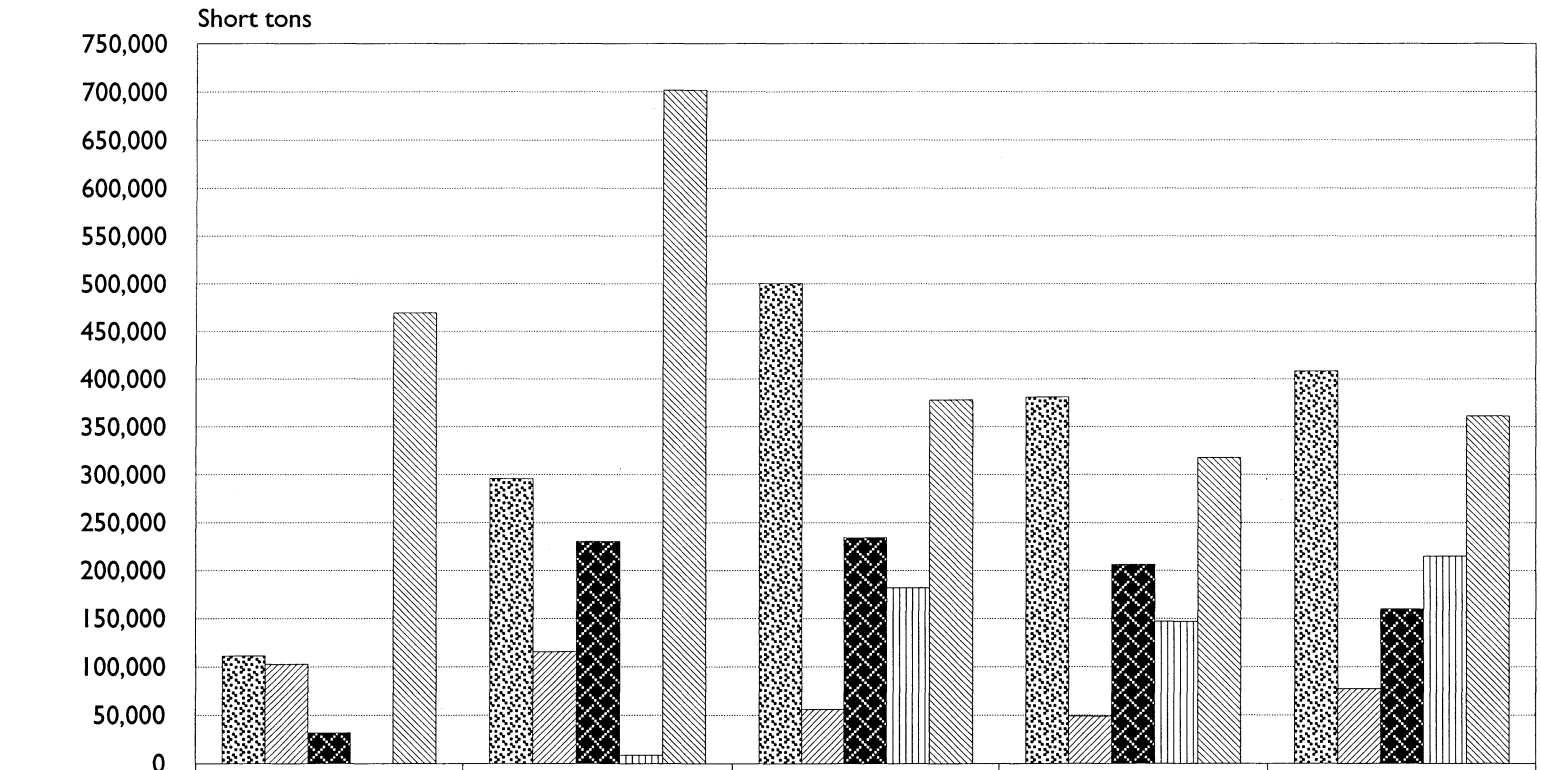
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.

Table IV-6
Plate: Apparent U.S. consumption and market shares, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Item	Calendar year--			Jan.-Sept.--	
	1993	1994	1995	1995	1996
	Quantity (*short tons*)				
Apparent consumption	5,432,925	6,509,888	6,266,214	4,777,046	5,176,590
	Value (*$1,000*)				
Apparent consumption	2,246,487	2,815,993	2,845,358	2,165,027	2,283,392
	Share of quantity (*percent*)				
U.S. producers' shipments	86.8	79.2	78.4	76.9	76.4
Imports from China	0.0	0.1	2.9	3.1	4.1
Imports from Russia	0.6	3.5	3.7	4.3	3.1
Imports from South Africa	1.9	1.8	0.9	1.0	1.5
Imports from Ukraine	2.0	4.5	8.0	8.0	7.9
Subtotal	4.5	10.0	15.5	16.4	16.6
All other imports	8.6	10.8	6.0	6.7	7.0
Total imports	13.2	20.8	21.6	23.1	23.6
	Share of value (*percent*)				
U.S. producers' shipments	86.9	81.2	80.1	79.0	78.8
Imports from China	0.0	0.1	2.2	2.3	3.3
Imports from Russia	0.4	2.5	2.7	3.2	2.2
Imports from South Africa	1.5	1.5	0.8	0.9	1.3
Imports from Ukraine	1.5	3.3	6.3	6.1	6.3
Subtotal	3.5	7.3	12.1	12.6	13.1
All other imports	9.6	11.5	7.8	8.4	8.1
Total imports	13.1	18.8	19.9	21.0	21.2

Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.

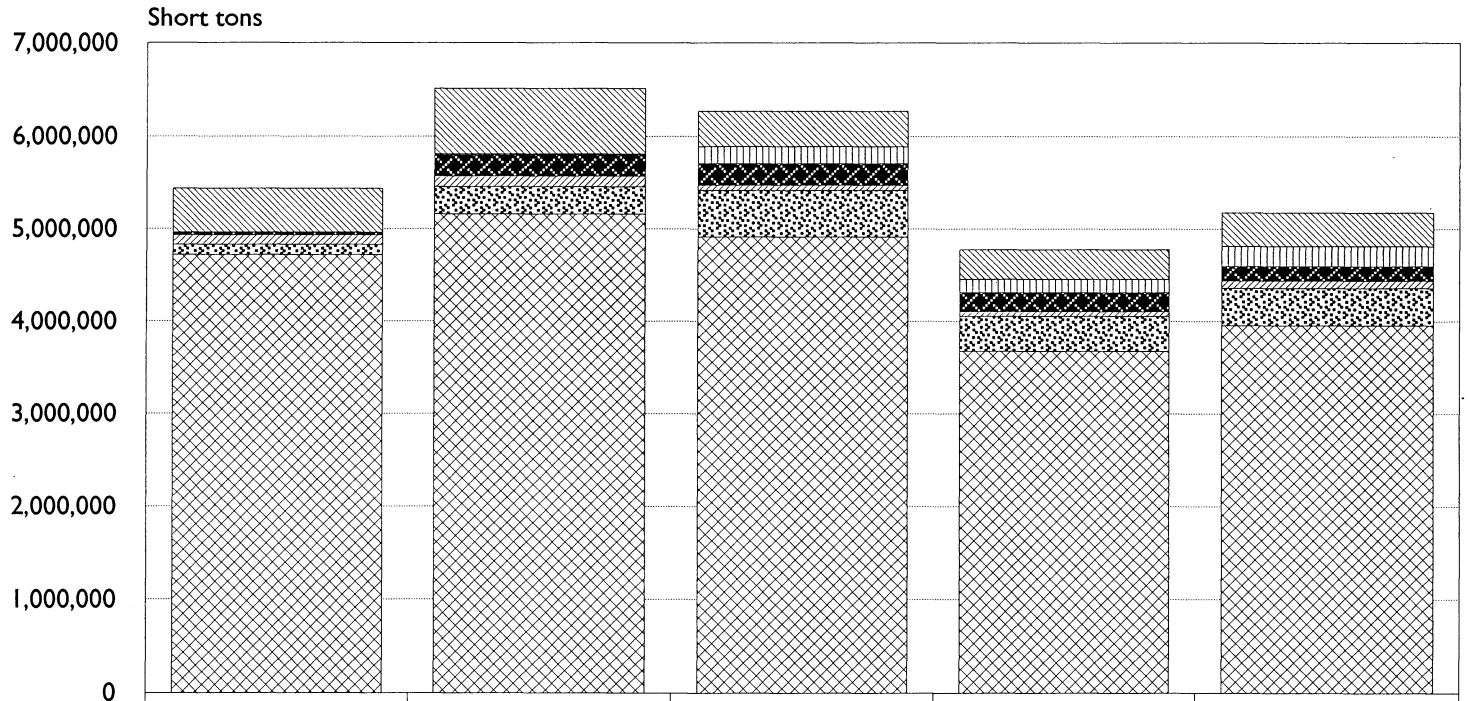
Figure IV-1
Plate: U.S. imports, by sources, Jan.-Sept. 1995, and Jan.-Sept. 1996



	1993	1994	1995	Jan.-Sept. 1995	Jan.-Sept. 1996
Ukraine	111,319	295,775	500,266	381,101	408,346
South Africa	102,707	115,468	56,110	49,052	77,392
Russia	31,515	230,156	234,255	206,258	160,037
China	0	8,639	181,737	146,940	214,776
All other	469,458	701,627	378,226	317,909	361,329

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

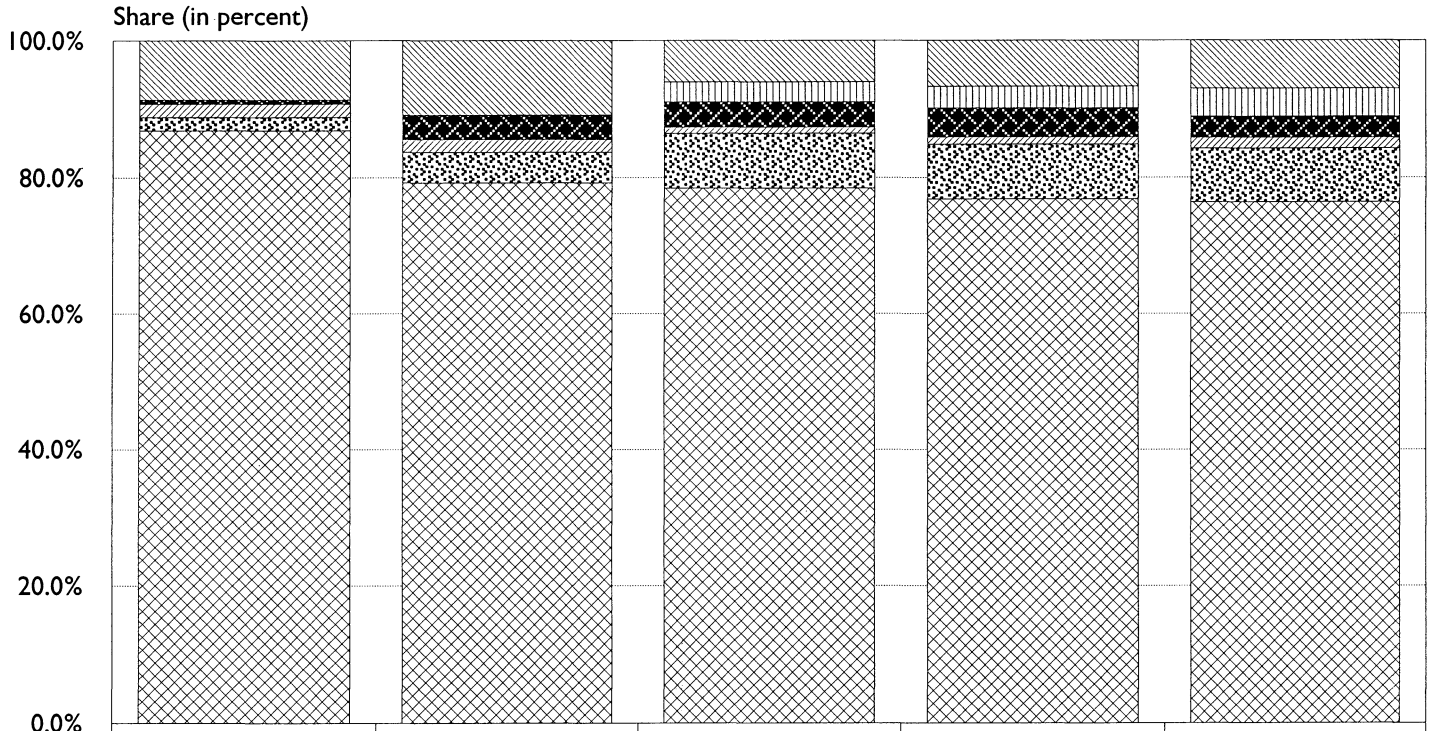
Figure IV-2
Plate: U.S. shipments of domestic product, U.S. imports, bysources, and apparent U.S. consumption, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996



	1993	1994	1995	Jan.-Sept. 1995	Jan.-Sept. 1996
All other	469,458	701,627	378,226	317,909	361,329
China	0	8,639	181,737	146,940	214,776
Russia	31,515	230,156	234,255	206,258	160,037
South Africa	102,707	115,468	56,110	49,052	77,392
Ukraine	111,319	295,775	500,266	381,101	408,346
U.S. producers	4,717,925	5,158,223	4,915,619	3,675,786	3,954,347

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Figure IV-3
Plate: U.S. market shares, by sources, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996



	1993	1994	1995	Jan.-Sept. 1995	Jan.-Sept. 1996
All other	8.6	10.8	6.0	6.7	7.0
China	0.0	0.1	2.9	3.1	4.1
Russia	0.6	3.5	3.7	4.3	3.1
South Africa	1.9	1.8	0.9	1.0	1.5
Ukraine	2.0	4.5	8.0	8.0	7.9
U.S. producers	86.8	79.2	78.4	76.9	76.4

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

The main raw materials used in the production of plate are coal, coke, iron ore, and limestone. U.S. producers appearing at the conference were asked to provide information on the cost of these raw materials for their firm during the period 1993-96. In general, available information indicates that changes in the cost of raw materials for the responding producers were modest during the period for which data were requested. For example, *** reported that overall raw material costs increased by between *** percent and *** reported that it experienced a *** in the cost of raw materials since 1993.[1] *** also reported increases for most of the raw materials that they purchase.[2] None of the responding producers reported any difficulties in obtaining raw materials for the production of plate during the period for which data were requested.

