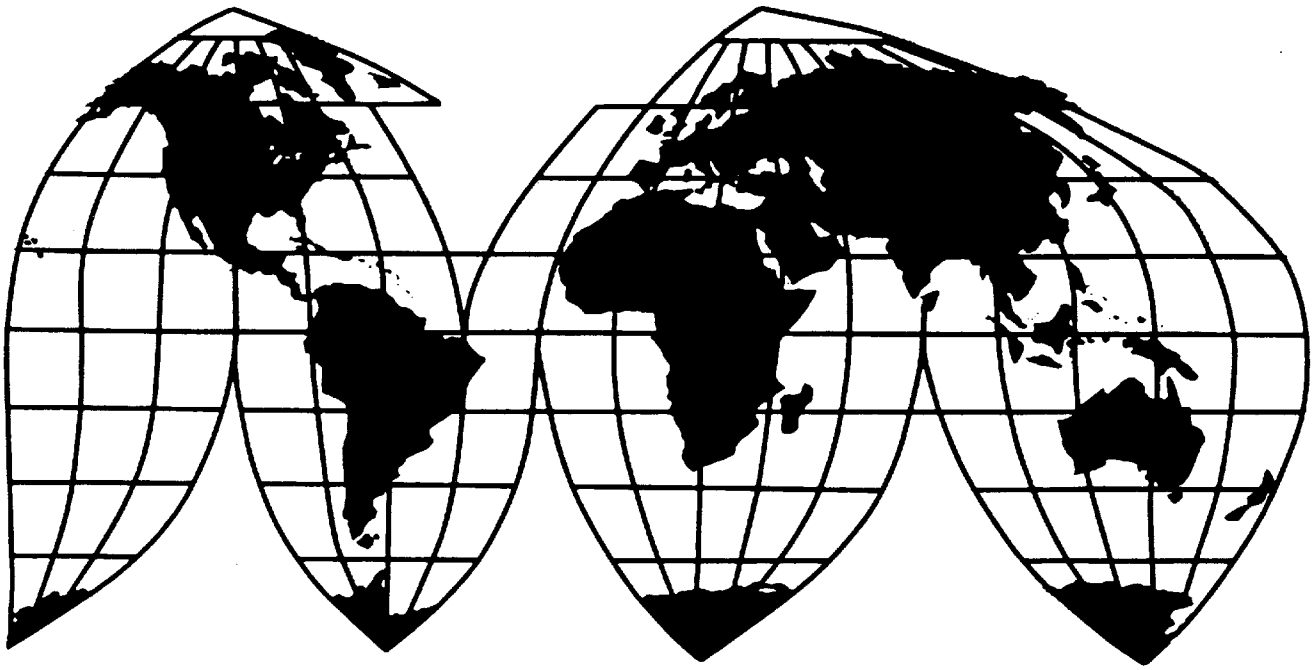
Cut-to-Length Carbon-Quality Steel Plate From France, India, Indonesia, Italy, Japan, and Korea

Investigation Nos. 701-TA-388-391 and 731-TA-816-821 (Reviews)

Publication 3816 **November 2005**

U.S. International Trade Commission



Washington, DC 20436

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-388-391 and 731-TA-816-821 (Review)
Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea

DETERMINATION

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty and countervailing duty orders on cut-to-length carbon quality steel plate from India, Indonesia, Italy, and Korea, and the antidumping duty order on cut-to-length carbon quality steel plate from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2] In addition, the Commission determines that revocation of the antidumping duty order on cut-to-length carbon-quality steel plate from France would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[3]

BACKGROUND

The Commission instituted these reviews on January 3, 2005 (70 F.R. 110) and determined on April 8, 2005 that it would conduct full reviews (70 F.R. 20173, April 18, 2005). Notice of the scheduling of the Commission's reviews and of a public hearing 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* on May 13, 2005 (70 F.R. 25599). The hearing was held in Washington, DC, on September 27, 2005, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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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] Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissenting.

[3] Commissioner Charlotte R. Lane dissenting.

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (the Act), that revocation of the antidumping and countervailing duty orders on cut-to-length carbon-quality steel plate (CTL plate) from India, Indonesia, Italy, and Korea, and of the antidumping duty order on CTL plate from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1] We also determine that revocation of the antidumping duty order on CTL plate from France would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

I. BACKGROUND

Effective February 1, 2000, the Commission determined that an industry in the United States was being materially injured by reason of imports of CTL plate from France, India, Indonesia, Italy, and Korea that were being subsidized by their respective governments and sold at less than fair value (LTFV), and from Japan that were being sold at LTFV.[3] Commerce issued antidumping duty orders on CTL plate from France, India, Indonesia, Italy, Japan and Korea and countervailing duty orders on CTL plate from France, India, Indonesia, Italy, and Korea, effective February 3, 2000.[4] The Commission's determination respecting subject imports from India was the subject of appeal, and sustained by the Court of International Trade (CIT).[5] Certain Commerce determinations were the subject of a WTO challenge by the European Union, following which Commerce revoked, pursuant to section 129 of the Uruguay Round Agreements Act, the countervailing duty order on CTL plate from France.[6]

On January 3, 2005, the Commission instituted the present reviews, pursuant to section 751(c) of the Act, to determine whether revocation of the antidumping and countervailing duty orders on CTL plate

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[1] Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissent from the determinations with respect to these countries. They join sections I (Background), II (Domestic Like Product and Industry), III (Cumulation), and IV(D) (France) of the Commission's Opinion. See Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson.

[2] Commissioner Charlotte R. Lane dissents from this determination with respect to France. Commissioner Lane cumulates the subject imports from France with those from India, Indonesia, Italy, Japan and Korea and finds that revocation of the antidumping and countervailing duty orders on all six countries would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

[3] Certain Cut-to-Length Carbon Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-387-391 (Final) and 731-TA-816-821 (Final), USITC Pub. 3273 (Jan. 2000) (original determination) (Commissioner Askey dissenting from affirmative determinations respecting subject imports from France).

[4] 65 Fed. Reg. 6585 (Feb. 10, 2000) (antidumping orders); 65 Fed. Reg. 6587 (Feb. 10, 2000) (countervailing duty orders).

[5] Steel Authority of India, Ltd. v. United States, 146 F. Supp.2d 900 (Ct. Int'l Trade 2001).

[6] 68 Fed. Reg. 64858 (Nov. 18, 2003). The countervailing duty order on France was also the subject of protracted litigation before the CIT and Court of Appeals for the Federal Circuit (CAFC), the ultimate outcome of which was the retroactive application of the order's revocation with respect to all entries of the French producer GTS Industries S.A. after July 26, 1999 (Commerce's publication of its preliminary countervailing duty determination). 69 Fed. Reg. 57266 (Sept. 24, 2004).

Separately, pursuant to a changed circumstances antidumping administrative review of the order on Japan, in which the domestic parties expressed no interest in the continuation of the order with respect to particular abrasion-resistant steel products, Commerce revoked the order in part insofar as it covered such products. 68 Fed. Reg. 9975 (Mar. 3, 2003).

from France, India, Indonesia, Italy, Japan, and Korea would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.[7] [8]

Four domestic producers of the domestic like product and one foreign producer of subject merchandise, the French producer GTS Industries S.A. (GTS), responded to the Commission's notice of institution. The domestic producers' response was filed jointly by Nucor Corporation (Nucor), International Steel Group, Inc. (ISG), IPSCO Inc. (IPSCO), and Oregon Steel Mills, Inc. (Oregon Steel).[9]

The Commission found that the domestic interested party response was adequate for each of the reviews, and that the respondent interested party response was adequate for the review on subject imports from France. The Commission determined to conduct full reviews with respect to all six reviews.[10] The Commission reasoned that, in light of the record's warranting a full review with respect to the order on France, conducting full reviews with respect to the remaining subject countries, notwithstanding inadequate respondent interested party responses, would promote administrative efficiency. The Commission further noted that changes in conditions of competition since the original investigations (e.g., apparently significant modifications to the composition of the domestic industry) also supported conducting full reviews.[11]

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the "domestic like product" and the "industry."[12] The Act defines the "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 under this subtitle."[13]

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[7] 70 Fed. Reg. 110 (Jan. 3, 2005).

[8] In five-year reviews, the Commission initially determines whether to conduct a full review (which would include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review. In order to make this decision, the Commission first determines whether individual responses to the notice of institution are adequate. Next, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties – domestic interested parties (such as producers, unions, trade associations, or worker groups) and respondent interested parties (such as importers, exporters, foreign producers, trade associations, or subject country governments) – demonstrate a sufficient willingness among each group to participate and provide information requested in a full review. If the Commission finds the responses from both groups of interested parties adequate, or if other circumstances warrant, it will determine to conduct a full review. See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

[9] ISG was subsequently merged with Mittal Steel Company, NV (Mittal). Nucor, Mittal, IPSCO, Oregon Steel and GTS participated in the public hearing, and filed pre- and post-hearing briefs and final comments. The importers Corus International Houston and Corus America Inc. (Corus) also participated in the public hearing and filed pre- and post-hearing briefs and final comments. The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO•CLC (USW) filed briefs and participated in the hearing. The Japan Iron & Steel Federation (JISF) filed comments.

[10] 70 Fed. Reg. 20173 (Apr. 18, 2005).

[11] See Confidential Final Staff Report, INV-CC-180 (Oct. 21, 2005) (CR) & Public Staff Report (PR) at App. A (Explanation of Commission Determinations on Adequacy (Apr. 2005)).

[12] 19 U.S.C. § 1677(4)(A).

[13] 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); 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). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91

(continued...)

Commerce has defined the scope of the antidumping and countervailing duty orders in these five-year reviews as follows:

> (1) 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 nominal or actual thickness of not less than 4 mm, which are cut-to-length (not in coils) and without patterns in relief), of iron or non-alloy-quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils).[14]

Covered products are of

> rectangular, square, circular or other shape and of rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process (i.e., products which have been 'worked after rolling')–for example, products which have been beveled or rounded at the edges.[15]

Steel products meeting the identified physical characteristics are included within the scope whether or not painted, varnished or coated with plastic or other non-metallic substances. Also included are high strength, low alloy (HSLA) steels (steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum).[16]

Specifically excluded from the scope are the following:

> (1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion-resistant steels (i.e., USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.[17]

CTL plate is used for welded load-bearing and structural applications. Common applications include bridgework, heavy machinery and machinery parts, transmission towers and other load bearing

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[13] (...continued)
(1979).

[14] The weight limits for certain elements are also specified--

> (1) Iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, 0.40 percent of lead, 1.25 percent of nickel, 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium.

70 Fed. Reg. at 45656 (antidumping duty orders) & 45690 (countervailing duty orders).

[15] Id.

[16] Id.

[17] The order on Japan includes additional exclusions for two specified abrasion-resistant steels. Id.

structures, mobile equipment, and heavy transportation equipment such as railroad cars, ships, and barges.[18]

In the original investigations, the Commission found a single domestic like product corresponding to the scope. In the final phase of those investigations, the Commission considered one like product issue, whether CTL plate used for the production of X-70 line pipe (so-called X-70 plate) constituted a separate like product from other types of CTL plate products.[19] The Commission analyzed the issue under its traditional six-factor test. The Commission concluded that X-70 plate is not clearly distinct from all other types of CTL plate, and constitutes part of a continuum of CTL plate products included within the scope of the investigations. The Commission therefore adopted a single domestic like product definition, which included X-70 plate, microalloy steel plate, and plate cut from coils, co-extensive with the scope.[20]

No party to these reviews takes issue with the Commission's domestic like product definition from the original investigation. Indeed, the parties responding to the notice of institution expressed their concurrence with that definition in their responses. Moreover, there is nothing in the record that would warrant the Commission revisiting that definition.[21] Accordingly, we continue to define a single domestic like product consisting of all domestically produced CTL plate that corresponds to the scope description, including X-70 plate, microalloy plate, and plate cut from coils.