Transportation Costs to the U.S. Market

Transportation costs for plate from China, Russia, South Africa, and Ukraine to the United States (excluding U.S.-inland costs) are estimated to be 8.4, 10.5, 7.8, and 10.9 percent, respectively. These estimates are derived from official import data and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value.[3]

U.S.-Inland Transportation Costs

Transportation costs of plate for delivery within the United States vary from firm to firm but in general are estimated to account for a fairly significant percentage of the total cost of plate products. Producers and importers were asked to estimate the percentage of the total delivered cost of the subject plate products that is accounted for by U.S.-inland transportation costs. U.S. producers reported that these costs accounted for between 1 and 9 percent, with the average around 5 percent. Importers of plate from the subject countries reported that these transportation costs accounted for between 2 and 15 percent of the total delivered cost of the product; the average of these responses was around 9 percent.

Producers and importers were also requested to provide estimates on the percent of their total shipments that were made within specified distance ranges. U.S. producers, ***, reported similar percentages of their total shipments made in each of the specified distances. Responding producers reported that an average of 28 percent of shipments were made between 1 and 100 miles from their facilities, 35 percent were between 100 and 500 miles, and 33 percent were over 500 miles.[4] In general, importers reported that most of their shipments (i.e., 65 percent) were made within 100 miles of their storage facility or the port of entry;

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[1] ***.

[2] ***.

[3] These estimates were derived using data for the period Jan.-Sept. 1996 and, thus, used the HTS numbers under which the subject plate entered into the United States during that time period.

[4] While most U.S. producers reported that less than one half of their shipments were made within 500 miles, *** reported that *** percent of plate shipments were farther than 500 miles. Two other firms, ***, also reported fairly high percentages of shipments beyond 500 miles; these firms reported that *** and *** percent, respectively, were to distances over 500 miles.

about 24 percent of importers' shipments were between 100 and 500 miles and only 12 percent were shipped over 500 miles.

Exchange Rates

Quarterly data reported by the IMF indicate that the nominal value of the Chinese yuan depreciated 30.7 percent from January 1993-September 1996 (figure V-1).[5] The real value of the Chinese currency is not shown because producer price information for China is not available.

Available data from the IMF indicate that the nominal value of the Russian ruble depreciated 87.4 percent from the first quarter of 1993 to the third quarter of 1996 (figure V-1). Adjusting for changes in the U.S. and Russian producer price indices, the real value of the Russian ruble depreciated 96.0 percent in that time.

Quarterly data from the IMF show that the nominal value of the South African rand appreciated 43.2 percent from January-March 1993 to July-September of 1995 (figure V-2). During that time, the real value of the rand appreciated 27.7 percent.

Data for exchange rates between Ukraine and the United States indicate that the nominal value of the Ukrainian hryvnias depreciated 99.4 percent in the time period examined (figure V-2). Adjusted for changes in the producer price indices of Ukraine and the United States, the real value of the Ukrainian hryvnias depreciated 95.5 percent from January-March 1993 to April-June 1996, the most recent period for which data are reported.

PRICING PRACTICES

Pricing Methods

Many U.S. producers reported that they have published price lists for their sales of plate; however, most of these producers also reported that the price lists are generally not adhered to. Instead, most producers reported that discounts are given off list prices in order to remain competitive within the plate market. On the other hand, virtually all of the responding importers reported that they do not have published price lists for their sales of plate. Instead these firms stated that they tend to negotiate prices for each transaction separately. One importer, ***, reported that prices are determined by the traders or marketers of plate. The price is determined by several factors, including the origin of the product, the size ranges and qualities that a mill can produce, and the current prevailing market price for plate.[6] Sales prices for plate tend to be quoted on an f.o.b. basis; however, there are some suppliers that sell on a delivered basis.[7] Of the 12 responding producers, 10 reported that they usually quote prices for plate on an f.o.b. basis, 1 *** reported quoting prices

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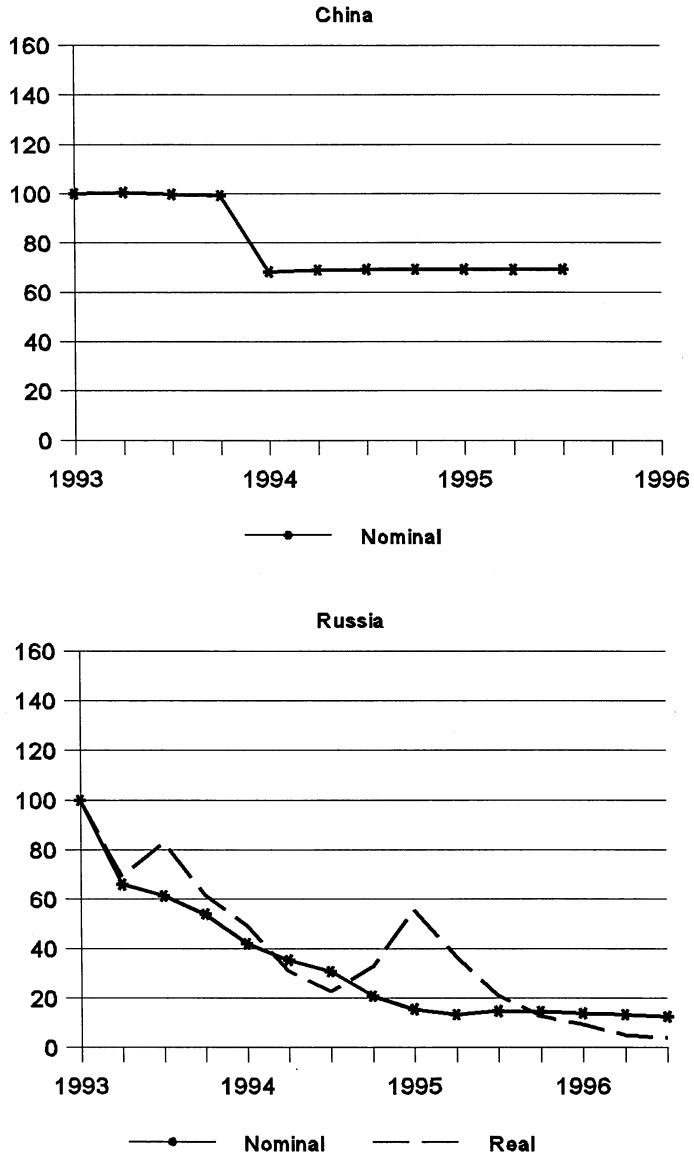
[5] Beginning Jan. 1, 1994, the People's Bank of China changed the manner in which the official exchange rate was determined.

[6] *** reported that Western European and South African plate is "of substantially better grade than plate from most mills in the CIS or China. Consequently, material from third world countries, such as the CIS or China, will have to be sold at a lower price." *** also stated that if a mill can offer plates up to 4" with higher grade qualities, wider and longer, then certain premiums can be demanded.

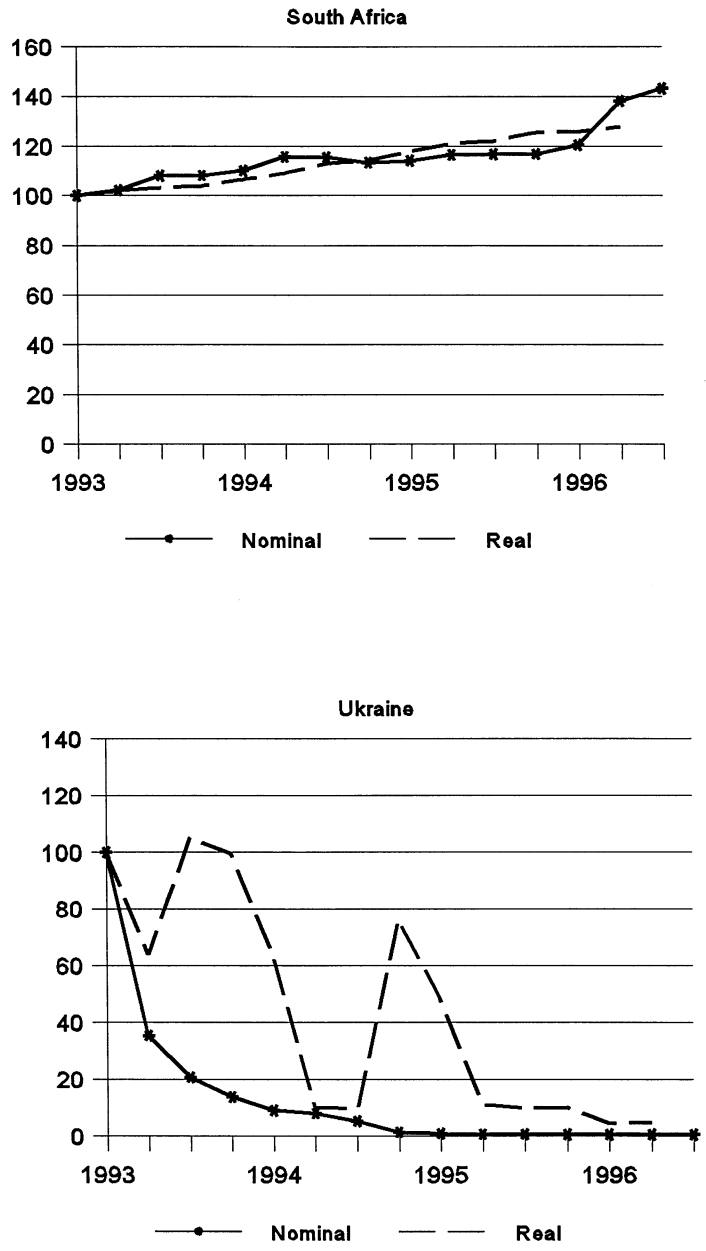
[7] At the conference, several distributors/service centers reported that prices for plate are usually quoted on an f.o.b. basis. *Conference Transcript*, pp. 123-126.

Figure V-1
Exchange rates: Indices of the nominal and real exchange rates between the U.S. dollar and the currencies of China and Russia, Jan. 1993-Sept. 1996



Source: IMF, *International Financial Statistics*, Nov. 1996.

Figure V-2
Exchange rates: Indices of the nominal and real exchange rates between the U.S. dollar and the currencies of South Africa and Ukraine, Jan. 1993-Sept. 1996



Source: IMF, *International Financial Statistics*, Nov. 1996.

on a delivered basis, and the remaining firm *** reported that it quotes both ways.[8] Similarly, most of the responding importers reported that they quote prices on a c.i.f. or f.o.b. port-of-entry basis.

Sales of plate are also sometimes done on a freight-equalization basis. Under this program, a supplier will meet the quoted delivered price from the mill nearest to the customer that is capable of producing a similar or competitive product. Therefore, the mill is in effect quoting the product on an f.o.b. basis but from another mill's location; the supplier ends up absorbing a portion of the freight costs through reductions in f.o.b. mill prices. U.S. producers appear to use this policy more frequently than importers of the subject product. Questionnaire responses indicate that 9 of the 12 responding U.S. producers reported equalizing or absorbing freight costs on at least some of their sales. The percentage of each firm's sales for which they absorbed or equalized freight costs varies from firm to firm and ranged from between about 1 and 70 percent. Only 3 of the 17 responding importers reported that they had equalized or absorbed freight costs on their sales of plate. Two of the three firms reported that the share of sales where freight was absorbed was small (i.e., *** percent); the other firm reported absorbing transportation costs on about *** percent of its sales of Russian material.

Sales Terms and Discounts

Most producers (8 of 12) and some importers (5 of 18) reported that they give discounts on their sales of plate. Discounts are based on several factors, including the quantity of the individual order; monthly, quarterly, or annual volume amounts; and prices offered by competitors (both domestic and foreign). The most frequently mentioned reason for offering discounts was the quantity of the sale. In addition to discounts off the list or starting price, most producers reported offering discounts for payment within a specified time period (usually 10 days). These discounts ranged from 0.5 to 2 percent, with most producers reporting that they gave a 0.75 percent discount if payment was made within 10 days. Only one of the responding importers reported offering similar early payment discounts; the remainder of the responding firms reported that their sales terms were net 30 days with no discount for prepayment.

While sales of plate are made on both a contract and spot basis, the use of contracts is more prevalent with domestic producers than it is with importers.[9] Seven of the 12 responding producers reported that they had some sort of contractual agreement with their customers for sales of plate during the period for which data were requested.[10] While two of these reported that over one half (i.e., 70 percent) of their sales were generally made using contracts, the other five reported that sales by contract accounted for less than one half of their total sales. With regard to importers, 5 of the 18 responding firms reported using contracts, with all of these reporting that at least half of their sales were done with contracts.

In general, producers and importers reported that they have contracts with purchasers for as short as 3 months and as long as 1 year. The terms of these agreements vary from supplier to supplier; while some fix both the quantity and the price for the duration of the agreement, others fix only one of these factors. Most producers reported that the contracts do not contain "meet-or-release" clauses that allow for changes in the provisions of the contract during the time period covered by the contract. While some producers reported that their contracts usually contain standard quantity requirements, most importers reported that their agreements did not.

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[8] *** reported that there have been some changes in the way prices are quoted. Plate had always been sold on an f.o.b. mill basis, with most plate being sold on a regional basis. However, in 1988 *** started selling on a delivered basis; as a result, when necessary to compete, *** sold on a delivered or freight equalization basis. ***.

[9] *** reported that an increasing number of service centers now ask for a bid on a portion of their business or a specific contract for an extended period of time--6 months or a year. ***.

[10] The remaining five firms reported that all of their sales were made on a spot basis.