B. Domestic Industry and Related Parties

Section 771(4)(A) of the Act defines the relevant domestic industry as the "producers as a whole 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."[22] In the original

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[18] CR at I-24, PR at I-20; CR, PR at II-1.

[19] In the preliminary phase of the original investigations, the Commission stated that it would not revisit its determination in Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final), USITC Pub. 3076 at 5-9 (Dec. 1997), that the domestic like product included plate cut from coils but did not include coiled plate. Certain Cut-to-Length Carbon Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea and Macedonia, Inv. Nos. 701-TA-387-392 (Preliminary) and 731-TA-815-822 (Preliminary), USITC Pub. 3181 (Apr. 1999) (Preliminary Determination) at 5-6 n.21.

The Commission also addressed whether microalloy CTL plate should be treated as a separate domestic like product. The Commission found that the differences between microalloy and non-alloy CTL plate were not so pronounced as to constitute clear dividing lines, whereas other alloy steel plate showed marked differences from both non-alloy and microalloy CTL plate. The Commission thus did not define microalloy CTL plate as a separate domestic like product. Preliminary Determination at 6-7. The Commission did not reconsider this issue in the final phase of the original investigations. Moreover, in the most recent CTL plate reviews, conducted in 2003, the Commission adopted a single domestic like product definition that included microalloy steel plate even though the scope of the subject orders was limited to carbon steel plate. Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-765 (Review), USITC Pub. 3626 (Sept. 2003) at 8-9 (Commissioner Koplan dissenting).

[20] Original Determination at 5-7.

[21] Technically, this means that the definition of the domestic like product in these reviews is slightly broader than the scope of the order on Japan, to which certain additional exclusions for special abrasion-resistant steel were added, but the comments of JISF in these reviews do not take issue with this approach. Nor is there evidence to support, or prior history in CTL plate investigations of, treating abrasion-resistant steel as a separate like product from CTL plate.

[22] 19 U.S.C. § 1677(4)(A). 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

(continued...)

determinations, the Commission considered whether the domestic industry should include toll and non-toll processors that changed coiled plate into the domestic like product, CTL plate. Such processing is performed by steel service centers, using domestic or imported coiled plate as an input, uncoiling it, and cutting it to length to form CTL plate.[23]

Based on the significance of their production-related activities, the Commission concluded that processors were properly considered a part of the domestic industry, and noted that this conclusion was consistent with its determination in the 1997 CTL plate investigations.[24] No party in these reviews objected to the definition of the domestic industry. Accordingly, consistent with the original determinations, we define the domestic industry to include all producers of CTL plate, including processors. The domestic industry consists of 11 mills, with *** accounting for the vast majority of mill production, and an equal number of service centers, for which *** firms each have a share of approximately *** percent or more of production.[25]

We must also determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Act. That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[26] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.[27] The purpose of the provision is to exclude domestic producers that substantially benefit from their relationships with foreign exporters.[28]

In the original determinations, the Commission found that in no instance did appropriate circumstances exist to exclude any of the various domestic producers from the domestic industry.[29] No party has sought the exclusion of data from any related domestic producer in these reviews.[30] After

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[22] (...continued)
consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. 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).

[23] Original Determination at 8-10.

[24] Original Determination at 10, citing Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final), USITC Pub. 3076 (Dec. 1997).

[25] CR, PR at Tables I-3a and I-3b.

[26] 19 U.S.C. § 1677(4)(B).

[27] Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), aff'd without opinion, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude the related parties include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, i.e. whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and (3) the position of the related producers vis-a-vis the rest of the industry, i.e. whether inclusion or exclusion of the related party will skew the data for the rest of the industry. See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. See, e.g., Melamine Institutional Dinnerware from China, Indonesia, and Taiwan, Inv. Nos. 731-TA-741-743 (Final), USITC Pub. 3016 (Feb. 1997) at 14 n.81.

[28] USEC, Inc. v. United States, 132 F. Supp.2d 1, 12 (Ct. Int'l Trade 2001).

[29] Original Determination at 10-13.

[30] Two U.S. mills are related to firms from subject countries by virtue of corporate ties. *** of *** is related to *** from Japan, with *** holding a *** percent stake in ***. *** of *** is wholly-owned by ***, a firm in India.
(continued...)

examining all the facts and data on the record, the Commission again determines that appropriate circumstances do not exist to warrant the exclusion of any firm from the domestic industry as a related party.

III. CUMULATION

A. Framework

Section 752(a) of the Act provides that:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[31]

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[32] We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[33] With respect to this provision,

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[30] (...continued)
CR, PR at Table I-3a. ***. In 2004, *** share of the production of all U.S. mills was *** percent, and *** share was *** percent. CR, PR at Table I-3a. Each of these companies thus individually accounted for a small percentage of mill production, and an even smaller percentage of total domestic production (mills and processors). (Processors accounted for approximately an additional *** percent of U.S. production in 2004.) Compare CR, PR at Table C-2 with CR, PR at Table C-1A.

Two domestic producers also reported importing subject imports during the period examined. ***. CR at III-10, PR at III-8; CR, PR at Table III-6. The import volumes of *** were very small in relation to its domestic production, constituting *** percent in *** and less than *** percent in ***. CR, PR at Table III-6. *** share of total U.S. production in *** was *** percent, and *** percent in 2004. CR, PR at Tables III-1 & III -6. *** importation of *** was for a *** project on which it was working that year (***). *** reported that its *** was operating at high capacity (*** percent) and could not produce enough *** plate internally for the project. The *** plate imported that year did not have a width or thickness requirement that otherwise required the external sourcing. CR at III-10, PR at III-8.

*** business interests and focus are in domestic production rather than importation. (We note also that *** supports the continuation of the orders under review. CR, PR at Tables I-3a-I-3b.) Moreover, there is no evidence to demonstrate that the firm's financial performance during the period examined was significantly different from those of other domestic producers. *** showed operating losses in four of the five years examined, and its improved performance in the last year (2004) followed the trend of the entire domestic industry. CR, PR at Table III-10. A second producer, ***, imported an extremely limited quantity of CTL plate from Indonesia in 2001 in what appears to have been a trial to test the quality of the plate. CR at III-10, PR at III-8.

[31] 19 U.S.C. § 1675a(a)(7).

[32] 19 U.S.C. § 1675a(a)(7).

[33] SAA, H.R. Rep. No. 103-316, vol. I (1994).

the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.[34]

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as Commerce initiated all the reviews on January 3, 2005.[35]

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.[36] Only a "reasonable overlap" of competition is required.[37] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.[38]

We do not find that subject imports from India, Indonesia, Italy, Japan, or Korea would be likely to have no discernible adverse impact on the domestic industry if the orders were revoked. We find a likely reasonable overlap of competition between the subject imports from France, India, Indonesia, Italy, Japan, and Korea and the domestic like product if the orders were revoked. Significant differences in the conditions of competition with respect to the subject imports from France versus the other subject imports and with regard to the domestic like product, however, lead us to exercise our discretion to cumulate only

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[34] For a discussion of the analytical framework of Chairman Koplan and Commissioner Hillman regarding the application of the "no discernible adverse impact" provision, see Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review), USITC Pub. 3274 (Feb. 2000). For a further discussion of Chairman Koplan's analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review), USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

[35] 70 Fed. Reg. 110 (Jan. 3, 2005).

[36] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (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. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (CIT 1989).

[37] See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (CIT 1996); Wieland Werke, AG, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); United States Steel Group v. United States, 873 F. Supp. 673, 685 (CIT 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), aff'd sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

[38] See, e.g., Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission's determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (CIT 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (CIT 1988).

the likely volume and effects of subject imports from India, Indonesia, Italy, Japan, and Korea.[39] Because we decline to cumulate subject imports from France on the basis of differences in conditions of competition, we find it unnecessary to decide the issue of no discernible adverse impact with respect to subject imports from France.[40] [41]

B. Likelihood of No Discernible Adverse Impact

There were a number of foreign producers that did not participate in these reviews, notwithstanding the Commission's requests for data. With the exception of France, foreign producer coverage was incomplete. One of five producers of CTL plate in India responded to the Commission questionnaire (but supplied no usable data); none of four identified producers in Indonesia responded; one of four producers in Italy responded; none of eleven identified producers in Japan responded, although JISF submitted non-party comments after the hearing; and neither of the two subject producers in Korea responded.[42] The record thus contains limited information with respect to certain foreign industries. Accordingly, we rely upon available information when appropriate.[43]

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[39] Commissioner Lane does not join in this cumulation determination. She does not find that differences in the conditions of competition are sufficient to justify not cumulating subject imports from France with subject imports from the other five countries.

[40] Cf. Top-of-the-Stove Stainless Steel Cooking Ware from Korea, Inv. Nos. 701-TA-267 and 731-TA-304 (Review)(Remand), USITC Pub. 3485 at 5 (Jan. 2002) (declining to address criterion of no discernible adverse impact in the absence of evidence of a reasonable overlap of competition). The domestic interested parties and GTS dispute whether subject imports from France would likely have no discernible adverse impact. See, e.g., Mittal Posthearing Brief at 5-6 & Att. 1, Response to Commissioner Hillman Q-2 at 28-34; Nucor Posthearing Brief Exh. 1 at 10-17; GTS Prehearing Brief at 13-17.

[41] Chairman Koplan and Commissioner Lane find that imports of CTL plate from France would likely have a discernible adverse impact on the domestic industry if the antidumping duty order were revoked. In 1999, imports of CTL plate from France were *** short tons and accounted for *** percent of apparent U.S. consumption of CTL plate. CR, PR at Table C-1B (applying "method B" to calculate subject import volume) (the methods of calculating subject import volume are discussed infra at n.190). In 2000, following imposition of the orders, imports of CTL plate from France fell to *** short tons and accounted for *** percent of apparent U.S. consumption. The Commission found in its original investigations that there was at least a reasonable overlap of competition between imports of CTL plate from France and the domestic like product. The record in these reviews continues to indicate a reasonable overlap in competition between the domestic like product and likely imports from France. Consequently they find that imports of CTL plate from France would be likely to have a discernible adverse impact on producers of the domestic like product upon revocation of the antidumping duty order on CTL plate from France.

[42] CR at IV-16, IV-23, IV-26, IV-32 & IV-36, PR at II-16, II-18, II-20-II-21, IV-25.

[43] Section 776 of the Act authorizes the Commission to "use the facts otherwise available" in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782(i) are applicable only to Commerce. 19 U.S.C. § 1677m(i). See Titanium Metals Corp., 155 F. Supp. 2d at 765 ("the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of a Commission investigation.").

1. India

Domestic interested parties argue that subject imports from India would likely have a discernible adverse impact if the orders were revoked.[44] No party contends that subject imports from India would not have a likely discernible adverse impact if the orders were revoked.