PRICE DATA

The Commission requested U.S. producers and importers of plate to provide quarterly data for the total quantity and value of plate that was shipped to both unrelated distributors/processors/service centers and to unrelated end users.[11] Data were requested for the period January-March 1993 through July-September 1996. The products for which pricing data were requested are as follows:

Product 1: **Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat-treated, not cleaned or oiled, in cut lengths, over 72" through 96" (1828.8 through 2438.4 mm) in width, 0.50" through 0.99" (12.7 through 25.15 mm) in thickness**

Product 2: **Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat-treated, not cleaned or oiled, in cut lengths, over 72" through 96" (1828.8 through 2438.4 mm) in width, 1.00" through 2.00" (25.4 through 50.8 mm) in thickness**

Ten U.S. producers and 19 importers provided useable pricing data for sales of the requested products, although not all firms reported prices for all products in all quarters. Pricing data reported by these firms accounted for approximately 15.5 percent of U.S. producers' shipments of plate in 1995. With regard to imports, reported pricing data accounted for 33.9, 24.7, 1.2, and 26.3 percent of U.S. shipments of imports from China, Russia, South Africa, and Ukraine, respectively, in 1995. While U.S. producers reported sales of plate to both customer types specified, the vast majority of importers reported sales of the subject plate products to service centers/distributors/processors.

Price Trends

Sales to Service Centers/Distributors/Processors

Weighted-average prices for domestically-produced plate products sold to this customer group generally increased during the period January-March 1993 to July-September 1996 (tables V-1 and V-2 and figure V-3). Prices for product 1, as reported by U.S. producers, increased 23.0 percent from the first quarter of 1993 to the second quarter of 1995. From April-June 1995 to July-September 1996, U.S.-producers' prices for product 1 declined slightly (i.e., 2.0 percent) but were still 20.5 percent higher at the end of the period for which data were collected than they were at the beginning. Similarly, U.S. producers' prices for product 2 sold to this customer group increased 21.2 percent from the first quarter of 1993 to the third quarter of 1996.

Weighted-average prices for the specified plate products imported from the subject countries showed various trends during the period for which data were requested (tables V-1 and V-2 and figure V-3). In general, prices for Chinese and Russian plate products decreased during the period, while those for South African and Ukrainian products increased. Reported average prices for Chinese product 1 declined *** percent while those for product 2 decreased *** percent from January-March 1995 to July-September 1996,

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[11] As suggested by counsel for Petitioners and for Bethlehem and USX, producers and importers were requested to provide total sales value on both a delivered and f.o.b. basis. Average price data discussed in this section refers to f.o.b. values as the vast majority of producers and importers reported that they were unaware of the delivered value because they generally sold plate on an f.o.b. basis.

Table V-1
Plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 sold to service centers/distributors/processors, by sources and by quarters, Jan. 1993-Sept. 1996

Period	United States		China		Russia		South Africa		Ukraine	
	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*
1993--										
Jan.-Mar.	$352.97	77,875	***	***	***	***	***	***	***	***
Apr.-June	360.13	91,174	***	***	***	***	***	***	***	***
July-Sept.	372.22	71,940	***	***	***	***	***	***	***	***
Oct.-Dec.	369.24	83,718	***	***	***	***	***	***	***	***
1994--										
Jan.-Mar.	385.15	82,703	***	***	***	***	***	***	***	***
Apr.-June	399.95	100,384	***	***	***	***	***	***	***	***
July-Sept.	418.31	86,327	***	***	***	***	***	***	***	***
Oct.-Dec.	417.89	85,796	***	***	***	***	***	***	***	***
1995--										
Jan.-Mar.	433.75	74,690	***	***	***	***	***	***	***	***
Apr.-June	434.28	70,901	***	***	***	***	***	***	***	***
July-Sept.	427.74	68,830	***	***	***	***	***	***	***	***
Oct.-Dec.	414.80	80,849	***	***	***	***	***	***	***	***
1996--										
Jan.-Mar.	406.15	98,468	***	***	***	***	***	***	***	***
Apr.-June	410.13	77,508	***	***	***	***	***	***	***	***
July-Sept.	425.49	63,456	***	***	***	***	***	***	***	***

[1] **Data not reported**
Source: Compiled from data submitted in response to Commission questionnaires.

Table V-2
Plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 sold to service centers/distributors/processors, by sources and by quarters, Jan. 1993-Sept. 1996

Period	United States		China		Russia		South Africa		Ukraine	
	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*
1993--										
Jan.-Mar.	$360.91	66,147	***	***	***	***	***	***	***	***
Apr.-June	371.18	73,708	***	***	***	***	***	***	***	***
July-Sept.	378.27	58,183	***	***	***	***	***	***	***	***
Oct.-Dec.	376.31	66,339	***	***	***	***	***	***	***	***
1994--										
Jan.-Mar.	387.74	65,831	***	***	***	***	***	***	***	***
Apr.-June	402.16	78,948	***	***	***	***	***	***	***	***
July-Sept.	417.63	86,749	***	***	***	***	***	***	***	***
Oct.-Dec.	421.99	69,157	***	***	***	***	***	***	***	***
1995--										
Jan.-Mar.	435.39	61,501	***	***	***	***	***	***	***	***
Apr.-June	438.71	48,433	***	***	***	***	***	***	***	***
July-Sept.	431.34	44,477	***	***	***	***	***	***	***	***
Oct.-Dec.	426.50	54,239	***	***	***	***	***	***	***	***
1996--										
Jan.-Mar.	416.82	61,863	***	***	***	***	***	***	***	***
Apr.-June	418.96	60,285	***	***	***	***	***	***	***	***
July-Sept.	437.57	52,580	***	***	***	***	***	***	***	***

[1] **Data not reported.**

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

Figure V-3
Weighted-average prices for plate products sold to service centers/distributors/processors, by sources and by quarters, Jan. 1993-Sept. 1996

* * * * * * *

the period for which data were reported. Prices for products 1 and 2 imported from Russia declined *** and *** percent, respectively, during the periods for which data were reported.[12] Prices for products 1 and 2 imported from South Africa increased *** percent, respectively, from the first quarter of 1993 to the third quarter of 1996. Data for sales of plate products imported from Ukraine indicate that weighted-average prices for products 1 and 2 increased *** percent during the period April-June 1993 to July-September 1996.

Sales to End Users

As mentioned earlier, price data for sales to end users were reported by all U.S. producers that provided price data, but by a limited number of importers (tables V-3 and V-4 and figure V-4).[13] Weighted-average prices for U.S.-produced plate products sold to end users increased 17.2 and 15.6 percent, respectively, from the first quarter of 1993 to the third quarter of 1996. Average prices for products 1 and 2 imported from China increased *** and *** percent, respectively, during the period for which data were reported.[14] Prices for products 1 and 2 imported from Russia and sold to end users showed *** during the period for which data were reported; prices for Russian product 1 decreased *** percent while those for Russian product 2 increased by *** percent.[15] Prices for product 2 imported from Ukraine were reported for 5 quarters during the period July-September 1993 to April-June 1996; these prices increased *** in that time.

Price Comparisons

Price comparisons between the domestic and Chinese product were possible in a total of 39 instances (tables V-5 and V-6). In 34 of these instances, the Chinese product was priced below the domestic product with margins ranging from 2.0 to 14.0 percent. In the remaining 5 instances, the Chinese product was priced between 0.9 and 7.6 percent above the domestic product. With respect to Russia, there were a total of 44 instances where price comparisons were possible. In 42 of these instances the Russian product undersold the domestic product by between 0.4 and 23.5 percent. In the other 2 instances, the Russian product oversold the domestic product by 3.7 and 5.8 percent. Prices for South African plate imports were below those for domestic plate products in 23 of the 26 instances where price comparisons were possible; margins ranged from 1.0 to 8.7 percent. In the remaining 3 instances the South African product was priced above the domestic product, with margins ranging from 0.2 to 0.6 percent. With respect to Ukraine, prices for the imported product were below those for the domestic product in all 33 instances where comparisons were possible; margins ranged from 4.7 to 22.8 percent.

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[12] Prices for product 1 imported from Russia were reported for the period Oct-Dec. 1993 to July-Sept. 1996, while prices for Russian product 2 were reported for the period Apr.-June 1993 to July-Sept. 1996.

[13] One importer reported only one quarter of data for sales of the South African product to end users.

[14] Prices for product 1 imported from China were reported for the period Oct.-Dec. 1993 to July-Sept. 1996, while those for product 2 were reported for Apr.-June 1995-July-Sept. 1996.

[15] Prices for product 1 imported from Russia were reported for the period Oct.-Dec. 1993 to July-Sept. 1996, while those for product 2 were reported for Oct.-Dec. 1993 to Jan.-Mar. 1996.

Table V-3
Plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 sold to end users, by sources and by quarters, Jan. 1993-Sept. 1996

Period	United States		China		Russia	
	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*
1993--						
Jan.-Mar.	$363.54	45,244	***	***	***	***
Apr.-June	376.40	35,178	***	***	***	***
July-Sept.	382.20	37,541	***	***	***	***
Oct.-Dec.	383.91	34,944	***	***	***	***
1994--						
Jan.-Mar.	366.14	36,191	***	***	***	***
Apr.-June	407.34	35,785	***	***	***	***
July-Sept.	414.25	44,503	***	***	***	***
Oct.-Dec.	421.97	37,005	***	***	***	***
1995--						
Jan.-Mar.	431.67	43,055	***	***	***	***
Apr.-June	442.52	38,362	***	***	***	***
July-Sept.	439.90	43,654	***	***	***	***
Oct.-Dec.	424.31	47,830	***	***	***	***
1996--						
Jan.-Mar.	417.95	42,492	***	***	***	***
Apr.-June	417.89	49,159	***	***	***	***
July-Sept.	426.23	52,300	***	***	***	***

[1] **Data not reported.**

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

Table V-4
Plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 sold to end users, by sources and by quarters, Jan. 1993-Sept. 1996

Period	United States		China		Russia		Ukraine	
	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*	Price *(Per ton)*	Quantity *(Tons)*
1993--								
Jan.-Mar.	$384.22	22,178	***	***	***	***	***	***
Apr.-June	383.57	23,316	***	***	***	***	***	***
July-Sept.	400.00	15,116	***	***	***	***	***	***
Oct.-Dec.	404.85	15,379	***	***	***	***	***	***
1994--								
Jan.-Mar.	407.39	15,429	***	***	***	***	***	***
Apr.-June	409.47	20,783	***	***	***	***	***	***
July-Sept.	425.89	18,897	***	***	***	***	***	***
Oct.-Dec.	424.34	20,480	***	***	***	***	***	***
1995--								
Jan.-Mar.	433.46	20,961	***	***	***	***	***	***
Apr.-June--	439.33	25,195	***	***	***	***	***	***
July-Sept.	444.54	16,418	***	***	***	***	***	***
Oct.-Dec.	427.61	25,438	***	***	***	***	***	***
1996--								
Jan.-Mar.	419.68	23,352	***	***	***	***	***	***
Apr.-June	439.68	21,333	***	***	***	***	***	***
July-Sept.	444.25	21,250	***	***	***	***	***	***

[1] Data not reported.

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

Figure V-4
Weighted-average prices for plate products sold to end users, by sources and by quarters, Jan. 1993-Sept. 1996

* * * * * * *

Table V-5
Plate: Margins of under/(over)selling of products 1 and 2 sold to service centers/distributors/ processors, by sources and by quarters, Jan. 1993-Sept. 1996

*	*	*	*	*	*	*

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

Table V-6
Plate: Margins of under/(over)selling of products 1 and 2 sold to end users, by sources and by quarters, Jan. 1993-Sept. 1996

*	*	*	*	*	*	*

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

LOST SALES AND LOST REVENUES

The Commission requested U.S. producers of plate to report any instances of lost sales or revenues they experienced due to competition from imports of the subject product from China, Russia, South Africa, and Ukraine. Of the 12 responding U.S. producers, 7 reported that they had to either reduce prices or roll back announced price increases in order to avoid losing sales to competitors selling plate imported from these countries.[16] In addition, seven of the responding U.S. producers reported that they lost sales of plate products due to competition with imports from the subject countries. Several of the responding firms reported that they were unable to provide specific details for either lost revenues or lost sales allegations.

For those firms that were able to provide detailed information, 9 allegations of lost revenues and 25 allegations of lost sales were submitted.[17] The lost revenue allegations totaled $820,401 and involved 25,325 tons of plate, with $366,401 of the lost revenues being attributed to imports from China and the remaining $454,000 being attributed to imports from China, Russia, and Ukraine collectively. The lost sales allegations totaled approximately $15.9 million and involved 32,615 tons of plate. The 6 allegations involving Chinese imports totaled approximately $3.4 million while the 8 allegations involving Russian imports totaled approximately $6.9 million. There was only one lost sale allegation involving South African imports ($240,000) and two allegations specifically concerning Ukrainian imports ($1.1 million). The remaining eight lost sales allegations specified more than one country (but did not include South Africa) as the country of origin of the imported material; these allegations totaled approximately $4.3 million. The Commission contacted 12 purchasers cited in these allegations; however, information was obtained from only four of these firms.[18] While most of these firms were unable to comment on the specific allegation, all four stated that the prices of the imported products were lower than those of the domestic products. A summary of the information obtained from these purchasers follows.

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[16] In addition, one producer, ***, reported that it was forced to reduce prices to compete with ***. *** reported that it believed that *** price reduction was a result of lower foreign prices.

[17] In addition, one producer, ***, reported *** lost revenue allegations totaling *** and involving *** tons of plate; however, *** did not specify the country of origin of the allegedly lower-priced imports.

[18] For the remaining firms, the contact person listed was unavailable and did not return calls.

*** cited *** in a lost sales allegation totaling *** and involving *** tons of plate due to competition from Chinese imports.[19] *** also claimed that they lost revenues of *** on a sale of *** tons of plate allegedly due to competition with lower-priced Chinese imports. A spokesman for *** did not comment on the specific allegations but did report that imports from the subject countries tend to be priced lower than the domestic products. *** reported that it has purchased plate from China and has found the quality to be fair; there have been some quality problems with the Chinese material, primarily that it is rusty and wavy.[20] *** also reported that it has stayed away from purchasing Ukrainian plate because of quality problems. In addition, *** reported that lead times for delivery are longer for the imported products. Finally, *** reported that it has not really shifted purchases from domestic suppliers to import suppliers because the products that *** is buying from off-shore sources are types of plate (e.g., ***) that U.S. producers do not make.

*** alleged that it lost *** on a sale of *** tons of plate to *** due to competition from imports from Ukraine. ***, spokesman for ***, was unable to comment on the specific allegation; however, he reported that *** has not really shifted any of its purchases from domestic to imported plate. *** reported that *** has purchased plate imported from South Africa and Ukraine; purchases from these sources have been fairly constant for the past five years. *** also commented that the quality of the South African and Ukrainian plate products has been very good. According to ***, prices of the imported product have been lower than those for domestic products. With regard to supply conditions in the plate industry, *** reported that domestic plate producers were placing some customers on allocation in the second and third quarter of 1996. *** reported that during late 1995 and into 1996, domestic plate producers were focusing on the market areas that had stronger demands (such as the Midwest).

*** alleged that it lost *** on a sale of *** tons of plate to *** due to competition from Russian imports. ***, spokesman for ***, reported that *** has purchased plate products imported from China and Ukraine and that the price of these imports has generally been below those for domestic products. *** reported, however, that *** would not purchase the imported product if it were not priced less than the domestic product because the imports tend to be lower quality and they often have higher inventory costs associated with them.[21] With regard to quality, *** stated that while both the domestic plate and the imported plate meet the same ASTM specifications, the domestic plate generally exceeds these specifications, while the imports do not.[22] *** reported that *** likes to buy predominantly from domestic sources but has made some shift from domestic suppliers to import sources; these switches were made more for reasons of availability than of price.

*** was cited in a lost sale allegation by *** totaling *** and involving *** tons of plate allegedly purchased from Russia during ***. ***, spokesman for ***, stated that the company has purchased plate from Ukraine, Russia, and China. *** reported that *** had never purchased imported plate until 1996, but did so because the price was so attractive; the imported price was approximately 18-20 percent below the domestic. *** stated that *** had to purchase the lower-priced imports to remain competitive with its competitors who were purchasing the lower-priced plate. In addition, *** commented that the prices of imports from China, Russia, and Ukraine were similar. *** noted that *** customers have recently begun asking for separate price quotes for foreign and domestic plate. With regard to supply conditions, *** stated that *** did not have trouble obtaining plate, although lead times were lengthened somewhat.

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[19] ***.

[20] *** reported that these problems can be corrected; however, it is costly to do so.

[21] *** reported that it is often necessary to purchase the imported product in larger quantities, which tends to increase inventory costs.

[22] *** also stated that he believes the ASTM specifications are old and do not really reflect what the market needs.

PART VI: FINANCIAL CONDITION OF THE U.S. INDUSTRY

BACKGROUND

Twelve U.S. producers[1] supplied financial data on their operations on plate. These data represent virtually all U.S. production of plate in 1995. Inland discontinued the production of plate as of Dec. 31, 1995, and Oregon closed its Fontana, CA plate-rolling mill in the first quarter of 1995.

OPERATIONS ON PLATE

Income-and-loss data for the U.S. producers on their plate operations are presented in table VI-1 and figure VI-1; data on a per-short ton basis are shown in table VI-2. Selected financial data, by firms, are presented in table VI-3. The operating income margins increased from a negative margin of 4.7 percent in 1993 to a positive margin of 1.9 percent in 1994 and then rose to a positive margin of 5.5 percent in 1995. Such income margins fell from 5.7 percent in January-September 1995 to 4.7 percent in January-September 1996. Average selling price per short ton increased faster than the rise in the average cost of goods sold per short ton during 1994 and 1995, resulting in higher gross profit and operating income. The volume of total net sales in short tons increased by about 7 percent in 1994 and by about 4 percent in 1995 compared to the 1993 volume level. Average selling price per short ton fell faster than the decline in the average cost of goods sold per short ton from January-September 1995 to January-September 1996, resulting in declining gross profit and operating income. During this period, the volume of total net sales in short tons rose by about 7 percent. SG&A expenses per short ton declined in each period for which data were collected.

*** did not supply data on raw materials, direct labor, and other factory costs. These data from the remaining firms on a per-short ton basis are presented in the following tabulation:

Item	1993	1994	1995	Jan.-Sept.-- 1995	Jan.-Sept.-- 1996
Raw materials	$152.61	$164.90	$159.10	$158.48	$161.19
Direct labor	58.25	60.94	67.19	67.69	68.62
Other factory costs	196.12	185.60	195.12	196.81	188.37

* * * * * * *

The variance analysis for 12 U.S. producers of plate is presented in table VI-4. The information for this variance analysis is derived from table VI-1. Export sales were minor and averaged about 2 percent of total shipments in short tons during the period of investigation. Company transfers were about 7 or 8 percent of total shipments in short tons in 1993 and 1994 and were 5 percent or less in 1995 and interim 1996. The variance analysis provides an assessment of changes in profitability as related to changes in pricing, cost, and volume. This analysis is more effective when the product involved is a homogeneous product with no variation in product mix. Some of the producers at the conference mentioned that their product mix did not change during the period of investigation. Petitioners' counsel stated at the conference that "our estimates are that commodity sizes and grades represent approximately 80 percent of the U.S. cut-to-length carbon plate market."[2]

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[1] U.S. producers and their fiscal year ends are ***.

[2] *Conference Transcript*, p. 55.

Table VI-1
Income-and-loss experience of U.S. producers on their plate operations, fiscal years 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Item	1993	1994	1995	Jan.-Sept.– 1995	Jan.-Sept.– 1996
	Quantity (short tons)				
Net sales:					
Trade	4,504,832	4,753,017	4,775,346	3,546,935	3,852,508
Company transfers	334,266	432,832	253,790	196,548	150,766
Total sales	4,839,098	5,185,849	5,029,136	3,743,483	4,003,274
	Value ($1,000)				
Net sales:					
Trade	1,832,323	2,080,339	2,216,740	1,655,260	1,752,268
Company transfers	130,615	181,546	115,631	88,639	70,665
Total sales	1,962,938	2,261,885	2,332,371	1,743,899	1,822,933
Cost of goods sold	1,974,224	2,137,780	2,127,040	1,589,007	1,678,177
Gross profit or (loss)	(11,286)	124,105	205,331	154,892	144,756
Selling, general and administrative (SG&A) expenses	81,317	80,855	75,917	55,522	58,595
Operating income or (loss)	(92,603)	43,250	129,414	99,370	86,161
Interest expense	39,834	34,066	43,857	33,197	43,618
Other expense	13,524	9,726	20,672	16,798	8,010
Other income	6,405	1,088	2,212	1,697	4,255
Net income or (loss)	(139,556)	546	67,097	51,072	38,788
Depreciation/amortization	98,536	96,026	106,101	79,286	84,101
Cash flow	(41,020)	96,572	173,198	130,358	122,889
	Ratio to total sales value (percent)				
Cost of goods sold	100.6	94.5	91.2	91.1	92.1
Gross profit or (loss)	(0.6)	5.5	8.8	8.9	7.9
SG&A expenses	4.1	3.6	3.3	3.2	3.2
Operating income or (loss)	(4.7)	1.9	5.5	5.7	4.7
Net income or (loss)	(7.1)	0.0	2.9	2.9	2.1
	Number of firms reporting				
Operating losses	5	4	3	3	3
Net losses	8	5	4	4	3
Data	12	12	12	12	12

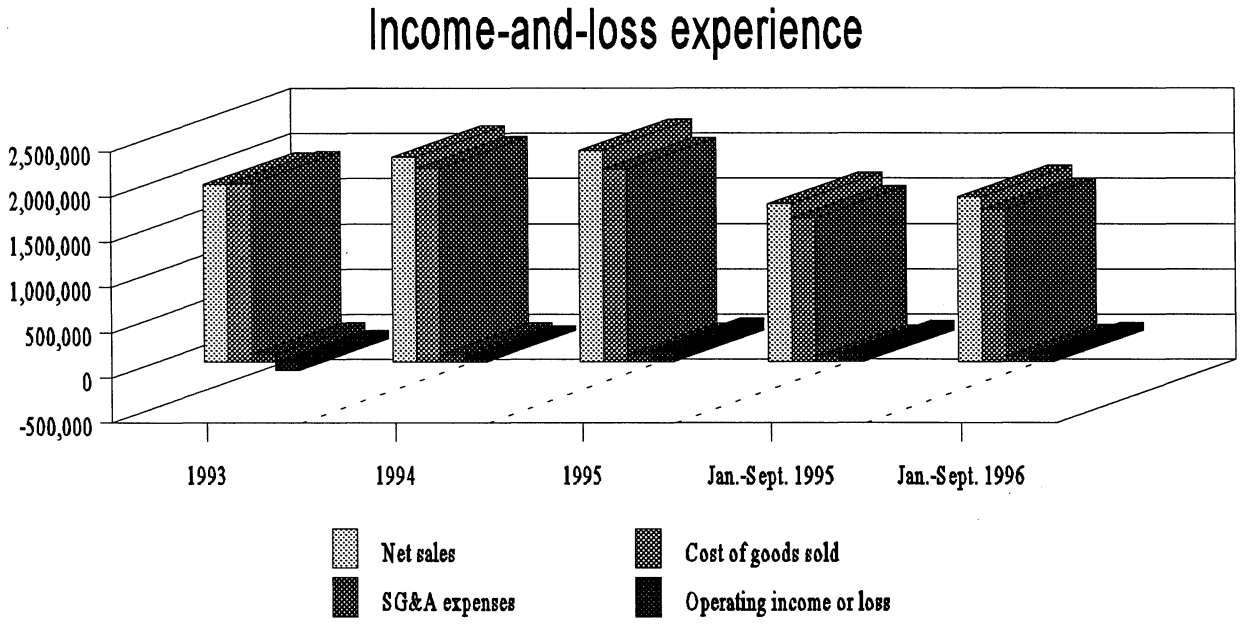
Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-2
Income-and-loss experience (per ton) of U.S. producers on their plate operations, fiscal years 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Item	1993	1994	1995	Jan.-Sept.– 1995	1996
Net sales	$405.64	$436.16	$463.77	$465.85	$455.36
Cost of goods sold	407.97	412.23	422.94	424.47	419.20
Gross profit or (loss)	(2.33)	23.93	40.83	41.38	36.16
SG&A expenses	16.80	15.59	15.10	14.83	14.64
Operating income or (loss)	(19.14)	8.34	25.73	26.54	21.52

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

Figure VI-1
Plate: U.S. producers' net sales, cost of goods sold, SG&A expenses, and operating income or loss, fiscal years 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996



Source: Table VI-1.

Table VI-3
Income-and-loss experience of U.S. producers on their plate operations, by firms, fiscal years 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

* * * * * * *

Table VI-4
Variance analysis for plate operations, fiscal years 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

($1,000)

Item	1993-95	1993-94	1994-95	Jan.-Sept.– 1995-96
Net sales:				
Trade:				
Price variance	274,386	147,068	126,628	(45,595)
Volume variance	110,031	100,948	9,773	142,603
Total sales variance	384,417	248,016	136,401	97,008
Company transfers:				
Price variance	16,462	12,416	9,182	2,673
Volume variance	(31,446)	38,515	(75,097)	(20,647)
Total company transfers variance	(14,984)	50,931	(65,915)	(17,974)
Total net sales:				
Price variance	292,346	158,290	138,839	(41,989)
Volume variance	77,087	140,657	(68,353)	121,023
Total net sales variance	369,433	298,947	70,486	79,034
Cost of sales:				
Cost variance	(75,286)	(22,091)	(53,862)	21,104
Volume variance	(77,530)	(141,465)	64,602	(110,274)
Total cost of sales variance	(152,816)	(163,556)	10,740	(89,170)
Gross profit variance	216,617	135,391	81,226	(10,136)
SG&A expenses:				
Expense variance	8,593	6,289	2,495	780
Volume variance	(3,193)	(5,827)	2,443	(3,853)
Total SG&A variance	5,400	462	4,938	(3,073)
Operating income variance	222,017	135,853	86,164	(13,209)

Note: Unfavorable variances are shown in parentheses; all others are favorable. The data are comparable to changes in net sales, cost of sales, gross profit, SG&A expenses, and operating income as presented in table VI-1.

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

The variance analysis shows that the increase of $222.0 million in operating income from 1993 to 1995 and the decline of $13.2 million in operating income from January-September 1995 to January-September 1996 are attributable to the following (amounts in thousands of dollars):

	1993-95	Jan.-Sept. 1995-96
Net price variance	$292,346	$(41,989)
Net volume variance	(3,636)	6,896
Net cost and expense variance	(66,693)	21,884
Total	222,017	(13,209)

INVESTMENT IN PRODUCTIVE FACILITIES, CAPITAL EXPENDITURES, AND RESEARCH AND DEVELOPMENT EXPENSES

The responding firms' data on the value of their fixed assets, capital expenditures, and R&D expenses are shown in table VI-5. *** did not supply these data. *** reported zero capital expenditures. R&D expenses were incurred by four firms--***. ***.

Table VI-5
Value of fixed assets, capital expenditures, and R&D expenses of U.S. producers of plate, fiscal years 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

($1,000)

Item	1993	1994	1995	Jan.-Sept.– 1995	1996
Fixed assets:					
Original cost	1,449,698	1,540,949	1,630,297	1,619,475	1,841,414
Book value	525,266	594,431	653,295	643,781	720,699
Capital expenditures	39,622	144,282	143,644	118,320	71,124
R&D expenses	5,616	5,360	5,276	3,940	3,830

Note: Fixed assets are as of the end of fiscal years 1993-95, as of Sept. 1995, and as of Sept. 1996.

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

CAPITAL AND INVESTMENT

The Commission requested U.S. producers to describe any actual or potential negative effects of imports of plate from China, Russia, South Africa, and/or Ukraine on their firms' growth, investment, and ability to raise capital or development and production efforts (including efforts to develop a derivative or more advanced version of the product). Their responses are shown in appendix E.

PART VII: THREAT CONSIDERATIONS

The Commission analyzes a number of factors in making threat determinations (see 19 U.S.C. § 1677(7)(F)(I)). Information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V, and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows.

THE INDUSTRY IN CHINA

The petition listed 10 firms believed to produce plate in China.[1] The Commission requested information and data on the Chinese industry from the U.S. Embassy in Beijing (twice) and from counsel seeking to represent Chinese producers and exporters, but received no response.[2] Accordingly, information and data in this section are drawn from information provided by the Petitioners. Petitioners estimate that the combined steelmaking capacity in China is 28,384,000 metric tons (31,287,683 short tons).[3] The number of plate mills in China is believed to be 22, while actual plate production in China is estimated to be 8.6 million tons.[4]

THE INDUSTRY IN RUSSIA

The petition listed 13 firms believed to produce plate in Russia.[5] The Commission requested information and data on the Russian industry from the U.S. Embassy in Moscow and from counsel representing Severstal. The information and data in this section are drawn from these sources and are presented in table VII-1.