Subject imports from India increased from 38,081 short tons in 1996 to 137,735 short tons in 1998 (an increase of 261.7 percent), before declining to 6,462 short tons in 1999. During this period, the share of U.S. consumption of such imports increased from 0.5 percent in 1996 to 1.4 percent in 1998, and declined to 0.1 percent in 1999. India's share of total U.S. imports of CTL plate increased from 2.0 percent in 1996 to 6.4 percent in 1998, before declining to 0.6 percent in 1999.[45] India's production capacity for CTL plate was *** short tons in 1998, ***; its capacity utilization was *** percent in 1998.[46]

After imposition of the antidumping and countervailing duty orders on India, U.S. imports of CTL plate from India declined more than 77 percent from 1999 to 2000, to 1,485 short tons. In 2003, there were no imports of CTL plate into the United States from India. The highest level of imports after 1999 occurred in interim 2005, with imports of 1,722 short tons,[47] representing less than 0.05 percent of U.S. consumption.[48] Available data respecting India's steel plate production and consumption show that, since 1999, both have fluctuated but are on an upward trend, generally increasing from the previous year.[49]

Published trade reports suggest ongoing increases in India's plate capacity. Reported expansion plans include Essar Steel's 1.4 million tons-per-year plate mill that is due to be completed at the end of 2005. *** projects production increases over the next five years.[50] In the original investigations, the record indicated that hot rolled sheet, strip, and coiled plate are produced on the same equipment used to produce CTL plate.[51] Hot-rolled production in India increased by 9 percent from 12.1 million tons to 13.2 million tons from 2003 to 2004.[52]

In light of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), we do not find that subject imports from India, with a history of rapid increases in volume and underselling of the domestic like product,[53] ongoing plate capacity increases and the ability to shift production, would likely have no discernible adverse impact if the orders were revoked.

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[44] See, e.g., Mittal Prehearing Brief at 18-26.

[45] See CR, PR at Table I-1.

[46] Confidential Staff Report from Original Investigations, INV-X-004 (Jan. 4, 2000) (OCR) at Table VII-2.

[47] CR, PR at Table IV-1.

[48] CR, PR at Table C-1A.

[49] CR at IV-24-IV-25, PR at IV-18-IV-19.

[50] CR at IV-25, PR at IV-19. *** is an independent consultancy group that provides business analysis for the metals and other industrial sectors. Information available from *** includes current and historical market data as well as market forecasts, in most cases available by subscription only. The extent to which market participants consider *** information is demonstrated by ***.

[51] See USITC Pub. 3273 at I-6 & VII-3.

[52] CR at IV-23, PR at IV-18.

[53] OCR at Table V-15 (underselling demonstrated in 24 of 26 quarters, with an average underselling margin of 9.5 percent).

2. Indonesia

Domestic interested parties argue that subject imports from Indonesia would likely have a discernible adverse impact if the orders were revoked.[54] No party contends that subject imports from Indonesia would not have a discernible adverse impact if the orders were revoked.

Subject imports from Indonesia increased from 13,667 short tons in 1996 to 168,098 short tons in 1998, an increase of 1,130 percent, before declining in 1999 to 39,553 short tons.[55] The share of U.S. consumption of subject imports from Indonesia grew from 0.2 percent in 1996 to 1.7 percent in 1998, and was 0.5 percent in 1999. Indonesia's share of total U.S. imports of CTL plate increased from less than 1.0 percent in 1996 to 7.8 percent in 1998, and was 3.8 percent in 1999.[56] Indonesia's production capacity for CTL plate was *** short tons in 1998, up from *** short tons in 1996; its capacity utilization when its exports to the United States were at their peak (in 1998) was *** percent.[57]

After imposition of the antidumping and countervailing duty orders on Indonesia, U.S. imports of CTL plate from Indonesia declined to zero in 2000. Between 2000 and 2004, they fluctuated from zero short tons to 627 short tons and, in interim 2005, were at their highest level of any in this period, 2,498 short tons.[58] The record indicates that PT Krakatau Steel, the largest steelmaker in Indonesia, expanded its production by 29 percent from 2002 to 2003, and that its production can shift from its primary products (other flat products) to CTL plate.[59]

In light of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), we do not find that subject imports from Indonesia, with their history of rapid increases in volume and underselling of the domestic like product,[60] along with evidence of increases in capacity and the ability to shift production, would likely have no discernible adverse impact if the orders were revoked.

3. Italy

Domestic interested parties argue that subject imports from Italy would likely have a discernible adverse impact if the orders were revoked.[61] Corus argues that subject imports from Europe would not likely have a discernible adverse impact on the U.S. industry if the orders were revoked.[62]

Subject imports from Italy were 17,003 short tons in 1996, 85,576 short tons in 1997, and 80,766 short tons in 1998, an overall increase of 375 percent. Their share of U.S. consumption during this period increased from 0.2 percent in 1996 to 1.1 percent in 1997, and was 0.8 percent in 1998. As a share of

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[54] See, e.g., Mittal Prehearing Brief at 18-26.

[55] CR, PR at Table I-1.

[56] See CR, PR at Table I-1.

[57] OCR at Table VII-3.

[58] CR, PR at Table C-1A.

[59] CR at IV-26, PR at IV-20; Domestic Producers' Response to Notice of Institution at Exh. 11.

[60] OCR at Table V-15 (underselling demonstrated in 39 of 39 quarters, with an average underselling margin of 13.1 percent). We note that the limited data reported in these reviews show underselling in both of the quarters for which comparisons are available, with margins of underselling of *** percent for product 1 and *** percent for product 2. CR, PR at Tables V-1-V-2.

[61] See, e.g., Mittal Prehearing Brief at 18-26.

[62] Corus Posthearing Brief at 3.

total U.S. imports, subject imports from Italy grew to 6.0 percent in 1997.[63] Italy's plate capacity during this period increased from *** short tons in 1996 to *** short tons in 1998, with capacity utilization fluctuating from a low of *** percent (in 1996) to a high of *** percent (in 1997).[64]

In 1999, subject imports from Italy declined to 11,396 short tons, their share of U.S. consumption declined to 0.1 percent, and their share of total U.S. imports of CTL plate declined to 1.1 percent.[65] U.S. imports from Italy dropped by 79.2 percent from 1999 to 2000, after imposition of the antidumping and countervailing duty orders, to 2,369 short tons. During the period for which data were collected, U.S. imports from Italy remained at reduced levels until 2004, when they reached 29,130 short tons.[66] In 2004, they constituted 0.4 percent of U.S. CTL plate consumption, and 4.0 percent of total U.S. imports of CTL plate.[67]

Coverage for the Italian industry is partial, with the sole reporting producer, Palini, accounting for less than *** percent of Italian capacity and *** percent of production, as reported by ***.[68] Palini *** produces plate. Its capacity has *** from 1999 to 2004, from *** short tons in 1999 to *** short tons in 2004. Palini's capacity utilization during this period has remained above *** percent at all times.[69] Palini's ***.[70] Based on other available data (from ***), it appears that consumption in the Italian home market through 2004 has decreased from the level in 1999, but is projected to rise through 2009; production of CTL plate in Italy, meanwhile, has risen irregularly since 2001.[71]

In light of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), we do not find that subject imports from Italy, with their history of rapid increases in volume and underselling of the domestic like product,[72] their ongoing presence in the U.S. market that increased substantially in 2004, and evidence of plate capacity expansion and export orientation, would likely have no discernible adverse impact if the orders were revoked.

4. Japan

Domestic interested parties argue that subject imports from Japan would likely have a discernible adverse impact if the order were revoked.[73] No party contends that subject imports from Japan would not have a discernible adverse impact if the order were revoked.[74]

Subject imports from Japan were 24,238 short tons in 1996, 18,327 short tons in 1997, and 288,398 short tons in 1998, an overall increase of 1,089.9 percent. From 1996 to 1998, the share of U.S.

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[63] CR, PR at Table I-1.

[64] Memorandum INV-X-011 (Jan. 11, 2000) (INV-X-011) at Table VII-4.

[65] CR, PR at Table I-1.

[66] CR, PR at Table I-1.

[67] CR, PR at Table C-1A.

[68] Memorandum INV-CC-187 (Oct. 28, 2005) (INV-CC-187) at IV-29, PR at IV-20.

[69] CR, PR at Table IV-13.

[70] CR at IV-29-IV-30, PR at IV-21; CR, PR at Tables IV-13-IV-14.

[71] CR at IV-32, PR at IV-21.

[72] OCR at Table V-15 (underselling demonstrated in 27 of 35 quarters, with an average underselling margin of 16.0 percent). We note that the limited data reported in these reviews show underselling in both of the quarters for which comparisons were possible for product 2 (with margins of underselling of *** percent and *** percent), and in 6 of 8 quarters in which comparisons were possible for product 3 (with margins ranging from 2.9 percent to 27.1 percent). CR, PR at Tables V-2-V-3.

[73] See, e.g., Mittal Prehearing Brief at 18-26.

[74] Also, JISF did not argue to the contrary in its comments respecting subject imports from Japan.

consumption of such imports increased from 0.3 percent to 2.9 percent, and Japan increased its share of total U.S. imports from 1.3 percent in 1996 to 13.3 percent in 1998.[75] Japan's production capacity for CTL plate was *** short tons in 1996 and *** short tons in 1998; its capacity utilization in 1998 was *** percent.[76]

Since the orders were imposed, subject imports from Japan declined noticeably. Imports during the period for which data were collected show a decline in 1999 to *** short tons, and a further decline in 2000 to *** short tons, the lowest volume in the period.[77] Subject imports from Japan have fluctuated from the 2000 level up to *** short tons in 2002, and were *** short tons in 2004. As noted in the related parties discussion above, the increase in 2002 was attributable to *** importing *** plate for the ***, for which ***. U.S. imports from Japan have accounted for between *** percent and *** percent of apparent U.S. consumption since 2000.[78]

According to data supplied by JISF, the industry's production has increased steadily since 1999, from 7,282,000 metric tons in 1999 to 10,860,000 metric tons in 2004.[79] Data supplied by *** confirms the increase in production during this period.[80] ***-supplied data also forecast continued production increases in Japan of CTL plate from 2004 through 2009.[81]

There are several published reports of plans for addition to capacity in Japan, with Tokyo Steel planning to install a heavy plate mill with annual capacity of 600,000 tons, and Nippon planning to have a new continuous slab casting line for heavy plate production, with a capacity of 160,000 tons per month, completed in late 2008.[82] Export data show a consistent increase in the percentage of shipments directed to export markets, although the industry's largest market by far is the home market, which has also expanded between 1999 and 2004. The top export market destinations were in Asia, two of which (Korea and Indonesia) are subject countries in these reviews.[83]

In light of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), we do not find that subject imports from Japan, with their history of rapid increases in volume and sporadic underselling of the domestic like product,[84] steady plate production increases and capacity expansion, and export orientation, would likely have no discernible adverse impact if the order were revoked.

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[75] CR, PR at Table I-1.

[76] INV-X-011 at Table VII-5.

[77] CR, PR at Table I-1.

[78] CR, PR at Table I-1.

[79] CR, PR at Table IV-16.

[80] CR at IV-35, PR at IV-24.

[81] CR at IV-35, PR at IV-24.

[82] CR at IV-36, PR at IV-24.

[83] CR, PR at Tables IV-16-IV-17.