Table VII-1
Plate: Russia's capacity, production, capacity utilization, inventories, and shipments, 1993-95, Jan.-Sept. 1995, Jan.-Sept. 1996, and projections for 1996-97

*	*	*	*	*	*	*

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

[1] *Petition, Vol. I (China)*, p. 16, fn. 21.

[2] One firm, Angang Group International Trade Corp., identified itself as a Chinese plate producer and exporter. The firm characterized its activities as "a responsible supplier to the U.S. market" but provided no data on its operations.

[3] *Petitioners' Postconference Brief*, p. 45. Petitioners estimate that plate capacity in China is ***.

[4] The estimate of plate mills appears in "Chinese Steel & Metals" in *MBM*, Dec. 1994, p. 17, while the production estimate appears in "Biggest Medium to Thick Steel Plate Production Base Operational" in the *Shanghai Economic Daily* (AsiaInfo Daily News Service), July 11, 1996. Both articles appear in *Petitioners' Postconference Brief*, exhibit 19.

[5] *Petition, Vol. I (Russia)*, p. 16, fn. 21.

Data on the industry in Russia is limited to that provided by Severstal, which reportedly accounts for *** percent of Russian plate production[6] and *** percent of Russian exports to the United States.[7] Plate accounted for *** percent of Severstal's total sales in its most recent fiscal year. In addition to plate, the mill also produces hot-rolled sheets and plate in coil (together accounting for *** percent of the mill's sales) on the same equipment used to produce plate. At the end of 1994, Severstal ***. The firm has no further plans to expand or curtail capacity.

Severstal markets exports through ***. In addition to the United States, primary export markets include southeast Asia (***) and western Europe. The plate exported by Severstal is reportedly not subject to antidumping findings or remedies in any WTO-member country, although such exports do face quantitative restrictions in the European Union.[8]

THE INDUSTRY IN SOUTH AFRICA

Two South African firms reported production and exports to the United States of plate: Highveld and ISCOR. Data on Highveld's and ISCOR's production and shipments of plate were submitted by counsel in response to the Commission's foreign producer questionnaire and are presented in table VII-2.

Table VII-2
Plate: South Africa's capacity, production, capacity utilization, inventories, and shipments, 1993-95, Jan.-Sept. 1995, Jan.-Sept. 1996, and projections for 1996-97

*	*	*	*	*	*	*

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

Highveld and ISCOR account for all South African plate production and exports to the United States. Plate accounted for *** and *** percent of the firms' sales, respectively, in their most recent fiscal year. In addition to plate, Highveld produces plate in coil (accounting for *** percent of the mill's sales) on the same equipment used to produce plate, while ISCOR produces sheet in coil and floor plate (together accounting for *** percent of sales). ISCOR reported ***; Highveld reported *** plans to expand or curtail capacity.

In addition to the United States, primary export markets for the two South African mills include Asia, Israel, and western Europe. The plate exported by Highveld and ISCOR is reportedly not subject to antidumping findings or remedies in any WTO-member country, nor do such exports face quantitative restrictions in the European Union.

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[6] Based on 1994 and 1995 shipments, Severstal believes itself to be the largest rolled stock producer in Russia. *Russian Respondent's Postconference Brief*, p. 1.

[7] The U.S. Embassy in Moscow notified the Commission that three Russian firms identified in the Petition exported no plate: Magnitogorskiy Metallurgicheskiy Kombinat, Tulachermet, and Volgograd Steel Works. These firms provided no data on their operations. A fourth firm, Novo Lipetsk Met Kombinat, attempted to provide data. ***. The partial data provided by this firm are not included in table VII-1.

[8] *Conference Transcript*, p. 19. Counsel for the Russian Respondent notes that the quota for "heavy plate" from Russia and Ukraine is approximately 81,500 metric tons (89,837 short tons) and that a portion of Russian plate exports are subject to a separate (hot-rolled products) quota. Counsel anticipates that the Russian "heavy plate" quota will be increased by 10 to 15 percent in 1997. *Russian Respondent's Postconference Brief*, pp. 6-7.

THE INDUSTRY IN UKRAINE

The petition listed 6 firms believed to produce plate in Ukraine.[9] The Commission requested information and data on the Ukrainian industry from the U.S. Embassy in Kiev and from counsel representing Alchevsk, Azovstal, and Ilyich. The information and data in this section are drawn from these sources and are presented in table VII-3.

Table VII-3
Plate: Ukraine's capacity, production, capacity utilization, inventories, and shipments, 1993-95, Jan.-Sept. 1995, Jan.-Sept. 1996, and projections for 1996-97

* * * * * * *

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

Data on the industry in Ukraine is limited to that provided by Azovstal and Ilyich, which reportedly account for approximately *** percent of Ukrainian plate production and *** exports to the United States.[10] Plate accounted for *** and *** percent, respectively, of the two mills' total sales in their most recent fiscal year. In addition to plate, *** also produces hot-rolled plate in coil and alloy steel (together accounting for *** percent of the mill's sales) on the same equipment used to produce plate. Neither mill increased or decreased its capacity between 1993 and 1996. However, the Ukrainian market is reportedly experiencing a shift in the demand for steel products. Reflected in the projections for 1996 and 1997 are the expectations of increased home market demand for material inputs for use in ***.[11]

In addition to the United States, primary export markets for the two mills include Russia, Asia, and western Europe. Since 1994, the plate exported by Azovstal and Ilyich has been subject to an antidumping finding by Canada. In addition, such exports face quantitative restrictions in the European Union.[12]

U.S. IMPORTERS' INVENTORIES

Data on U.S. importers' inventories are presented in table VII-4. Many U.S. importers reported that they do not maintain inventories of plate in the United States and instead order from foreign suppliers on behalf of their customers. During the period for which data were collected, however, certain importers of plate from each of the four countries subject to investigation (and from nonsubject countries as well) did hold inventories of imported product, the levels of which sometimes fluctuated noticeably.

U.S. IMPORTERS' CURRENT ORDERS

In its questionnaire, the Commission asked firms to report future contracts for importing plate from the countries subject to investigation after September 30, 1996. Responding importers reported current or outstanding orders for 119,447 short tons of plate from China; 77,853 short tons from Russia; 14,594 short tons from South Africa; and 290,045 short tons from Ukraine.

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[9] *Petition, Vol. I (Ukraine)*, p. 16, fn. 21.

[10] The U.S. Embassy in Kiev notified the Commission that ***.

[11] *Ukrainian Respondents' Postconference Brief*, p. 4.

[12] *Conference Transcript*, p. 19.

Table VII-4
Plate: End-of-period inventories of U.S. importers, by sources, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

Source	Calendar year--			Jan.-Sept.--	
	1993	1994	1995	1995	1996
	Quantity (*short tons*)				
China	0	10,558	18,202	17,300	10,272
Russia	2,522	5,846	4,360	4,537	4,549
South Africa	10,408	3,411	2,844	2,844	1,554
Ukraine	81	563	631	631	4,545
Subtotal	13,011	20,378	26,037	25,312	20,920
All other	14,934	3,018	1,731	1,731	1,934
Total	27,945	23,396	27,768	27,043	22,854
	Ratio to imports (*percent*)				
China	0.0	100.0	21.1	16.0	5.7
Russia	17.4	3.5	2.0	1.8	2.3
South Africa	8.5	3.1	4.3	3.5	1.6
Ukraine	0.1	0.3	0.2	0.2	1.4
Subtotal	6.5	4.2	3.6	3.2	2.6
All other	9.6	2.0	5.6	4.6	4.0
Total	7.8	3.7	3.7	3.2	2.7
	Ratio to shipments (*percent*)				
China	0.0	0.0	23.2	17.4	5.4
Russia	21.1	3.6	1.9	1.8	2.3
South Africa	8.5	3.2	5.0	4.1	1.6
Ukraine	0.1	0.3	0.2	0.2	1.4
Subtotal	6.6	4.3	3.7	3.3	2.6
All other	9.6	1.9	6.3	5.2	4.0
Total	7.9	3.7	3.8	3.3	2.7

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

APPENDIX A

FEDERAL REGISTER NOTICES OF THE COMMISSION AND COMMERCE

[Investigations Nos. 731–TA–753–756 (Preliminary)]

Cut-to-length Carbon Steel Plate From China, Russia, South Africa, and Ukraine; Antidumping Investigation

AGENCY: United States International Trade Commission.

ACTION: Institution of antidumping investigations and scheduling of preliminary phase investigations.

SUMMARY: The Commission hereby gives notice of the institution of investigations and commencement of preliminary phase antidumping Investigations Nos. 731–TA–753–756 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) (the Act) to determine whether there is a reasonable indication that 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 cut-to-length carbon steel plate [1] from China, Russia,

[1] For the purpose of these investigations, cut-to-length carbon steel plate is defined as hot-rolled

South Africa, and Ukraine provided for in provisions of headings 7208 through 7212 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value. Unless the Department of Commerce extends the time for initiation pursuant to section 732(c)(1)(B) of the Act (19 U.S.C. 1673a(c)(1)(B)), the Commission must reach a preliminary determination in antidumping investigations in 45 days, or in this case by December 20, 1996. The Commission's views are due at the Department of Commerce within five business days thereafter, or by December 30, 1996.

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), as amended in 61 FR 37818 (July 22, 1996).

EFFECTIVE DATE: November 5, 1996.

FOR FURTHER INFORMATION CONTACT: Douglas Corkran (202–205–3177), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov or ftp://ftp.usitc.gov).

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in response to a petition filed on November 5, 1996, by Geneva Steel Co., Provo, UT, and Gulf States Steel, Inc., Gadsden, AL.

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 sections 201.11 and 207.10 of the Commission's rules, not later than seven days after publication of this notice in the Federal Register. Industrial users and (if the merchandise under investigation is sold at the retail level) representative consumer organizations have the right to appear as parties in Commission antidumping investigations. 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 section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these investigations available to authorized applicants representing interested parties (as defined in 19 U.S.C. § 1677(9)) who are parties to the investigations under the APO issued in the investigations, provided that the application is made not later than seven 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 Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on November 26, 1996, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Douglas Corkran (202–205–3177) not later than November 21, 1996, to arrange for their appearance. Parties in support of the imposition of antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour 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 sections 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before December 2, 1996, 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 days before the conference. If briefs or written testimony contain BPI, they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules.

In accordance with sections 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 title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.12 of the Commission's rules.

Issued: November 7, 1996.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 96–29046 Filed 11–12–96; 8:45 am]

BILLING CODE 7020–02–P

iron and nonalloy steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1,250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, and whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and nonalloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated, nor coated with metal, and whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included in this definition are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been bevelled or rounded at the edges.

[A–570–849, A–823–808, A–821–808, and A–791–804]

Initiation of Antidumping Duty Investigations: Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China, Ukraine, the Russian Federation, and the Republic of South Africa

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: December 3, 1996.

FOR FURTHER INFORMATION CONTACT: Robin Gray at (202) 482–0196 and Elizabeth Patience at (202) 482–0195, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Initiation of Investigation

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are to

the current regulations, as amended by the interim regulations published in the Federal Register on May 11, 1995 (60 FR 25130).

The Petitions

On November 5, 1996, the Department of Commerce ("the Department") received petitions filed in proper form from Geneva Steel Company (Geneva) and Gulf States Steel, Inc. (Gulf States) ("petitioners"), domestic producers of certain cut-to-length carbon steel plate (CTL plate). The Department received amended petitions on November 14 and 15, 1996.

In accordance with section 732(b) of the Act, petitioners alleged that imports of CTL plate from the People's Republic of China (China), Ukraine, the Russian Federation (Russia), and the Republic of South Africa (South Africa) 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 Act, and that such imports are materially injuring, or threatening material injury to a U.S. industry.

The Department finds that petitioners have standing to file the petitions because they are interested parties, as defined under section 771(9)(C) of the Act.

Determination of Industry Support for the Petitions

Section 732(c)(4)(A) of the Act requires the Department to determine, prior to the initiation of an investigation, that a minimum percentage of the domestic industry supports an antidumping petition. A petition meets these minimum requirements if the domestic producers or workers who support the petition account for: (1) At least 25 percent of the total production of the domestic like product; and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition.

We received submissions from two importers, Ranger Steel Supply Corporation (Ranger) and Klockner Steel Trade (Klockner), alleging that these petitions were not filed on behalf of the domestic carbon steel plate industry. Moreover, Klockner, in filing its notice of appearance in the Chinese, Russian and Ukrainian proceedings, contended that there are 38 domestic firms that may have produced plate in 1992. Therefore, the importer questions whether petitioners identified all domestic plate producers in the petitions. Klockner's support for this assertion is based on a list of companies, prepared by the International Trade Commission for the 1992 carbon flat-rolled steel investigations, that produce, in general, carbon flat-rolled steel products which, depending on the producer, may or may not include plate. Independent sources readily available to the Department indicate that the domestic producers originally identified in the petition are the only producers of carbon steel plate in the United States. *See* Metal Bulletin Books, *Iron and Steel Works of the World* (11th ed., 1994).

On November 18, 1996, counsel for Ranger submitted additional arguments on all four petitions contending that the petitions do not have industry support. Ranger argues that petitioners failed to demonstrate on the face of the petitions that Geneva and Gulf States account for more than 50 percent of total domestic production. Ranger also contends that the Department must determine through polling that domestic producers supporting the petitions account for more than 50 percent of the production of CTL plate produced by that portion of the industry expressing a view on the petitions.

On November 14, 1996, petitioners submitted amended petitions for the four countries with letters of support for the petitions from Bethlehem Steel Corporation and U.S. Steel Group, a unit of USX Corporation. Letters of support were also submitted to the Department by the United Steelworkers of America on November 13, 1996. Based on the production data we collected from domestic steel-producing companies, Geneva, Gulf States, Bethlehem and USX account for significantly more than 50 percent of total production of the domestic like product. Because the amended petitions now establish sufficient support of domestic producers within the meaning of 732(c)(4)(D), the Department is not required to poll or rely on other information to determine if there is support for the petition. The Department received no expressions of opposition to the petitions from any U.S. producers or workers. Accordingly, the Department determines that the petitions have been filed on behalf of the domestic industry in accordance with sections 732(c)(4)(A) and 732(c)(4)(D) of the Act.

Scope of the Investigation

The scope of these investigations includes hot-rolled iron and non-alloy steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), 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 iron and non-alloy steel flat-rolled products not in coils, 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 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included as subject merchandise in this petition are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been bevelled or rounded at the edges. This merchandise is currently classifiable in the Harmonized Tariff Schedule of the United States (HTS) under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000. Excluded from subject merchandise within the scope of this petition is grade X–70 plate. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

South Africa

Export Price and Normal Value

The petitioners based export price on the customs values derived from the IM–145 monthly import statistics for HTS subheading 7208.51.0060 and 7208.52.0000, published by the U.S. Department of Commerce, for the month of July 1996. These customs values correspond to the month the available home market price lists were in effect. The customs values, which represent the f.o.b. South Africa price of the subject CTL plate, were adjusted for foreign inland freight, based on the freight charges by one South African producer. We find the customs values a reasonable basis for export prices because (1) the HTS subheadings contain only CTL plate and no other products, and (2) the customs values reported for IM–145 are based on the transaction value of the merchandise.

The petitioners based normal value on July 1996 prices between a South African producer and its customers obtained from a market researcher. The gross home market prices were adjusted

downward for discounts and value-added tax. The petitioners converted the unit prices in South African rand to U.S. dollars using the exchange rates that were in effect on or about the time the home market sales occurred.

Based on comparisons of export price to normal value, the estimated dumping margins for certain CTL plate from South Africa range from 6.66 percent to 33.87 percent.

China

Export Price

Petitioners based export price on two methods: 1) the import values declared to the U.S. Customs Service; and 2) actual U.S. selling prices obtained by Geneva. Petitioners used the HTS categories which contained only subject merchandise, as follows: 7208.51.0060, 7208.52.0000, 7208.40.3030, and 7208.53.0000. Petitioners deducted foreign inland freight from the FAS customs values in order to obtain ex-factory prices. In order to calculate foreign inland freight, petitioners used Chilean rail rates. Petitioners explained that the only reasonably-available public rates were from Chile and the United States. Because Chile's GNP is closer to China's, Chile's transport rates were used in petitioners' calculations. Based on the information presented by petitioners, we believe that their use of Chilean rail rates is acceptable for purposes of initiation of this investigation.

Normal Value

Petitioners asserted that China is a non-market economy country (NME) to the extent that sales or offers for sale of such or similar merchandise in China or to third countries do not permit calculation of normal value under 19 C.F.R. 353.46, 353.49 or 353.53. Petitioners, therefore, constructed a normal value based on the factors of production methodology pursuant to 19 U.S.C. 1677b(c). In previous investigations, the Department has determined that China is an NME. *See, e.g., Final Determination of Sales at Less than Fair Value: Bicycles From the People's Republic of China*, 61 FR 19026 (April 30, 1996). In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for China has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the normal value of the product was appropriately based on the producers' factors of production, valued in a surrogate market economy country in accordance with section 773(c) of the Act.

In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of China's NME status and the granting of separate rates to individual exporters. *See, e.g., Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the PRC*, 59 FR 22585 (May 2, 1994).

For their normal value calculation, petitioners based the factors of production, as defined by section 773(c)(3) of the Act (raw materials, labor, energy and capital cost), for CTL plate on petitioners' own usage inputs and amounts, adjusted for known differences in production efficiencies on the basis of available information. Petitioners asserted that no detailed information is available regarding the quantities of inputs used by plate producers in China. Thus, they have assumed, for purposes of the petition, that producers in China use the same inputs in the same quantities as petitioners, except where a variance from petitioners' cost model can be justified on the basis of available information. Petitioners argued that the use of their own factors is conservative because the U.S. steel industry is more efficient and technologically-advanced than the Chinese steel industry. Petitioners cited four different sources to support this contention. Based on the information provided by petitioners, we believe that petitioners' use of its own adjusted factors of production is appropriate for purposes of initiation of this investigation. *See, Initiation of the Antidumping Duty Investigations of Melamine Institutional Dinner Products from Indonesia, Taiwan, and the People's Republic of China*, 61 FR 8039 (March 31, 1996).

In accordance with section 773(c)(4) of the Act, petitioners then valued the factors of production, where possible, on reasonably available surrogate country data. Petitioners selected Indonesia as the primary surrogate. Petitioners argued that Indonesia is an acceptable surrogate country because its level of economic development is comparable to that of China and it is a significant producer of comparable merchandise (in accordance with 773(c)(4) of the Act). *See, Final Determination of Sales at Less-Than-Fair-Value: Disposable Pocket Lighters from the People's Republic of China* 60 FR 22359 (May 5, 1996). Petitioners stated that because the per-capita gross national product (GNP) of Indonesia and China are relatively close, the two countries may be considered economically comparable. Based on the information provided by petitioners, we believe that petitioners' use of Indonesia as a surrogate country is appropriate for purposes of initiation of this investigation.

Petitioners were unable to obtain port unloading charges for Indonesia and, therefore, chose the lowest charge applicable in Brazil based on a publicly-available news article. Petitioners chose Brazilian values because they were the only reasonably available figures for a country with a per-capita GNP similar to China's. Petitioners were also unable to find data on factory overhead, selling, general & administrative (SG&A) expenses, and profit from Indonesia. Therefore, petitioners used overhead, SG&A and profit percentages used by the Department in a recent results of review (*Preliminary Results of Review: Sebacic Acid from the People's Republic of China*, 61 FR 46440 (September 3, 1996)) where India was the surrogate country in order to value these factors. Based on the information provided by petitioners, we believe that their use of the noted Brazilian and Indian surrogate values are acceptable for purposes of initiation of this investigation.

Based on comparisons of export price to the factors of production, the calculated dumping margins for CTL plate from China ranged from 10.01–45.84 percent.

Russia

Export Price

Petitioners based export price on two methods: (1) The import values declared to the U.S. Customs Service; and (2) actual U.S. selling prices known to petitioners. In order to ensure a fair comparison, petitioners used the HTS categories which contained only subject merchandise, as follows: 7208.51.0060, 7208.52.0000, 7208.40.3030, and 7208.53.0000. Petitioners deducted foreign inland freight from the customs values in order to obtain ex-factory prices. In order to calculate foreign inland freight, petitioners used U.S. barge rates and Chilean rail rates because they were the only appropriate public figures reasonably available to the petitioners. Petitioners explained that they could only find barge rates for the United States that revealed the distances needed to permit calculation of a rate in dollars-per-ton. Further, they could only find data on rail rates from Chile and the United States which would permit the calculation of rail freight costs in such terms. They used the Chilean rail rate because Chilean per-capita GNP is much closer to Russia's than is the United States'.

Based on the information presented by petitioners, we believe that their use of U.S. barge and Chilean rail rates is acceptable for purposes of initiation of this investigation.

Normal Value

Petitioners asserted that Russia is a non-market economy country (NME) to the extent that sales or offers for sale of such or similar merchandise in Russia or to third countries do not permit calculation of normal value under 19 CFR 353.46, 353.49 or 353.53. Petitioners, therefore, constructed a normal value based on the factors of production methodology pursuant to 19 U.S.C. 1677b(c). In previous investigations, the Department has determined that Russia is an NME. *See, e.g., Pure Magnesium and Alloy Magnesium from the Russian Federation*, 60 FR 16440 (March 30, 1995). In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for Russia has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the normal value of the product is appropriately based on factors of production, valued in a surrogate market economy country in accordance with section 773(c) of the Act.

In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of Russia's NME status and the granting of separate rates to individual exporters. *See, e.g., Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the PRC*, 59 FR 22585 (May 2, 1994).

For the normal value calculation, petitioners based the factors of production, as defined by section 773(c)(3) of the Act (raw materials, labor, energy and capital cost), for CTL plate on petitioners' own usage inputs and amounts, adjusted for known differences in production efficiencies on the basis of available information. Petitioners asserted that no detailed information is available regarding the quantities of inputs used by plate producers in Russia. Thus, they have assumed, for purposes of the petition, that producers in Russia use the same inputs in the same quantities as petitioners, except where a variance from petitioners' cost model can be justified on the basis of available information. Petitioners argued that the use of their own factors is conservative because the U.S. steel industry is more efficient and technologically-advanced than the Russian steel industry. Petitioners cited three different sources to support this contention. Based on the information provided by petitioners, we believe that petitioners' use of its own adjusted factors of production is appropriate for purposes of initiation of this investigation.

In accordance with section 773(c)(4) of the Act, petitioners valued these factors, where possible, on reasonably available, published surrogate country data. Petitioners selected Turkey as their primary surrogate. Petitioners stated that the per-capita GNP of Turkey differs only slightly from Russia's and, thus, maintain that Turkey is the most suitable surrogate, amongst the potential surrogates, because it is at a level of comparable economic development and is also a significant producer of comparable merchandise (in accordance with section 773(c)(4) of the Act). *See, Final Determination of Sales at Less-than-Fair-Value of Ferrovanadium and Nitrided Vanadiam From the Russian Federation*, 60 FR 27957 (May 26, 1996). Based on the information provided by petitioners, we believe that petitioners' use of Turkey as a surrogate country is appropriate for purposes of initiation of this investigation.

Petitioners state that they were unable to find publicly-available information on port unloading charges in Turkey and, therefore, chose the lowest charge applicable in Brazil as a surrogate value, based on a published news article. Petitioners were also unable to find a published source for the number of man-hours used to produce a ton of any steel product in Russia or Turkey, and, therefore, used a labor-per-ton figure for Mexico, based on a published news article, as the surrogate value. Petitioners chose values from Brazil and Mexico, respectively, as surrogates because the information was reasonably available and the per-capita GNPs of these countries were most comparable to Russia's. Finally, petitioners valued Russian consumption rates for fuel, energy, and raw materials at 20 percent above petitioners' based on a publicly-available news article. Based on the information provided by petitioners, we believe that their use of the noted surrogate values is acceptable for purposes of initiation of this investigation.

Based on comparisons of export price to the factors of production, the calculated dumping margins for CTL plate from Russia ranged from 139.97–230.38 percent.

Ukraine

Export Price

Petitioners based export price on two methods: (1) The import values declared to the U.S. Customs Service; and (2) actual U.S. selling prices known to petitioners. In order to ensure a fair comparison, petitioners used the HTS categories which contained only subject merchandise, as follows: 7208.51.0060, 7208.52.0000, 7208.40.3030, and 7208.53.0000. Petitioners deducted foreign inland freight from the customs values in order to obtain ex-factory prices. In order to calculate foreign inland freight, petitioners used U.S. barge rates and Chilean rail rates because they were the only appropriate, public figures reasonably available to the petitioners. Petitioners explained that they could only find barge rates for the United States that revealed the distances needed to permit calculation of a rate in dollars-per-ton. Further, they could only find data on rail rates from Chile and the United States which would permit the calculation of rail freight costs in such terms. They used the Chilean rail rate because Chilean per-capita GNP is much closer to Ukraine's than is the United States'. Based on the information presented by petitioners, we believe that their use of U.S. barge and Chilean rail rates is acceptable for purposes of initiation of this investigation.

Normal Value

Petitioners alleged that Ukraine is an NME to the extent that sales or offers for sale of such or similar merchandise in Ukraine or to third countries does not permit calculation of normal value under 19 CFR 353.46, 353.49 or 353.53. Petitioners, therefore, constructed a normal value based on the factors of production methodology pursuant to 19 U.S.C. 1677b(c). In previous investigations, the Department has determined that Ukraine is an NME. *See, e.g., Final Determinations of Sales at Less Than Fair Value: Ferrosilicon from Kazakhstan and Ukraine; and Postponement of Final Determination; Ferrosilicon from the Russian Federation*, 58 FR 13050 (March 9, 1993). In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for Ukraine has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the normal value of the product is appropriately based on the producers' factors of production valued in a

surrogate market economy country in accordance with section 773(c) of the Act.

In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of Ukraine's NME status and the granting of separate rates to individual exporters. *See, e.g., Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the PRC,* 59 FR 22585 (May 2, 1994).

For the normal value calculation, petitioners based the factors of production, as defined by section 773(c)(3) of the Act (raw materials, labor, energy, and capital costs), for CTL plate on petitioners' own usage amounts, adjusted for known differences in production efficiencies on the basis of available information. Petitioners asserted that no detailed information is available regarding the quantities of inputs used by plate producers in Ukraine. Thus, they have assumed, for purposes of the petition, that producers in Ukraine use the same inputs in the same quantities as petitioners, except where a variance from petitioners' cost model can be justified on the basis of available information. Petitioners argued that the use of their own data is conservative because the U.S. steel industry is more efficient and technologically-advanced than the Ukrainian steel industry. Petitioners cited two different sources to support this contention. Based on the information provided by petitioners, we believe that petitioners' use of its own adjusted factors of production is appropriate for purposes of initiation of this investigation.

In accordance with section 773(c)(4) of the Act, petitioners valued these factors, where possible, on reasonably available, published surrogate country data. Petitioners selected Peru as their primary surrogate. Petitioners argued that Peru is an acceptable surrogate country because its level of economic development is comparable to that of Ukraine and it is a significant producer of comparable merchandise (in accordance with 773(c)(4) of the Act). *See, Preliminary Determination of Sales at Less-than-Fair-Value and Postponement of Final Determination of Silicomanganese From Ukraine* 59 FR 31201 (June 17, 1996). Petitioners stated that because the per-capita GNP of Peru and Ukraine are relatively close, the two countries may be considered economically comparable. Based on the information provided by petitioners, we believe that petitioners' use of Peru as a surrogate country is appropriate for purposes of initiation of this investigation.

Petitioners were unable to obtain port unloading charges for Peru and, therefore, chose the lowest charge applicable in Brazil based on a published news article. Petitioners were also unable to find a published source for the number of man-hours used to produce a ton of any steel product in Ukraine or Peru, and, therefore, used a labor-per-ton figure for Mexico based on a news article, as the surrogate value. Petitioners chose values from Brazil and Mexico, respectively, as surrogates because the information was reasonably available and the per-capita GNPs of these countries were most comparable to Ukraine's. Based on the information provided by petitioners, we believe that their use of the noted Brazilian and Mexican surrogate values is acceptable for purposes of initiation of this investigation.