[84] OCR at Table V-15 (underselling demonstrated in 15 of 40 quarters, with an average underselling margin of 7.9 percent). We note that based on the limited data obtained in these reviews, imports from Japan undersold U.S. product 1 in 1 of 2 of the quarters for which comparisons are available. Importers reported only one quarter of data for imports of products 2 through 5, with imports from Japan overselling the U.S. product in each comparison. CR, PR at Tables V-1-V-5.

5. Korea

Domestic interested parties argue that subject imports from Korea would likely have a discernible adverse impact if the orders were revoked.[85] No party contends that subject imports from Korea would not have a discernible adverse impact if the orders were revoked.

U.S. imports of CTL plate from Korea were 28,495 short tons in 1996, 25,432 short tons in 1997, and 352,056 short tons in 1998, an overall increase of 1,136 percent. From 1996 to 1998, the share of U.S. consumption of such imports increased from 0.3 percent in 1996 and 1997, to 3.6 percent in 1998, and the Korean industry's share of total U.S. imports increased from 1.5 percent in 1996 to 16.2 percent in 1998.[86] Korea's production capacity for CTL plate *** from *** short tons in 1996 and 1997 to *** short tons in 1998; its capacity utilization declined from approximately *** percent in 1996 and 1997 to *** percent in 1998.[87]

Since the orders were imposed, subject imports from Korea declined overall by *** percent, from *** short tons in 1999 to *** short tons in 2004, although they remained consistently higher than those of other subject countries. U.S. imports from Korea were higher in the first half of 2005 than in the first half of 2004, *** short tons compared to *** short tons. The lowest annual volume was in 2003 (*** short tons).[88]

According to ***, steel plate production in Korea increased from *** metric tons in 1999 to *** metric tons in 2004. Driven in part by foreign demand for steel, production is projected to increase through 2007, when it will level off at approximately *** metric tons. Data for consumption in Korea show an increasing market through 2007.[89]

In light of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), we do not find that subject imports from Korea, with their history of rapid increases in volume and underselling of the domestic like product,[90] a substantial ongoing presence in the U.S. market, plate production increases and forecasted increases, and export orientation,[91] would likely have no discernible adverse impact if the orders were revoked.

C. Likelihood of a Reasonable Overlap of Competition

In the original investigations, the Commission found a reasonable overlap of competition among the subject imports and between the subject imports and the domestic like product based on general fungibility among the subject imports and the domestic like product, nationwide sales, similar channels of distribution, and the simultaneous presence of all subject imports in the U.S. market. While the record revealed certain quality differences and product mix differentiation, it also showed that all the subject countries exported a sufficient quantity of subject merchandise to the United States that was

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[85] See, e.g., Mittal Prehearing Brief at 18-26.

[86] CR, PR at Table I-1.

[87] INV-X-011 at Table VII-6.

[88] CR, PR at Table C-1A.

[89] INV-CC-187 at IV-36-IV-37, PR at IV-25. Korean data excluding POSCO is discussed infra at n. 204.

[90] OCR at Table V-15 (underselling demonstrated in 23 of 41 quarters, with an average underselling margin of 10.5 percent). We note that the pricing data collected in these reviews show that imports from Korea undersold U.S. product 1 in 12 of 15 quarters in which comparisons were available (with margins of underselling ranging from 0.2 percent to 16.3 percent), in 12 of 17 quarters in which comparisons were available for product 2 (with margins ranging from 1.2 percent to 18.0 percent), and in 20 of 20 quarterly comparisons for products 3 and 5 (with margins ranging from 2.8 percent to 39.2 percent). CR, PR at Tables V-1-V-3 & V-5.

[91] INV-X-011 at Table VII-6 (Korean industry exported *** percent of shipments in 1998).

interchangeable with each others' merchandise and with the domestic like product, generally manufactured to industry standards, and suitable for a wide range of applications. The Commission therefore determined that subject imports competed with each other and with the domestic like product in the U.S. market to a sufficient degree and, accordingly, cumulated subject imports from all subject countries.[92]

Domestic interested parties argue that a reasonable overlap of competition among subject imports and the domestic like product is likely based on a consideration of the four factors traditionally considered by the Commission.[93] GTS and Corus contend, respectively, that with respect to subject imports from France and Italy, there likely would not exist a sufficient overlap of competition with the domestic like product if the orders were revoked.[94]

1. Fungibility

The record in these reviews indicates that, although there are some differences between domestic and imported CTL plate, overall there is a "moderate to high degree of substitution between CTL plate produced in the United States and the subject countries and other import sources."[95] The majority of purchasers reported that the domestic and subject products were comparable for price, extension of credit, minimum quantity requirements, packaging, product consistency, quality meets industry standards, quality exceeds industry standards, and reliability of supply.[96] Purchasers also reported that subject imports and domestically-produced CTL plate always or usually met minimum quality specifications, while nonsubject imports were less likely to meet such specifications.[97]

Producers, importers, and purchasers were also asked to assess how interchangeable CTL plate from the United States is with CTL plate from both subject and nonsubject countries. Generally, they reported that the CTL plate from the United States and from other countries are "always" or "frequently" interchangeable.[98]

Moreover, 18 of 23 responding purchasers reported always or usually purchasing the lowest-priced product, and the remaining five reported sometimes purchasing the lowest-priced CTL plate.[99] The importance of price in purchasing decisions supports the finding that CTL plate products from these various sources reasonably overlap in competition.

In the original investigations, the Commission noted that X-70 plate from France and extra-thick plate from Italy had "limited fungibility" with the domestic like product and other subject imports, but found a substantial presence of other non-X-70 and non-extra thick, fungible subject imports from each of these countries.[100] For example, U.S. commercial shipments of imports from France of non-X-70 plate accounted for *** percent of total U.S. shipments of imports from France in 1998 as compared to 98

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[92] Original Determination at 13-18 (Commissioner Askey dissented with respect to France).

[93] See, e.g., Mittal Posthearing Brief at 6-7 & Att. 1, Response to Commissioner Hillman Q2 at 7-11, 22-27; Nucor Posthearing Brief Exh. 1 at 2-10; IPSCO & Oregon Steel Posthearing Brief at 1-4.

[94] See, e.g., GTS Prehearing Brief at 17-18; Corus Posthearing Brief at 4-5 & Exh. A at 8-9. See also Revised and Corrected Transcript of Hearing (Sept. 27, 2005) (Tr.) at 286-87 (Mr. Montalbine, counsel for GTS) (stating that he could understand the domestic industry's position with respect to other countries, on which GTS took no formal position, but that the case for not cumulating imports from France is clear).

[95] CR at II-14, PR at II-10.

[96] CR at II-18, PR at II-12; CR, PR at Table II-7.

[97] CR at II-21, PR at II-16.

[98] CR at II-22, PR at II-17; CR, PR at Table II-8.

[99] CR at II-16, PR at II-11; CR, PR at Table II-6.

[100] Original Determination at 17.

percent of U.S. producers' shipments.[101] In 2004, the majority of CTL plate production in France was of plate other than X-70 plate.[102] Moreover, in 2004, the domestic industry shipped 104,453 short tons of X-70 plate, comparable in percentage terms to its shipments of such plate in 1998.[103] Both Oregon Steel and Mittal are producing and currently bidding on contracts for X-70 plate.[104]

With respect to CTL plate from Italy, in the original investigations *** percent of U.S. shipments of Italian plate were of a thickness of greater than or equal to 4 inches.[105] In the current review period, importers' shipments of plate from Italy (Palini's) were *** of carbon structural steel plate.[106] Reported imports from Italy came via ***, which indicated that *** percent of its 2004 imports were of plate four inches thick or greater. *** also reported that less than *** percent of its imports were of CTL plate less than *** inches thick.[107] The domestic industry shipped 4,814,957 short tons of carbon structural steel plate in 2004, representing by far the largest share of U.S. domestic shipments (71 percent) during the period of review.[108] In 2004, U.S. producers shipped 90,737 short tons of plate greater than four inches thick, and 1,451,382 short tons of plate less than four inches thick but greater than or equal to one-inch in thickness.[109] In 2004, U.S. producers accounted for *** percent of four-inch or greater thick plate shipments while Italian imports accounted for *** percent of such plate.[110] *** has indicated that ***.[111] The only Italian producer to provide questionnaire data was Palini, which represents a minority of Italian production. Palini's production in 2004 consisted exclusively of ***.[112] On balance, we find that likely imports from France and Italy would be sufficiently fungible with each other and the domestic like product to find a reasonable degree of overlap, even though the degree of fungibility between these products and the domestic like product is not as great as between other subject imports and the domestic like product.

2. Common or Similar Channels of Distribution

In the original investigations, U.S. mills shipped 56.4 percent of their CTL plate to distributors and service centers, and U.S. processors shipped 71.8 percent of their CTL plate to end users.[113] U.S. importers in the original investigations shipped the vast majority of their CTL plate from India (94.6 percent), Indonesia (68.3 percent), Japan (85.9 percent), and Korea (79.1 percent) to distributors and

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[101] Original Determination at 16.

[102] CR, PR at Table IV-12. The record does not contain similar break-outs for commercial shipments of imported plate from France in recent years because importers have not reported any shipments of CTL plate from France.

[103] CR, PR at Tables IV-4 (U.S. producers' U.S. shipments in 2004) and IV-12 (CTL plate production in France in 2004); OCR at Table II-4 (U.S. producers' U.S. shipments in 1998).

[104] IPSCO & Oregon Posthearing Brief at Exh. 1; Tr. at 72 (Lawrence Fabina, Senior Division Manager, Plate Operations, Mittal) & 261 (David J. Delie, Principal and CEO, Berg).

[105] OCR at Table II-4.

[106] CR, PR at Table IV-4. This is consistent with data collected in the original investigations, which showed that non-specialized ("all other") steel plate constituted 80 percent of U.S. shipments of the Italian product, while X-70 type plate constituted the remainder. OCR at Table II-4.

[107] CR at IV-10, PR at IV-9.

[108] CR, PR at Table IV-4.

[109] CR, PR at Table IV-5.

[110] CR at IV-10, PR at IV-9.

[111] *** Importers' Questionnaire at III-31.

[112] CR, PR at Table IV-15.

[113] OCR at Table I-1.

service centers; the majority of imports from Italy (79.4 percent) and France (more than *** percent) was shipped to end users.[114]

U.S. producers and importers ship CTL plate to end users, as well as to distributors and service centers.[115] In the current review period, U.S. producers shipped slightly more than one-half of their CTL plate to distributors and service centers, while importers shipped well over one-half of their CTL plate to distributors and service centers.[116] The distribution channels do not appear to have shifted in this period for the reported subject imports, with the exception of imports from Japan, which were shipped *** in 1999, but were shipped only to *** in 2004 under the discipline of the antidumping duty order.[117]

3. Same Geographic Markets

The record in the original investigations indicated that many domestic plants were located in the "Pennsylvania-Ohio-Illinois corridor; others are scattered throughout the country in such places as Alabama, California, Texas, and Utah. . . . Importers reported that their primary markets are the Gulf Coast, the Great Lakes region, the East Coast and the West Coast."[118] The overlap of geographic markets appears to have increased since the original investigations. CTL plate production occurs throughout the United States, and CTL plate is shipped nationwide.[119] Of the CTL plate imported into the United States from the subject countries from 1999 to 2004, the top ten port districts accounted for 87 percent of the product.[120] U.S. producers and importers as a whole reported nationwide sales, although most individual firms reported that sales were concentrated in particular regions.[121] Importers and producers serve each of the six geographic markets in the United States.[122]

4. Simultaneous Market Presence

CTL plate from subject countries was present throughout much of the period for which data were collected from Japan, Korea, Italy and to a lesser extent France, while India and Indonesia, particularly in

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[114] OCR at Table I-1. Shipments of subject imports from France were reported as being shipped 81.5 percent to distributors and service centers in 1998 and 18.5 percent to end users. However, the data appear not to have covered ***, a product that was sold only to end users. X-70 plate accounted for *** percent of reported imports of CTL plate from France in 1998. Memorandum, INV-CC-189 (Nov. 7, 2005) (INV-CC-189) at 1. The reported figures therefore appear to have accounted only for the shares of channels of distribution with respect to non-X-70 subject imports from France. In 1999, *** percent of imports from France was shipped to end users, and *** percent was shipped to distributors and service centers. CR, PR at Table II-1.

[115] CR, PR at Table II-1.

[116] CR, PR at II-1 (referring to channels for subject and non-subject imports). *** of the shipments of CTL plate from Korea were to ***. CR, PR at Table II-1.

[117] CR, PR at Table II-1.

[118] OCR at II-1.

[119] CR at IV-13, PR at IV-12.

[120] CR at IV-13, PR at IV-12.

[121] CR at II-2-II-3, PR at II-1.

[122] CR, PR at Table II-2.

the later years, had a smaller presence.[123] Based on Commerce statistics, imports of CTL plate from all six of the subject countries entered the United States in each month of the first half of 2005.[124]

Based on the traditional four competition factors that the Commission considers, we conclude that subject imports from the subject countries likely would be sufficiently fungible, move in the same channels of distribution, and compete simultaneously in the same geographic market if the orders were revoked. Consequently, we conclude that there likely would be a reasonable overlap of competition between subject imports and the domestic like product, and among subject imports themselves, if the orders were revoked.

D. Other Considerations[125]

In determining whether to exercise our discretion to cumulate the subject imports from the six countries, we assess whether the subject imports from certain countries are likely to compete under similar or different conditions in the U.S. market. We do not find any significant differences in the conditions of competition among subject imports from India, Indonesia, Italy, Japan, and Korea, and exercise our discretion to cumulate subject imports from these five subject countries. However, certain factors indicate that subject imports from France will likely compete in the U.S. market under significantly different conditions of competition from subject imports from the other five countries if the antidumping duty order on imports from France is revoked. As discussed below, the volume trends for subject imports from France differed from other countries in the original investigation and their prices were generally higher or among the highest of any subject country. The product mix of subject imports from France also differed significantly from that of other subject imports and domestic shipments. Moreover, unlike other subject producers, French producers have not increased their capacity during the review period and are currently producing at very high levels of capacity utilization. For these reasons, we decline to exercise our discretion to cumulate subject imports from France with other subject imports.

Since 1996, subject imports from France generally have had higher average unit values (AUVs) than those of the other subject countries, consistent with differences in product mix and product pricing.[126] When total cumulated subject import volume was at its highest in 1998, the AUV for imports from France was $517 per short ton, while the AUVs of imports from other subject countries ranged from $344 per short ton (Indonesia) to $455 per short ton (Japan).[127] The record also indicates generally differing pricing behavior by imports from France when compared to other subject imports both before and after the orders took effect. Imports from France oversold U.S. products in 32 of 47 comparisons in the original investigations, demonstrating more frequent overselling than imports from other subject countries, which largely undersold the domestic like product.[128] Subject imports from France also had the lowest average underselling margin, 4.8 percent, in the original investigations.[129] The trend continued during the period for which data were collected in these reviews, with imports from France having

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[123] CR at IV-14, PR at IV-13.

[124] CR at Table IV-7; see also CR, PR at Table IV-8 (U.S. quarterly imports showing that actual volumes of subject imports fluctuated over the period for which data were collected).

[125] Commissioner Lane does not join in this section. See infra n.142.

[126] CR, PR at Table I-1.

[127] CR, PR at Table I-1.

[128] OCR at Table V-15. Likewise, there were no confirmed allegations of lost sales or lost revenues involving CTL plate from France. OCR at Table V-16.

[129] OCR at Table V-15.

oversold comparable U.S. products in seven of eight quarters in which comparisons were possible.[130] Prices for CTL plate also generally *** in France than in the other subject countries and, at times, *** those in the United States.[131]

The product mix of imports from France has differed significantly from that of other subject imports. While the French industry produces and has exported into the United States a range of CTL plate products,[132] it concentrates its production in X-70 plate and other specialty plate for line pipe, and commercial shipments of X-70 plate and other plate for line pipe historically made up the vast majority of U.S. imports from France, distinguishing the product mix of French imports from that of the other subject countries.[133] In contrast, commercial shipments of imports from the other subject countries are concentrated in carbon structural steel.[134] The distribution of subject imports from France has also been more limited, with a major portion during the original period imported by Berg Steel as FTZ entries that were transformed into non-subject merchandise (line pipe) prior to entering into U.S. commerce.[135]

Moreover, unlike the producers in other subject countries, French producers have not increased their production capacity since the original investigations.[136] Indeed, France's production capacity declined to *** short tons in 2000, where it has remained throughout the period for which data were collected.[137] The industry in France is also producing at higher levels of capacity utilization than those levels in other subject countries based on available data. The industry's capacity utilization increased irregularly from *** percent in 2000 to *** percent in 2004; capacity utilization exceeded *** percent in January-June 2005.[138]

Finally, France was the only subject country for which imports declined overall between 1996 and 1998. The volume of subject imports from France increased from *** short tons in 1996 to *** short tons in 1997, then decreased to *** short tons in 1998, an overall decline of *** percent.[139] Imports from other subject countries increased rapidly during this period. In full year 1999, the year in which the

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[130] CR, PR at Tables V-1-V-5.

[131] CR, PR at Table IV-20.

[132] CR, PR at Table IV-12; OCR at Table II-4.

[133] OCR at Table II-4. See also CR, PR at Table IV-12 (approximately *** of 2004 French production was X-70 or other line pipe plate).

[134] CR, PR at Table IV-4; OCR at Table II-4 ("all other" category).

[135] OCR at IV-5. While total French imports, including FTZ entries, were 128,882 short tons in interim 1999, the vast majority were FTZ shipments of X-70 plate to Berg for use in the Alliance Pipeline project. GTS Posthearing Brief App. 2 at 4.

[136] We reject the domestic industry's claim that French capacity is understated. Coverage of French CTL plate production and capacity are considered complete, and we find our record consistent with the data reported by ***, which includes some non-subject plate. CR at IV-16-IV-17 (as amended by INV-CC-187), PR at IV-16.

[137] CR, PR at Table IV-9.

[138] CR, PR at Table IV-9.

[139] See CR, PR at Table I-1. We apply so-called Method A in determining subject import volume from France. This method, applied by Vice Chairman Miller, and Commissioners Hillman and Askey in the original investigations, did not include TIB or FTZ merchandise that is transformed in the United States and re-exported to Canada in subject imports. Original Determination at 21 n.119; see Preliminary Determination at 14 n.74. Chairman Bragg and Commissioner Koplan included such merchandise in subject imports (Method B). Original Determination at 21 n.119; see Preliminary Determination at 14 n.73. Commissioner Crawford joined this approach in the preliminary phase but was no longer a member of the Commission at the time of the final determination.

In the original investigations, the treatment of this data affected the import statistics for 1997, 1998, and interim 1999. With respect to CTL plate imports from subject countries during the period for which data were collected in these reviews, only 1999 imports from France appear to be affected by the different treatments and the affected volume was relatively small.

preliminary orders took effect, subject imports from France increased to *** short tons, while imports from the other subject countries declined significantly.[140] The increase in import volume from France in 1999 was specifically related to the Alliance Pipeline project in the United States, for which U.S. importer Berg Steel Pipe needed large quantities of X-70 plate that could not be supplied domestically.[141]

Corus would have us link the conditions of competition for subject imports from France and Italy; however, as discussed above, we are not persuaded on this record that imports from Italy (or any other country) are likely to compete under significantly different conditions in the U.S. market than imports from the other subject countries if the orders were revoked. With respect to Italy, for example, the record does not show volume trends, higher prices, similar product specialization, or industry production or capacity utilization trends that are analogous to those of subject imports from France. Based on the combination of factors described, we decline to exercise our discretion to cumulate subject imports from France and exercise our discretion to cumulate subject imports from the other five countries, India, Indonesia, Italy, Japan, and Korea.[142]

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING AND COUNTERVAILING DUTY ORDERS ARE REVOKED

A. Legal Standard In A Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping order unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[143] The SAA states that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[144] Thus, the likelihood standard is prospective in nature.[145] The U.S.

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[140] CR, PR at Table I-1.

[141] Tr. at 239 (Mr. Delie). See also GTS Posthearing Brief App. 2 at 4.

[142] Commissioner Lane finds that there is a reasonable overlap of competition among the subject imports from all six countries and between those subject imports and the domestic like product based on the Commission's traditional four factor analysis: fungibility, common or similar channels of distribution, geographic markets and simultaneous market presence. She does not find any significant or compelling other considerations that would lead her to conclude that the conditions of competition related to subject imports from France are so dissimilar from the conditions of competition affecting subject imports from the other five countries that she should exercise her discretion to not cumulate all subject imports.

[143] 19 U.S.C. § 1675a(a).

[144] SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." SAA at 883.

[145] While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

Court of International Trade has found that "likely," as used in the sunset review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[146] [147]

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[148] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis [in antidumping investigations]."[149] [150]

Although the standard in a five-year review is not the same as the standard applied in an original antidumping investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[151] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[152]

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[146] See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), aff'd without opinion, 05-1019 (Fed. Cir. August 3, 2005); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int'l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int'l Trade Dec. 20, 2002) ("more likely than not" standard is "consistent with the court's opinion"; "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int'l Trade Sept. 4, 2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int'l Trade July 19, 2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[147] Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade's interpretation of "likely," but she will apply the Court's standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

[148] 19 U.S.C. § 1675a(a)(5).

[149] SAA at 887. Among the factors that the Commission should consider in this regard are "the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities." Id.

[150] In analyzing what constitutes a reasonably foreseeable time, Chairman Koplan examines all the current and likely conditions of competition in the relevant industry. He defines "reasonably foreseeable time" as the length of time it is likely to take for the market to adjust to a revocation or termination. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define "reasonably foreseeable time" by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

[151] 19 U.S.C. § 1675a(a)(1).

[152] 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is

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In evaluating the likely volume of imports of subject merchandise if the antidumping and countervailing duty orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[153] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[154]

In evaluating the likely price effects of subject imports if the antidumping and countervailing duty orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.[155]

In evaluating the likely impact of imports of subject merchandise if the antidumping orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[156] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.[157] As instructed by the statute, we

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[152] (...continued)
necessarily dispositive. SAA at 886.

[153] 19 U.S.C. § 1675a(a)(2).

[154] 19 U.S.C. § 1675a(a)(2)(A-D).

[155] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[156] 19 U.S.C. § 1675a(a)(4).