Petitioners were also unable to find values for natural gas rates, factory overhead, selling, general & administrative (SG&A) expenses, and profit from Peru. Therefore, petitioners used surrogate natural gas rates from Indonesia and Turkish values for factory overhead, SG&A, and profit. Values from Indonesia and Turkey were selected on the basis that these countries were closer to Ukraine in per-capita GNP than were other countries from which values could be ascertained by petitioners. Based on the information provided by petitioners, we believe that their use of the noted Indonesian and Turkish surrogate values is acceptable for purposes of initiation of this investigation.

Based on comparisons of export price to the factors of production, the calculated dumping margins for CTL plate from Ukraine ranged from 201.61–274.82 percent.

Fair Value Comparisons

Based on the data provided by petitioners, there is reason to believe that imports of CTL plate from China, Ukraine, Russia and South Africa are being, or are likely to be, sold at less than fair value. If it becomes necessary at a later date to consider these petitions as a source of facts available, under section 776 of the Act, we may further review the calculations.

Initiation of Investigations

We have examined the petitions on CTL plate from China, Ukraine, Russia and South Africa and have found that they meet the requirements of section 732 of the Act, including the requirements concerning allegations of material injury or threat of material injury to the domestic producers of a domestic like product by reason of the complained-of imports, allegedly sold at less than fair value. In reaching this determination, we have examined the accuracy and adequacy of the evidence provided in the petitions based on information readily available to us, as required by section 732(c)(1)(A)(i). Therefore, we are initiating antidumping duty investigations to determine whether imports of CTL plate from China, Ukraine, Russia and South Africa are being, or are likely to be, sold in the United States at less than fair value. Unless extended, we will make our preliminary determination by April 14, 1997.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act, copies of the public version of the petitions have been provided to the representatives of the governments of China, Ukraine, Russia and South Africa. We will attempt to provide copies of the public versions of the petitions to the exporters named in the petitions.

International Trade Commission (ITC) Notification

We have notified the ITC of our initiations, as required by section 732(d) of the Act.

Preliminary Determination by the ITC

The ITC will determine by December 20, 1996, whether there is a reasonable indication that imports of CTL plate from China, Ukraine, Russia and South Africa are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination in any of these investigations will result in the respective investigation being terminated; otherwise, these investigations will proceed according to statutory and regulatory time limits.

Dated: November 25, 1996.

Robert S. LaRussa

Acting Assistant Secretary of Import Administration

[FR Doc. 96–30756 Filed 12–2–96; 8:45 am]

BILLING CODE 3510–DS–P

APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF THE PUBLIC CONFERENCE

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the following investigations:

CUT-TO-LENGTH CARBON STEEL PLATE FROM CHINA, RUSSIA, SOUTH AFRICA, AND UKRAINE

Investigations Nos. 731-TA-753-756 (Preliminary)

November 26, 1996 - 9:30 am

The conference was held in Room 101 (Main Hearing Room) of the United States International Trade Commission Building, 500 E Street, SW, Washington, DC.

IN SUPPORT OF THE IMPOSITION OF ANTIDUMPING DUTIES:

Schagrin Associates
Washington, DC
on behalf of

Geneva Steel Co. and Gulf States Steel Co.

Robert Grow, President, Geneva
Ken Johnson, Vice President and General Counsel, Geneva
Phil Jones, Vice President, Marketing, Geneva
Dennis Nolen, Director of Marketing, Sales and Integrated Manufacturing, Geneva

John Lefler, President and CEO, Gulf States
John Duncan, Vice President and General Manager - Flat-rolled Products, Gulf States
Lester Bridges, Senior Manager - Marketing, Gulf States

Roger B. Schagrin -- OF COUNSEL

Skadden, Arps, Slate, Meagher & Flom
Washington, DC
on behalf of

U.S. Steel Group, a unit of USX Corp.

Chris Navetta, General Manager - Plate Products of USX

Steve Narkin--OF COUNSEL

IN SUPPORT OF THE IMPOSITION OF ANTIDUMPING DUTIES--Continued

Dewey Ballantine
Washington, DC
on behalf of

Bethlehem Steel Corp.

Richard B. Cochran, Jr., Marketing Manager - Plate Products, Bethlehem

Michael H. Stein--OF COUNSEL

William Klinefelter, Legal Policy Director, United Steelworkers of America, AFL-CIO/CLC

Tom Ballou, Director - Flat-rolled Products, O'Neal Steel

Phil Brown, Vice President, Jeffreys Steel

Mervyn Pregulman, Vice Chairman, Siskin Steel & Aluminum

Mark Dillon, President, Tampa Bay Steel

Leo O'Donnell, President, Leeco Steel

Don Stieler, Consultant to A. M. Castle

IN OPPOSITION TO THE IMPOSITION OF ANTIDUMPING DUTIES:

Kenneth R. Button, Economic Consulting Services

Dorsey & Whitney
Washington, DC
on behalf of

Highveld Steel and Vanadium Corporation

Malcolm Suttill, General Sales Manager, Highveld
Ricky Richter, President, Newco Steel Trading
Bob Moore, Vice President, Newco Steel Trading

John Rehm--OF COUNSEL
Philippe Bruno

Adduci, Mastriani & Schaumberg
Washington, DC
on behalf of

Iscor Ltd.

Thinus Jacobsz, Senior Legal Advisor, Iscor
Frank Sigl, Sales Agent, Asoma & Macsteel International

Marcela B. Stras--OF COUNSEL

Aitken, Irvin, Lewin, Berlin, Vrooman & Cohn
Washington, DC
on behalf of

Azovstal Iron & Steel Works, Ilyich Iron & Steel Works, and Alchevsk

Martin J. Lewin--OF COUNSEL

Powell, Goldstein, Frazer & Murphy
Washington, DC
on behalf of

JSC Severstal

Peter O. Suchman--OF COUNSEL
Elizabeth C. Hafner

APPENDIX C

TARIFF TREATMENT AND CURRENT RATES OF DUTY

Heading/ Subheading	Stat. Suf- fix	Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
7208		Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated:				
7208.10		In coils, not further worked than hot-rolled, with patterns in relief:				
7208.10.15	00	Pickled	kg	4.1%	Free (E,I,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
		Other:				
7208.10.30	00	Of a thickness of 4.75 mm or more	kg	4.8%	Free (E,IL,J) 1.2% (CA) 4.2% (MX)	20%
7208.10.60	00	Of a thickness of less than 4.75 mm	kg	3.9%	Free (E,IL,J) 0.9% (CA) 3.4% (MX)	20%
		Other, in coils, not further worked than hot-rolled, pickled:				
7208.25		Of a thickness of 4.75 mm or more:				
7208.25.30	00	Of high-strength steel	kg	4.8%	Free (E,IL,J) 1.2% (CA) 4.2% (MX)	20%
7208.25.60	00	Other	kg	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
7208.26.00		Of a thickness of 3 mm or more but less than 4.75 mm		4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
	30	High-strength steel	kg			
	60	Other	kg			
7208.27.00		Of a thickness of less than 3 mm		4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
	30	High-strength steel	kg			
	60	Other	kg			
		Other, in coils, not further worked than hot-rolled:				
7208.36.00		Of a thickness exceeding 10 mm		4.8%	Free (E,IL,J) 1.2% (CA) 4.2% (MX)	20%
	30	High-strength steel	kg			
	60	Other	kg			
7208.37.00		Of a thickness of 4.75 mm or more but not exceeding 10 mm		4.8%	Free (E,IL,J) 1.2% (CA) 4.2% (MX)	20%
	30	High-strength steel	kg			
	60	Other	kg			
7208.38.00		Of a thickness of 3 mm or more but less than 4.75 mm		3.9%	Free (E,IL,J) 0.9% (CA) 3.4% (MX)	20%
	15	High-strength steel	kg			
		Other:				
	30	With untrimmed edges	kg			
	90	Other	kg			
7208.39.00		Of a thickness of less than 3 mm		3.9%	Free (E,IL,J) 0.9% (CA) 3.4% (MX)	20%
	15	High-strength steel	kg			
		Other:				
	30	With untrimmed edges	kg			
	90	Other	kg			

Heading/ Subheading	Stat. Suf- fix	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.):				
7208.40		Not in coils, not further worked than hot-rolled, with patterns in relief:				
7208.40.30		Of a thickness of 4.75 mm or more.....	.....	4.8%	Free (E,IL,J) 1.2% (CA) 4.2% (MX)	20%
	30	Of a thickness exceeding 10 mm.....	kg			
	60	Other.....	kg			
7208.40.60		Of a thickness of less than 4.75 mm.....	.....	3.9%	Free (E,IL,J) 0.9% (CA) 3.4% (MX)	20%
	30	Of a thickness less than 3 mm.....	kg			
	60	Other.....	kg			
		Other, not in coils, not further worked than hot-rolled:				
7208.51.00		Of a thickness exceeding 10 mm.....	.....	4.8%	Free (E,IL,J) 1.2% (CA) 4.2% (MX)	20%
	30	Universal mill plate.....	kg			
		Other:				
	45	Of high-strength steel.....	kg			
	60	Other.....	kg			
7208.52.00	00	Of a thickness of 4.75 mm or more but not exceeding 10 mm.....	kg.....	4.8%	Free (E,IL,J) 1.2% (CA) 4.2% (MX)	20%
7208.53.00	00	Of a thickness of 3 mm or more but less than 4.75 mm.....	kg.....	3.9%	Free (E,IL,J) 0.9% (CA) 3.4% (MX)	20%
7208.54.00	00	Of a thickness of less than 3 mm.....	kg.....	3.9%	Free (E,IL,J) 0.9% (CA) 3.4% (MX)	20%
7208.90.00	00	Other.....	kg.....	4%	Free (E,IL,J) 1% (CA) 3.5% (MX)	20%

Heading/ Subheading	Stat. Suf- fix	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):				
7209.15.00	00	Of a thickness of 3 mm or more	kg	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
7209.16.00		Of a thickness exceeding 1 mm but less than 3 mm		4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
		Of high-strength steel:				
	30	Annealed	kg			
	60	Other	kg			
	90	Other	kg			
7209.17.00		Of a thickness of 0.5 mm or more but not exceeding 1 mm		4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
		Of high-strength steel:				
	30	Annealed	kg			
	60	Other	kg			
	90	Other	kg			
7209.18		Of a thickness of less than 0.5 mm:				
7209.18.15		Of high-strength steel		4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
	30	Annealed	kg			
	60	Other	kg			
		Other:				
7209.18.25		Of a thickness of less than 0.361 mm (blackplate)		2.6%	Free (E,IL,J) 0.6% (CA) 2.2% (MX)	20%
	10	Of a kind for use in making aperature masks for cathode-ray tube video displays	kg			
	50	Other	kg			
7209.18.60	00	Other	kg	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
		Not in coils, not further worked than cold-rolled (cold-reduced):				
7209.25.00	00	Of a thickness of 3 mm or more	kg	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
7209.26.00	00	Of a thickness exceeding 1 mm but less than 3 mm	kg	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
7209.27.00	00	Of a thickness of 0.5 mm or more but not exceeding 1 mm	kg	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
7209.28.00	00	Of a thickness of less than 0.5 mm	kg	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
7209.90.00	00	Other	kg	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%

Heading/ Subheading	Stat. Suf- fix	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	Of a thickness of 0.5 mm or more.....	kg.....	2.8%	Free (E,IL,J) 0.7% (CA) 2.4% (MX)	6%
7210.12.00	00	Of a thickness of less than 0.5 mm.....	kg.....	2.8%	Free (E,IL,J) 0.7% (CA) 2.4% (MX)	6%
7210.20.00	00	Plated or coated with lead, including terne-plate.....	kg.....	3.2%	Free (E,IL,J) 0.8% (CA) 2.8% (MX)	6%
7210.30.00		Electrolytically plated or coated with zinc...	.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	21.5%
	30	Of high-strength steel.....	kg			
	60	Other.....	kg			
		Otherwise plated or coated with zinc:				
7210.41.00	00	Corrugated.....	kg.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	21.5%
7210.49.00		Other.....	.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	21.5%
	30	Of high-strength steel.....	kg			
	90	Other.....	kg			
7210.50.00	00	Plated or coated with chromium oxides or with chromium and chromium oxides.....	kg.....	4.6%	Free (E,IL,J) 1.1% (CA) 3.9% (MX)	45%
		Plated or coated with aluminum:				
7210.61.00	00	Plated or coated with aluminum-zinc alloys.....	kg.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	21.5%
7210.69.00	00	Other.....	kg.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	21.5%
7210.70		Painted, varnished or coated with plastics:				
7210.70.30	00	Not coated or plated with metal and not clad.....	kg.....	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
7210.70.60		Other.....	.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	21.5%
		Zinc coated or plated:				
	30	Electrolytically coated or plated.....	kg			
	60	Other.....	kg			
	90	Other.....	kg			
7210.90		Other:				
7210.90.10	00	Clad.....	kg.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	30%
		Other:				
7210.90.60	00	Electrolytically coated or plated with base metal.....	kg.....	4.6%	Free (E,IL,J) 1.1% (CA) 3.9% (MX)	45%
7210.90.90	00	Other.....	kg.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	21.5%

Heading/ Subheading	Stat. Suf-fix	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:				
7211.13.00	00	Universal mill plate	kg	4.8%	Free (E,IL,J) 1.2% (CA) 4.2% (MX)	20%
7211.14.00		Other, of a thickness of 4.75 mm or more		4.8%	Free (E,IL,J) 1.2% (CA) 4.2% (MX)	20%
	30	Of high-strength steel	kg			
		Other:				
	45	Not in coils	kg			
	90	Other	kg			
7211.19		Other:				
		Of a width of less than 300 mm:				
7211.19.15	00	Of high-strength steel	kg	4.6%	Free (E,IL,J) 1.1% (CA) 3.9% (MX)	25%
		Other:				
7211.19.20	00	Of a thickness exceeding 1.25 mm	kg	4.6%	Free (E,IL,J) 1.1% (CA) 3.9% (MX)	25%
7211.19.30	00	Other	kg	2.7%	Free (E,IL,J) 0.6% (CA) 2.3% (MX)	25%
		Other:				
7211.19.45	00	Of high-strength steel	kg	3.9%	Free (E,IL,J) 0.9% (CA) 3.4% (MX)	20%
		Other:				
7211.19.60	00	Pickled	kg	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
7211.19.75		Other		3.9%	Free (E,IL,J) 0.9% (CA) 3.4% (MX)	20%
		In coils:				
	30	With untrimmed edges	kg			
	60	Other	kg			
	90	Other	kg			