[157] 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In the final results of its expedited reviews of the antidumping duty orders on CTL plate from France, India, Indonesia, Italy, Japan, and Korea, Commerce assigned the following likely margins (see 70 Fed. Reg. 45655 (Aug. 8, 2005)). France: Usinor, S.A., 10.41 percent; for all others, 10.41. India: Steel Authority of India, Ltd., 42.39 percent; for all others, 42.39 percent. Indonesia: PT Gunawan Dianjaya/PT Jaya Pari Steel Corp., 50.80 percent; PT Krakatau, 52.42 percent; all others, 50.80 percent. Italy: Palini and Bertoli S.p.A., 7.85 percent; all others 7.85 percent. Japan: Kawasaki Steel Corporation, 10.78; Kobe Steel, Ltd., Nippon Steel Corp., NKK Corp., Sumitomo Metal Industries, Ltd., 59.12 percent; all others 10.7 percent. Korea: Dongkuk Steel Mill, Ltd., 2.98 percent; all others, 2.98 percent. With respect to the antidumping orders under review, Commerce has not issued any duty absorption findings.

In the final results of its expedited reviews of the countervailing duty orders on subject CTL plate from Korea, Indonesia, India, and Italy, Commerce assigned the following likely subsidization rates. Korea: Dongkuk
(continued...)

have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the orders are revoked.[158]

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[159]

In the original investigations, the Commission highlighted several conditions of competition pertinent to its analysis of the domestic CTL plate market. The Commission found that demand in most sectors had generally increased since 1996.[160] The Commission found that the industry underwent

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[157] (...continued)
Steel Mill, Ltd., 2.36 percent; all others, 2.36. 70 Fed. Reg. 45689 (Aug. 8, 2005). (POSCO was excluded from the order on the basis of a de minimis net subsidy rate of 0.82 percent. 65 Fed. Reg. 6587 (Feb. 10, 2005).) India: Steel Authority of India, 12.82 percent; all others, 12.82 percent. 70 Fed. Reg. 45691 (Aug. 8, 2005). Indonesia: P.T. Krakatau Steel, 47.72 percent; all others, 15.90 percent. 70 Fed. Reg. 45692 (Aug. 8, 2005). Italy: ILVA S.p.A., 2.38 percent ; Palini & Bertoli, de minimis, all others, 2.38, percent. 70 Fed. Reg. 45694 (Aug. 8, 2005).

In addition, the statute provides that "if a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement." 19 U.S.C. § 1675a(6).

With respect to India, Commerce has indicated that the Export Promotion Capital Goods Scheme, Passbook/Duty Entitlement Scheme, and Special Import Licenses fall within the definition of an export subsidy under Article 3.1(a) of the WTO Subsidies Agreement, but not the two other programs at issue. See Memorandum from Barbara E. Tillman to Joseph A. Spetrini, Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon-Quality Steel Plate from India: Final Results, Case No. C-533-818 (Aug. 1, 2005) at 4-5.

With respect to Indonesia, Commerce has indicated that the Rediscount Loan Program falls within the definition of an export subsidy under Article 3.1(a) of the WTO Subsidies Agreement, but not the two other programs at issue. See Memorandum from Barbara E. Tillman to Joseph A. Spetrini, Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon-Quality Steel Plate from Indonesia: Final Results, Case No. C-560-806 (Aug. 8, 2005) at 4.

With respect to Italy, Commerce has indicated that the none of the programs at issue fall within the definition of an export subsidy under Article 3.1(a) of the WTO Subsidies Agreement. See Memorandum from Barbara E. Tillman to Joseph A. Spetrini, Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon-Quality Steel Plate from Italy: Final Results, Case No. C-475-827 (Aug. 1, 2005) at 8.

With respect to Korea, Commerce has indicated that Articles 16 and 17 of the Tax Reduction and Exemption Control Act fall within the definition of an export subsidy under Article 3.1(a) of the WTO Subsidies Agreement, but not the ten other programs at issue. See Memorandum from Barbara E. Tillman to Joseph A. Spetrini, Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon-Quality Steel Plate from Korea: Final Results, Case No. C-580-837 (Aug. 1, 2005) at 4-7.

[158] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[159] 19 U.S.C. § 1675a(a)(4).

[160] Chairman Koplan and Commissioner Lane include in the volume of imports and apparent consumption of CTL plate all imports subject to the eventual assessment of duties, including imports of CTL plate that were subsequently exported to NAFTA partner countries (method B in the original investigations, see USITC Pub. 3181 (continued...)

considerable consolidation over the period examined, added significant capacity, and increased production, although some producers experienced setbacks and delays in bringing new capacity on line.[161] The Commission further found that the costs of raw materials for CTL plate showed differing trends, with the costs of coal and iron ore relatively stable while the cost of scrap fell dramatically in 1998.[162] The shares of apparent consumption accounted for by total imports, both subject and nonsubject decreased from 1996 to 1997 following the affirmative determinations in the antidumping investigations of CTL plate from China, Russia, South Africa, and Ukraine, and then increased in 1998. The Commission further noted that nonsubject market share decreased over the period while subject import market share increased.[163]

The following conditions of competition during the period for which data were collected are relevant to our determination in these five-year reviews.

Demand. The overall demand for CTL plate remains largely dependent upon the demand for a variety of end-use applications, including construction, railcars, agriculture and industrial machinery, oil and gas (including pipelines), and shipbuilding.[164] Four producers, 5 importers, and 9 purchasers reported that demand was unchanged between 1999 and 2005. Six producers, 5 importers, and 11 purchasers reported that demand has increased, citing factors including an improved economy, increased shipbuilding and oil and gas exploration, and increased construction and manufacturing activity; others reported that demand has fluctuated since 1999.[165] Apparent U.S. consumption of CTL plate, already substantially lower in 1999 than in 1998, fluctuated in a generally downward trend from 1999 (7.7 million short tons) through 2003 (7.0 million short tons), before increasing 11 percent in 2004 to 7.8 million short tons.[166] Apparent U.S. consumption was higher in interim 2005 (4.0 million short tons) than during interim 2004 (3.8 million short tons), suggesting demand growth in 2005, albeit not of the pace in 2004.[167]

Supply. The U.S. market continues to be supplied by domestic production as well as by subject and nonsubject imports. The domestic industry is the largest source of supply, reaching a share of 93.1 percent of apparent U.S. consumption in 2003, before declining to 90.6 percent in 2004.[168]

The domestic industry consists of 11 mills, with *** accounting for the vast majority of mill production, and an equal number of service centers, of which *** firms each have a share of approximately *** percent or more of production.[169] The industry's overall capacity in 2004 was only slightly higher (1.1 percent) than in 1999; however, capacity fluctuated during the period for which data were collected as the industry restructured.[170] For example, the Gulf States and Geneva Steel mills closed early in the period in August 2000 and December 2001, respectively. These capacity losses were offset

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[160] (...continued)
at 13-14). They find that apparent U.S. consumption grew by *** percent between 1997 and 1998 (up *** percent overall from 1996), and dropped *** percent in a comparison of interim 1999 to interim 1998.

[161] Original Determination at 20.

[162] Original Determination at 20-21.

[163] Original Determination at 21.

[164] CR at II-9, PR at II-6; CR, PR at Table II-3.

[165] CR at II-10-II-11, PR at II-8.

[166] CR, PR at Table I-1.

[167] CR, PR at Table C-1. We note that post-Hurricane Katrina rebuilding efforts may increase demand for plate products. INV-CC-187 at II-11 n.19, PR at II-8 n.19.

[168] CR, PR at Table C-1A (further declining to 90.0 percent in interim 2005 as compared to 91.8 percent in interim 2004).

[169] CR, PR at Tables I-3a and I-3b.

[170] CR, PR at Table 1-CA.

by the ramping up of production by Nucor and IPSCO. Nucor added capacity with a greenfield expansion that began production October 2000, and acquired Corus' Tuscaloosa, AL plate mill in 2004. IPSCO began production of plate at its minimill in Mobile County, AL, in early 2001, complementing additions in 2000 to its plate processing. Also, in October 2003, U.S. Steel and ISG completed an exchange of most of the assets of U.S. Steel's plate business, which included the plate mill at Gary Works, for the assets of ISG's No. 2 pickling line at Indiana Harbor Works. U.S. Steel has continued to sell CTL plate produced at Gary Works, which ***. In 2004, Oregon Steel idled its pipe mill in Napa, CA, to focus on plate production. In April 2005, ISG was merged with Mittal. Mittal reactivated the 110-inch plate mill at Burns Harbor in May 2005, which had been idled since 2000.[171]

Imports from the cumulated subject countries declined overall after the imposition of the orders, and have accounted for shares of U.S. consumption ranging from *** percent (2003) to *** percent (1999). Nonsubject imports accounted for shares of U.S. consumption ranging from 6.6 percent (2003) to 13.2 percent (2001).[172] There are currently 29 outstanding antidumping and countervailing duty orders and two suspended investigations covering the subject product.[173] In addition, as part of the global safeguard proceedings involving steel products, President Bush issued a proclamation in March 2002 imposing temporary import relief on CTL plate. The President terminated the relief with respect to increased tariffs in December 2003.[174]

Substitutability. The record continues to indicate that domestic manufacturers produce a wide variety of grades and types of CTL plate within the scope of these investigations, and that there is some variation among the grades and types of CTL plate that have been imported from the individual subject countries.[175] Overall, there is a fairly high degree of substitutability between CTL plate produced in the United States and the subject countries.[176]

Global market conditions. Global CTL plate consumption has grown since 1999, with China generating much of the growth and constituting an increasing share of world consumption. Supply in the United States and elsewhere was limited by China's increasing demand, which was met by imports as well as by Chinese production.

After a period of tight supply and record prices in 2004, global supply and demand trends appear to be changing. Global production of steel plate appears to have increased by *** between 1999 and 2004, after a period of decline between 1997 and 1999.[177] Domestic demand in China has decreased relative to domestic supply, however, leading to reports of a weaker market and growing inventories in China.[178] China's home market prices have dropped in 2005.[179] Between 2004 and 2007, China is projected to increase its production at a greater rate than any increase in home consumption.[180] The trends

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[171] CR at III-1-III-5; CR, PR at Table III-2.

[172] CR, PR at Table I-1.

[173] CR, PR at Table E-2. X-70 plate was excluded from the majority of these orders.

[174] CR at I-4-I-5 (import licensing remained in place until March 2005, and continues in modified form), PR at I-7. X-70 plate was excluded from safeguard measures.

[175] See, e.g., OCR at Table II-4; CR, PR at Tables IV-4-IV-5.

[176] CR at II-14 (identifying "moderate to high degree" of substitution), PR at II-10.

[177] INV-CC-187 at IV-38-IV-39, PR at IV-26.

[178] INV-CC-187 at IV-42, PR at IV-29.

[179] CR, PR at Table IV-20.

[180] INV-CC-187 at IV-38-IV-40, PR at IV-26-IV-27.

thus point to China being a net exporter rather than a net importer of steel in the reasonably foreseeable future, as China's production is forecast to exceed its consumption in calendar year 2005.[181]

We find that these conditions in the CTL plate market provide us with a reasonable basis on which to assess the effects of revocation of the orders.