Heading/ Subheading	Stat. Suf- fix	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.):				
		Not further worked than cold-rolled (cold-reduced):				
7211.23		Containing by weight less than 0.25 percent of carbon:				
		Of a width of less than 300 mm:				
		Of a thickness exceeding 1.25 mm:				
7211.23.15	00	Of high-strength steel....	kg.....	2.7%	Free (E,IL,J) 0.6% (CA) 2.3% (MX)	25%
7211.23.20	00	Other.....	kg.....	4.6%	Free (E,IL,J) 1.1% (CA) 3.9% (MX)	25%
7211.23.30	00	Of a thickness exceeding 0.25 mm but not exceeding 1.25 mm.....	kg.....	2.7%	Free (E,IL,J) 0.6% (CA) 2.3% (MX)	25%
7211.23.45	00	Of a thickness not exceeding 0.25 mm.....	kg.....	1.9%	Free (E,IL,J) 0.4% (CA) 1.6% (MX)	25%
7211.23.60		Other.....	.....	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
	30	Of a thickness exceeding 1.25 mm.....	kg			
	60	Of a thickness exceeding 0.25 mm but not exceeding 1.25 mm.....	kg			
		Of a thickness not exceeding 0.25 mm:				
	75	Of a kind for use in making aperature masks for cathode-ray tube video displays.....	kg			
	85	Other.....	kg			
7211.29		Other:				
		Of a width of less than 300 mm:				
7211.29.20		Of a thickness exceeding 0.25 mm.....	.....	2.7%	Free (E,IL,J) 0.6% (CA) 2.3% (MX)	25%
	30	Of a width less than 51 mm, in coils.....	kg			
	90	Other.....	kg			
7211.29.45	00	Other.....	kg.....	1.9%	Free (E,IL,J) 0.4% (CA) 1.6% (MX)	25%
7211.29.60		Other.....	.....	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
	30	Of a thickness exceeding 1.25 mm.....	kg			
	80	Other.....	kg			
7211.90.00	00	Other.....	kg.....	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	20%

Heading/ Subheading	Stat. Suf- fix	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	Plated or coated with tin.....	kg.....	2.8%	Free (E,IL,J) 0.7% (CA) 2.4% (MX)	6%
7212.20.00	00	Electrolytically plated or coated with zinc...	kg.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	21.5%
7212.30		Otherwise plated or coated with zinc:				
		Of a width of less than 300 mm:				
7212.30.10		Of a thickness exceeding 0.25 mm or more.....	.....	2.7%	Free (E,IL,J) 0.6% (CA) 2.3% (MX)	25%
	30	Of a width less than 51 mm, in coils.....	kg			
	90	Other.....	kg			
7212.30.30	00	Other.....	kg.....	1.9%	Free (E,IL,J) 0.4% (CA) 1.6% (MX)	25%
7212.30.50	00	Other.....	kg.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	21.5%
7212.40		Painted, varnished or coated with plastics:				
7212.40.10	00	Of a width of less than 300 mm.....	kg.....	2.7%	Free (E,IL,J) 0.6% (CA) 2.3% (MX)	25%
7212.40.50	00	Other.....	kg.....	4.1%	Free (E,IL,J) 1% (CA) 3.5% (MX)	0.4¢/kg + 20%
7212.50.00	00	Otherwise plated or coated.....	kg.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	21.5%
7212.60.00	00	Clad.....	kg.....	5.2%	Free (E,IL,J) 1.3% (CA) 4.5% (MX)	30%

APPENDIX D

SUMMARY TABLE

Table D-1
Plate: Summary data concerning the U.S. market, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data					Period changes			
				Jan.-Sept.					Jan.-Sept.
Item	1993	1994	1995	1995	1996	1993-95	1993-94	1994-95	1995-96
U.S. consumption quantity:									
Amount	5,432,925	6,509,888	6,266,214	4,777,046	5,176,590	15.3	19.8	-3.7	8.4
Producers' share (1)	86.8	79.2	78.4	76.9	76.4	-8.4	-7.6	-0.8	-0.6
Importers' share (1):									
China	0.0	0.1	2.9	3.1	4.1	2.9	0.1	2.8	1.1
Russia	0.6	3.5	3.7	4.3	3.1	3.2	3.0	0.2	-1.2
South Africa	1.9	1.8	0.9	1.0	1.5	-1.0	-0.1	-0.9	0.5
Ukraine	2.0	4.5	8.0	8.0	7.9	5.9	2.5	3.4	-0.1
Subtotal	4.5	10.0	15.5	16.4	16.6	11.0	5.5	5.5	0.2
Other sources	8.6	10.8	6.0	6.7	7.0	-2.6	2.1	-4.7	0.3
Total imports	13.2	20.8	21.6	23.1	23.6	8.4	7.6	0.8	0.6
U.S. consumption value:									
Amount	2,246,487	2,815,993	2,845,358	2,165,027	2,283,392	26.7	25.4	1.0	5.5
Producers' share (1)	86.9	81.2	80.1	79.0	78.8	-6.8	-5.7	-1.1	-0.2
Importers' share (1):									
China	0.0	0.1	2.2	2.3	3.3	2.2	0.1	2.1	1.0
Russia	0.4	2.5	2.7	3.2	2.2	2.3	2.1	0.3	-1.0
South Africa	1.5	1.5	0.8	0.9	1.3	-0.7	-0.1	-0.6	0.4
Ukraine	1.5	3.3	6.3	6.1	6.3	4.8	1.7	3.1	0.2
Subtotal	3.5	7.3	12.1	12.6	13.1	8.6	3.8	4.8	0.5
Other sources	9.6	11.5	7.8	8.4	8.1	-1.8	1.8	-3.6	-0.3
Total imports	13.1	18.8	19.9	21.0	21.2	6.8	5.7	1.1	0.2
U.S. imports from:									
China:									
Quantity	0	8,639	181,737	146,940	214,776	(2)	(2)	(3)	46.2
Value	0	2,836	62,271	50,201	75,907	(2)	(2)	(3)	51.2
Unit value	(2)	$328.27	$342.65	$341.64	$353.43	(2)	(2)	4.4	3.4
Ending inventory quantity	0	10,558	18,202	17,300	10,272	(2)	(2)	72.4	-40.6
Russia:									
Quantity	31,515	230,156	234,255	206,258	160,037	643.3	630.3	1.8	-22.4
Value	9,395	69,556	78,164	69,256	50,207	731.9	640.3	12.4	-27.5
Unit value	$298.12	$302.21	$333.67	$335.77	$313.72	11.9	1.4	10.4	-6.6
Ending inventory quantity	2,522	5,846	4,360	4,537	4,549	72.9	131.8	-25.4	0.3
South Africa:									
Quantity	102,707	115,468	56,110	49,052	77,392	-45.4	12.4	-51.4	57.8
Value	34,438	41,481	23,688	20,359	30,122	-31.2	20.5	-42.9	48.0
Unit value	$335.30	$359.24	$422.16	$415.04	$389.21	25.9	7.1	17.5	-6.2
Ending inventory quantity	10,408	3,411	2,844	2,844	1,554	-72.7	-67.2	-16.6	-45.4
Ukraine:									
Quantity	111,319	295,775	500,266	381,101	408,346	349.4	165.7	69.1	7.1
Value	34,179	92,085	179,955	132,589	143,410	426.5	169.4	95.4	8.2
Unit value	$307.04	$311.33	$359.72	$347.91	$351.20	17.2	1.4	15.5	0.9
Ending inventory quantity	81	563	631	631	4,545	679.0	595.1	12.1	620.3
Subtotal:									
Quantity	245,542	650,038	972,368	783,351	860,552	296.0	164.7	49.6	9.9
Value	78,012	205,957	344,078	272,405	299,646	341.1	164.0	67.1	10.0
Unit value	$317.71	$316.84	$353.86	$347.74	$348.20	11.4	-0.3	11.7	0.1
Ending inventory quantity	13,011	20,378	26,037	25,312	20,920	100.1	56.6	27.8	-17.4

Table continued on next page.

Table D-1--Continued
Plate: Summary data concerning the U.S. market, 1993-95, Jan.-Sept. 1995, and Jan.-Sept. 1996

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
				Jan.-Sept.					Jan.-Sept.
	1993	1994	1995	1995	1996	1993-95	1993-94	1994-95	1995-96
U.S. imports from:									
Other sources:									
Quantity	469,458	701,627	378,226	317,909	361,329	-19.4	49.5	-46.1	13.7
Value	216,307	322,594	222,665	181,886	184,896	2.9	49.1	-31.0	1.7
Unit value	$460.76	$459.78	$588.71	$572.13	$511.71	27.8	-0.2	28.0	-10.6
Ending inventory quantity	14,934	3,018	1,731	1,731	1,934	-88.4	-79.8	-42.6	11.7
All sources:									
Quantity	715,000	1,351,665	1,350,595	1,101,260	1,221,881	88.9	89.0	-0.1	11.0
Value	294,319	528,551	566,743	454,291	484,542	92.6	79.6	7.2	6.7
Unit value	$411.64	$391.04	$419.62	$412.52	$396.55	1.9	-5.0	7.3	-3.9
Ending inventory quantity	27,945	23,396	27,768	27,043	22,854	-0.6	-16.3	18.7	-15.5
U.S. producers':									
Average capacity quantity	6,746,059	6,768,240	6,503,019	4,884,391	4,890,347	-3.6	0.3	-3.9	0.1
Production quantity	4,817,936	5,264,620	5,041,933	3,749,338	4,026,284	4.6	9.3	-4.2	7.4
Capacity utilization (1)	71.4	77.8	77.5	76.8	82.3	6.1	6.4	-0.3	5.6
U.S. shipments:									
Quantity	4,717,925	5,158,223	4,915,619	3,675,786	3,954,709	4.2	9.3	-4.7	7.6
Value	1,952,168	2,287,442	2,278,615	1,710,736	1,798,850	16.7	17.2	-0.4	5.2
Unit value	$413.78	$443.46	$463.55	$465.41	$454.86	12.0	7.2	4.5	-2.3
Export shipments:									
Quantity	97,121	75,467	112,063	66,697	48,551	15.4	-22.3	48.5	-27.2
Value	39,661	34,930	53,657	33,221	24,138	35.3	-11.9	53.6	-27.3
Unit value	$408.37	$462.85	$478.81	$498.09	$497.17	17.3	13.3	3.4	-0.2
Ending inventory quantity	237,764	270,123	284,461	277,039	307,613	19.6	13.6	5.3	11.0
Inventories/total shipments (1)	4.9	5.2	5.7	5.6	5.8	0.7	0.2	0.5	0.2
Production workers	6,789	7,032	6,994	6,921	7,150	3.0	3.6	-0.5	3.3
Hours worked (1,000s)	14,560	15,685	15,780	11,751	12,106	8.4	7.7	0.6	3.0
Wages paid ($1,000s)	291,341	326,661	340,585	251,880	262,519	16.9	12.1	4.3	4.2
Hourly wages	$20.01	$20.83	$21.58	$21.43	$21.69	7.9	4.1	3.6	1.2
Productivity (short tons per 1,000 hours)	330.9	335.6	319.5	319.1	332.6	-3.4	1.4	-4.8	4.2
Unit labor costs	$60.47	$62.05	$67.55	$67.18	$65.20	11.7	2.6	8.9	-2.9
Net sales:									
Quantity	4,839,098	5,185,849	5,029,136	3,743,483	4,003,274	3.9	7.2	-3.0	6.9
Value	1,962,938	2,261,885	2,332,371	1,743,899	1,822,933	18.8	15.2	3.1	4.5
Unit value	$405.64	$436.16	$463.77	$465.85	$455.36	14.3	7.5	6.3	-2.3
Cost of goods sold (COGS)	1,974,224	2,137,780	2,127,040	1,589,007	1,678,177	7.7	8.3	-0.5	5.6
Gross profit or (loss)	(11,286)	124,105	205,331	154,892	144,756	(4)	(4)	65.4	-6.5
SG&A expenses	81,317	80,855	75,917	55,522	58,595	-6.6	-0.6	-6.1	5.5
Operating income or (loss)	(92,603)	43,250	129,414	99,370	86,161	(4)	(4)	199.2	-13.3
Capital expenditures	39,622	144,282	143,644	118,320	71,124	262.5	264.1	-0.4	-39.9
Unit COGS	$407.97	$412.23	$422.94	$424.47	$419.20	3.7	1.0	2.6	-1.2
Unit SG&A expenses	$16.80	$15.59	$15.10	$14.83	$14.64	-10.2	-7.2	-3.2	-1.3
Unit operating income or (loss)	($19.14)	$8.34	$25.73	$26.54	$21.52	(4)	(4)	208.5	-18.9
COGS/sales (1)	100.6	94.5	91.2	91.1	92.1	-9.4	-6.1	-3.3	0.9
Operating income or (loss)/ sales (1)	(4.7)	1.9	5.5	5.7	4.7	10.3	6.6	3.6	-1.0

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.
(3) Increase greater than 1,000 percent..
(4) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to the Commission's questionnaires and from official statistics of Commerce.

APPENDIX E

EFFECTS OF IMPORTS ON PRODUCERS' EXISTING DEVELOPMENT AND PRODUCTION EFFORTS, GROWTH, INVESTMENT, AND ABILITY TO RAISE CAPITAL

The Commission requested U.S. producers to describe any actual or anticipated negative effects of imports of cut-to-length carbon steel plate from China, Russia, South Africa, and/or Ukraine on their return on investment or their growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or their scale of capital investments undertaken as a result of such imports. The responses are as follows:

Actual Negative Effects

* * * * * * *

Anticipated Negative Effects

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