C. India, Indonesia, Italy, Japan, and Korea[182]

1. Likely Volume of Subject Imports

In the original investigations, the Commission found that the volume and market share of cumulated subject imports from all countries had increased significantly over the period examined, with subject import volume increasing by 318.4 percent and subject import market share more than tripling.[183] Although the increase in subject imports had initially been at the expense of non-subject imports, with the domestic industry gaining market share in 1997, the Commission found that domestic producers had lost market share to subject imports in 1998, and particularly in the second half of 1998.[184] The Commission acknowledged that the domestic industry had experienced "sporadic problems" meeting demand during the period examined, but rejected the respondents' argument that these occurrences evidenced a supply shortage that pulled subject imports into the U.S. market.[185]

In 1999, when Commerce's preliminary determinations and orders to suspend liquidation entered into effect, and the first year for which the Commission collected data in these reviews, cumulated subject imports (excluding subject imports from France) dropped from the 1998 high of *** short tons to *** short tons, and their share of apparent U.S. consumption declined from 10.4 percent to *** percent.[186] After imposition of the final antidumping and countervailing duty orders, the volume of cumulated subject imports declined to *** short tons in 2000, or by an additional *** percent; their share of apparent U.S. consumption in 2000 was *** percent.[187] Cumulated subject imports continued to decline through 2003, reaching a low volume of *** short tons and a low share of U.S. consumption of *** percent in 2003, when demand in the United States appeared to be at its lowest. The volume of cumulated subject imports then increased *** percent in 2004, when consumption climbed, to *** short tons (an overall decline from 1999 of *** percent, however), and was *** short tons in interim 2005 as compared to *** short tons in interim 2004.[188] Cumulated subject imports thus declined significantly following imposition

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[181] INV-CC-187 at IV-38-IV-40 (*** data showing steel plate production in 2005 of *** metric tons and domestic consumption of *** metric tons. By 2007, the projections are for production of *** metric tons as compared to *** metric tons of consumption), PR at IV-26-IV-27.

[182] Commissioner Charlotte R. Lane finds that the following discussion of likely volume and price effects, as well as likely impact, if the orders on India, Indonesia, Italy, Japan, and Korea are revoked, is only strengthened when likely imports from France are included in the analysis. Accordingly, based upon a cumulative analysis and for the reasons stated below, she finds that revocation of the orders on all six countries would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

[183] Original Determination at 21 (cumulated subject import volume had increased from 274,859 short tons in 1996, or 3.3 percent of U.S. apparent consumption, to 1.15 million short tons in 1998, or 11.7 percent of U.S. apparent consumption). Utilizing method B, Chairman Koplan found that cumulated subject import volume increased from *** short tons in 1996 or *** percent of U.S. apparent consumption, to *** short tons in 1998 or *** percent of U.S. consumption (see OCR at Tables IV-5b & Table IV-6b).

[184] Original Determination at 22-23.

[185] Original Determination at 22-23.

[186] Derived from CR, PR at Table I-1.

[187] Derived from CR, PR at Table C-1A.

[188] Derived from CR, PR at Table C-1A.

of the orders, but have increased in the most recent period. Their market share was *** percent in 2004 and *** percent in interim 2005 (as compared to *** percent in interim 2004).[189] [190]

Several factors indicate that subject producers from India, Indonesia, Italy, Japan, and Korea have the ability and incentive to increase exports to the United States to significant levels if the orders were revoked. First, in the three full years prior to imposition of the orders, 1996 to 1998, the volume of subject imports from India, Indonesia, Italy, Japan, and Korea surged 845 percent, from 121,484 short tons to 1,027,052, and gained 8.9 percentage points of market share overall, a significant portion of which was at the expense of the domestic industry in 1998.[191] Thus producers in the cumulated subject countries have the demonstrated ability to increase exports to the United States rapidly without the restraining effects of the antidumping and countervailing duty orders. Moreover, subject producers from these five countries generally have continued to ship to the United States despite the orders, and subject imports from these countries increased late in the period of review. The ongoing presence of subject imports in the U.S. market, albeit dramatically reduced due to the restraining effect of the orders, demonstrates the continued importance of the U.S. market to subject producers in the face of arguably solid global demand conditions, and further shows that subject imports already have distributors or customers in place for their product.

Second, despite limitations in the scope of coverage of data on foreign production noted previously, the data collected by the Commission and available information show considerable production increases over the period of review and, further, that capacity has increased. The latter is demonstrated by information reported in these reviews or, where unavailable, by comparing capacity as reported in the original investigations to available information respecting production levels during the period of review. In the original investigations, the subject producers from the cumulated countries reported the availability of 3,044,597 short tons of unused production in 1998.[192] This amount is equivalent to 39 percent of U.S. apparent consumption in 2004.

Overall, based on *** data covering India, Italy, Japan, and Korea,[193] CTL plate production has increased by approximately *** metric tons between 1999 and 2004 (from *** million metric tons to ***), and is projected to increase by another *** metric tons by 2007 (to *** metric tons).[194] These rising production levels confirm that the industries in these four subject countries have added substantial

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[189] Derived from CR, PR at Table C-1A.

[190] Utilizing method B, Chairman Koplan finds that cumulated subject imports (subject imports not including from France) dropped from *** short tons in 1998 to *** short tons in 1999, and their share of apparent U.S. consumption declined from *** percent to *** percent (OCR at Table IV-5b). After imposition of the final antidumping and countervailing duty determinations, the volume of cumulated subject imports declined to *** short tons in 2000, or an additional *** percent; their share of apparent U.S. consumption in 2000 was *** percent. Cumulated subject imports reached a low volume of *** tons in 2003, increased to *** short tons in 2004, and were *** short tons in interim 2005 compared to *** short tons in interim 2004 (calculated from CR, PR at Table C-1A and questionnaire responses of ***).

[191] Derived from CR, PR at Table I-1.

[192] OCR at Tables VII-2-VII-3; INV-X-011 at Tables VII-4-VII-6.

[193] These data do not cover Indonesia.

[194] Derived from data in CR, PR at Part IV. We note, however, that Korean plate data compiled by *** include POSCO's operations. The record suggests that POSCO accounted for *** percent of Korean reversing plate mill capacity in 2003. Mittal Prehearing Brief at Exh. 1. Applying this ratio to *** data for Korea, CTL plate production for the subject countries has still increased by approximately *** metric tons between 1999 and 2004 (from *** metric tons to ***), and is projected to increase to *** metric tons by 2007.

We note further that the limited data from cumulated subject countries show that U.S. importers' inventories increased in the most recent period (*** short tons in 2004 from *** in 2003, and *** short tons in interim 2005 as compared to *** short tons in interim 2004). CR, PR at Table IV-3. The only subject foreign producer information that was reported shows *** in inventories in the most recent period. CR, PR at Table IV-13 (as ratio to production and shipments in 2004 and interim 2005).

capacity since the period examined in the original investigations, as combined capacity in the four countries was substantially lower in 1998 (15.38 million metric tons).[195]

Record information from the individual cumulated countries confirms this industry growth. In the original investigations, the industry in India reported capacity in 1998 of *** short tons; the industry produced *** metric tons (or *** short tons) in 2004, and is forecasted to produce more by 2007.[196] The available information also shows ongoing increases in this industry's plate capacity, such as Essar Steel's 1.4 million ton-per-year mill that is due to be completed at the end of 2005.[197]

The largest steelmaker in Indonesia, PT Krakatau Steel, reportedly expanded production by 29 percent from 2002 to 2003.[198] The industry in Italy in the original investigations reported capacity of *** short tons in 1998;[199] available information shows the production of *** metric tons (or *** short tons) as of 2004, with forecasts of increased production in 2007.[200] The data respecting Italy, while reflective of only *** percent of present production, shows *** capacity from 1999 to 2004, and a projected capacity utilization *** in interim 2005.[201]

The industry in Japan reported capacity of *** short tons in 1998; by contrast, available information shows the production of *** metric tons (or *** short tons) as of 2004, with forecasts of further increased production in 2007.[202] Other information also shows that the industry is installing new plate capacity, including a 600,000 tons per year heavy plate mill planned by Tokyo Steel for 2007. Nippon is planning a new continuous slab casting line for heavy plate production, with a capacity of 160,000 tons per month, to be completed later in 2008.[203]

The industry in Korea, which had a production capacity of *** short tons in 1998, reportedly produced *** metric tons (or *** short tons) in 2004 and is forecasted to produce *** metric tons in 2007.[204]

Third, in addition to increased production, we find that subject producers would be likely to shift to the United States some of their exports that have been destined for other export markets. The subject producers were at least moderately export-oriented in the original investigations. India exported *** percent of all shipments, *** short tons of CTL plate, of which almost *** was directed to the United States.[205] Indonesia exported *** percent (*** short tons), of which *** percent was directed to the

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[195] Derived from OCR at Tables VII-2, VII-4-VII-6.

[196] OCR at Table VII-2; CR at IV-25, PR at IV-19.

[197] Hot-rolled production in India also increased 9 percent to 13.15 million tons from 2003 to 2004. CR at IV-23, PR at IV-18.

[198] CR at IV-26, PR at IV-20. Krakatau primarily produces flat products for which product shifting is easily accomplished (see discussion below); subject merchandise constituted slightly more than *** percent of its sales in the original investigations. OCR at VII-7.

[199] INV-X-011 at Table VII-4.

[200] OCR at Table VII-4; INV-CC-187 at IV-32, PR at IV-21.

[201] CR, PR at Table IV-13 (growing from *** short tons in 1999 to *** short tons in 2004).

[202] INV-X-011 at Table VII-5; CR at IV-35, PR at IV-24.

[203] CR at IV-36, IV-38, PR at IV-24.

[204] INV-X-011 at Table VII-6; CR at IV-37, PR at IV-25. As discussed previously, Korean plate data compiled by *** include POSCO's operations. POSCO, however, is a non-subject producer in these reviews, Commerce having found POSCO's dumping and subsidy margins de minimis. The record suggests that POSCO accounted for *** percent of Korean reversing plate mill capacity in 2003. Mittal Prehearing Brief at Exh. 1. Applying this ratio to *** data for Korea, estimated subject plate production in 2004 still reached *** metric tons or *** short tons, and is forecast to reach *** metric tons by 2007.

[205] OCR at Table VII-2.

United States.[206] *** percent of CTL plate shipments from Italy were exported in 1998, (***), of which *** percent went to the United States.[207] Exports accounted for *** percent of *** reported shipments in 2004, with the EU accounting for more than *** of all shipments.[208]

Japan exported *** percent of all CTL plate shipments (*** short tons) to export markets in 1998.[209] The figure had increased to 22 percent by 2004 (2.4 million metric tons), with the vast majority directed to markets in Asia.[210] Korea exported *** percent of its shipments in 1998 to export markets (*** short tons), the *** of which was directed to the United States,[211] and its increase in production since then has been driven in part by foreign demand for steel.[212]

Subject producers have the ability to shift sales between different markets as a result of changing conditions or business opportunities.[213] Moreover, because the CTL plate industry is capital intensive with high fixed costs, these producers would have an incentive to maximize the use of their available facilities. The United States is a relatively attractive market for imports. With the exception of Japan in 1998, the record shows that prices in the United States were generally higher than for the other cumulated subject countries during the original period of investigation.[214] More recently, prices in the United States have been higher than prices in Asian markets, and in particular China, a major export market for a number of subject producers.[215] The record is more mixed vis-à-vis Europe, where prices appear to have been higher than in the United States during the first quarter of 2005, but this trend has shifted back to the United States more recently.[216] AUVs of cumulated subject countries' exports of CTL plate to the United States have been, and remain, higher when compared with export AUVs to the rest of the world.[217] Existing customer relationships and business strategies would prevent a wholesale shift of focus by subject producers to the U.S. market regardless of relative pricing in different markets. However, we find that higher U.S. prices provide an incentive for subject producers to shift some sales to the U.S. market, and note that spot sales and short-term contracts dominate transactions for imported plate in the U.S. market.[218]

Increasing this incentive is the fact that global CTL plate capacity is likely to grow at a rapid pace relative to global consumption over the next several years, mainly due to developments in China.[219] With additional capacity in China expected to come on line and to shift the supply/consumption balance in that country, cumulated subject producers that rely on that market, which appear to include all but Italy, likely will need to shift shipments to alternative markets, at least to some degree, in the reasonably foreseeable future.

Fourth, the potential for product shifting also exists in subject countries, particularly for India and Indonesia, as producers in these countries can easily shift from producing non-subject hot-rolled sheet, strip, or coiled product on the same equipment used to produce CTL plate. The incentive for doing so is

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[206] OCR at Table VII-3.

[207] INV-X-011 at Table VII-4.

[208] CR, PR at Table IV-13.

[209] INV-X-011 at Table VII-5.

[210] CR, PR at Tables IV-16-IV-17.

[211] INV-X-011 at Table VII-6.

[212] INV-CC-187 at IV-36-IV-37, PR at IV-25.

[213] Tr. at 311-12 (Mr. Delie).

[214] OCR at Tables V-3-V-4.

[215] CR, PR at Tables IV-19-IV-20.

[216] CR, PR at Table IV-20.

[217] See Mittal Prehearing Brief at Exh. 2 (subject country export statistics).

[218] CR at V-8-V-9, PR at V-7-V-8.

[219] See generally CR at IV-23-IV-39 (as amended by INV-CC-187), PR at IV-18-IV-27.

present in these and other countries as plate prices have moved above hot-rolled and other prices since early 2005.[220] Given the existing U.S. antidumping duty and countervailing duty orders on hot-rolled steel products from India and Indonesia, and antidumping duty order on hot-rolled steel products from Japan, the incentive for such product-shifting is heightened.[221]

Finally, based on WTO reporting for 2004, exports of subject merchandise from India, Indonesia, Italy, Japan, and Korea are subject to antidumping duties in third-country markets, further increasing the attractiveness of the U.S. market were the orders revoked. For example, Australia has a 17 percent antidumping duty order on imports of steel plate from Indonesia, antidumping duties in place on hot-rolled steel plate and other steel products from Korea, and antidumping orders on steel plate from Japan. The EU has antidumping duty orders on hot-rolled coils and hot-rolled plates from India. Thailand has antidumping duties in place covering imports from India and Indonesia of hot-rolled steel in coils and hot-rolled steel not in coils, antidumping orders on steel plate from Japan, and antidumping duties on hot-rolled steel products from Korea.[222]

Accordingly, based on the demonstrated ability of the CTL plate industries in India, Indonesia, Italy, Japan, and Korea to increase imports into the U.S. market rapidly, their limited but continued presence in the market, substantial production capacity and production, their reliance on export markets (despite numerous barriers), and their incentives to increase imports into the United States in the absence of the orders, we find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant.

2. Likely Price Effects of Subject Imports

In the original investigations, the Commission found that subject imports (including from France) had undersold the domestic like product in 62.7 percent of pricing product comparisons, and oversold the domestic like product in only 37.3 percent of comparisons, with the instances and severity of underselling increasing in 1998.[223] The evidence of underselling was even more striking with respect to India, Indonesia, Italy, Japan, and Korea, the cumulated subject countries in these reviews, which combined undersold the domestic product in 128 of 181 quarterly comparisons (71 percent of comparisons), by average underselling margins ranging from 7.9 to 16.0 percent .[224]

The Commission in the original investigations also found that subject import AUVs had declined throughout the period examined, and had been lower than domestic producers' AUVs except in 1996 and the first half of 1999.[225] Given that subject imports were highly substitutable for the domestic like product, except in certain specialized applications, the Commission concluded that the increase in undersold subject imports had significantly contributed to the depression of domestic producer prices.[226]

The record in these reviews continues to indicate that there is a degree of product differentiation in the market, yet common grades remain prevalent.[227] As noted above, there is a fairly high degree of

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[220] Nucor Posthearing Brief at Att. 6.

[221] 66 Fed. Reg. 60192 (Dec. 3, 2001) (antidumping duty order on Indonesia), 60194 (antidumping duty order on India), 66 Fed. Reg. 60198 (Dec. 3, 2001) (countervailing duty orders on India and Indonesia); 70 Fed. Reg. 30413 (May 26, 2005) (continuation of antidumping duty order on Japan).

[222] INV-CC-189 at IV-43, PR at IV-30.

[223] Original Determination at 24.

[224] OCR at Table V-15.

[225] Original Determination at 24.

[226] Original Determination at 23-24.

[227] See, e.g., OCR at Table II-4; CR, PR at Tables IV-4-IV-5.

substitutability between CTL plate produced in the United States and the cumulated subject countries, and price remains an important factor in purchasing decisions.[228]

For the period of review, the Commission collected pricing data on five CTL plate products.[229] Among the Commission pricing products, U.S. prices demonstrated little change from 1999 through 2003, but increased significantly for all five products beginning in the first quarter of 2004, before evidencing some leveling off or small decreases in early 2005.[230] Prices of imports of products 1, 2, 3, and 5 from Korea generally followed the U.S. price trend but at lower levels.[231] Price increases in 2004 were reportedly attributable to various factors, including demand in China, raw material price increases, increased demand in end-use markets, and changes within the industry that caused tight supply.[232]

Overall, prices of subject imports from the cumulated countries undersold the domestic product in 55 of 70 available quarterly comparisons, with margins of underselling ranging from *** percent to 39.2 percent.[233]

Given the likely significant volume of imports, the importance of price in the CTL plate market, the substitutability of subject imports and the domestic like product, the price effects of low-priced imports in the original investigations, the underselling by subject imports during the period of review, and the incentive that exists for subject imports to enter the U.S. market, we find a likelihood of significant negative price effects from the subject imports. We conclude that, if the orders were revoked, significant volumes of subject imports from India, Indonesia, Italy, Japan, and Korea likely would significantly undersell the domestic product and gain market share and likely would have significant depressing or suppressing effects on the prices of the domestic like product.

3. Likely Impact of Subject Imports

In the original investigations, the Commission found that the domestic industry's operating and financial performance had deteriorated towards the end of the period examined,[234] as subject import volume and market share rapidly increased. Between the first half of 1998 and the first half of 1999, domestic industry sales volumes and values had declined significantly, cash flow had become negative, gross profits had declined 96 percent, and operating income had decreased from positive $97.4 million to negative $63.6 million.[235] Domestic industry capital expenditures, employment, hours worked, and wages had declined over the period examined, and particularly in the first half of 1999.[236] The Commission concluded that subject imports had caused present material injury to the domestic industry based on the

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[228] CR at II-14-II-17; PR at II-10-II-12; CR, PR at Tables II-5, II-6.

[229] Pricing data reported by U.S. producers and importers accounted for 7.6 percent of U.S. producers' shipments of plate, *** percent of U.S. imports from Italy, *** percent of U.S. imports from Japan, and *** percent of U.S. imports from Korea. CR at V-10-V-11, PR at V-8. Official imports statistics show no imports from Indonesia in 2000, but U.S. importers reported selling *** short tons of products 1 and 2 from Indonesia in 2000. Importers responding to Commission questionnaires did not report data for imports from India.

[230] CR at V-11 (product 4 was the exception, showing additional increases in 2005), PR at V-9.

[231] CR at V-11, PR at V-9. Too little data was reported to show price trends for other subject countries.

[232] CR at V-11 n.13, PR at V-9 n.13.

[233] Derived from CR, PR at Tables V-1-V-6.

[234] Original Determination at 25-26 (domestic industry capacity and sales had increased with demand through 1998).

[235] Original Determination at 26.

[236] Original Determination at 26.

correlation of these adverse domestic industry trends to the increase in subject import volume and market share, and the decline in subject import AUVs.[237]

Following imposition of the orders, subject imports (including imports from France) declined and the domestic industry gained market share. However, domestic producers' production, U.S. shipments, and net sales declined through 2001, then generally recovered in 2002 and 2003, and showed dramatic improvement in 2004. Between 1999 and 2004 overall, production increased 12.1 percent, U.S. shipments increased 5.9 percent, and net sales increased 15.7 percent.[238] With production capacity fairly stable overall (a gain of 1.1 percent between 1999 and 2004), capacity utilization increased 6.7 percentage points in this same period.[239] Domestic employment decreased by 36.1 percent between 1999 and 2004, but productivity increased 83.7 percent.[240]

During the period of review, the industry improved its efficiency and productivity through consolidation, restructuring, and reductions in labor costs. Despite these improvements made by the industry itself, and despite the orders and safeguard remedy, the industry lost money during most of the period and most recently in 2003, when its operating margin was negative 7.0 percent, and apparent U.S. consumption was at its lowest level of the period.[241] The industry thus experienced five years of poor financial performance, 1999 to 2003, followed by profitable performance at the end of the period (discussed below). The industry's capital expenditures reflect its deferral of a substantial amount of capital investment over the period of review. U.S. producers' capital expenditures declined overall from $277.4 million in 1999, to $21.8 million in 2003 and $31.0 million in 2004.[242] (At their low point in the original investigations, capital expenditures were $221.7 million.)[243] Capital investment between 2002 and 2004 was well below depreciation costs in the same period, meaning that this industry was in effect disinvesting during these years.[244]

The industry's operating income increased from a loss of $140 million in 2003 to a profit of $783 million in 2004, due mainly to a substantial increase in per-short-ton selling price (from $364 to $621), while sales quantity for the same period increased moderately.[245] The domestic industry's operating margin increased from negative 7.0 percent to 21.6 percent in 2004. The trend between interim 2004 and interim 2005 continued the positive pattern exhibited between 2003 and 2004.[246] Based on the industry's recent financial performance, we do not find that the industry is currently vulnerable to injury by virtue of being in a weakened state.

The conditions that have enabled the industry to realize its recent profits, however, are not likely to continue into the reasonably foreseeable future. Domestic prices rose in 2004 above their level from the original investigations and the beginning of the period examined in these reviews, but raw material

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[237] Original Determination at 26 (for example, the Commission found that domestic industry orders had declined dramatically between the first half of 1998 and the second half of 1998, when two-thirds of 1998 subject imports had entered the U.S. market).

[238] CR, PR at Table C-1A.

[239] CR, PR at Table C-1A.

[240] CR, PR at Table C-1A.

[241] CR, PR at Table C-1A (apparent U.S. consumption in 2003 had declined to 7 million short tons from 7.7 million short tons in 1999). We do not find that costs associated with restructuring efforts caused the industry's losses during the period of review. We note that ***. CR, PR at Tables III-9 & III-12.

[242] CR, PR at Table III-14.

[243] OCR at Table VI-7.

[244] CR, PR at Table III-9.

[245] CR, PR at Table III-9.

[246] CR, PR at Table III-9 (operating margin of 24.7 percent in interim 2005 as compared to 15.6 percent in interim 2004).

costs and energy costs were high at the end of this review period.[247] Thus, the industry, which operates with high fixed costs to begin with, requires prices that are considerably higher than historical averages in order to cover increased costs and maintain its profitability.[248] Moreover, U.S. plate prices appear to have leveled off or declined slightly in interim 2005.[249] Apparent U.S. consumption of plate is forecast only to grow modestly for the foreseeable future,[250] and the tight supply that has marked the global market, which has contributed to the recent high U.S. prices, is shifting. Specifically, global production of steel plate is increasing significantly, including in China, which is becoming a net exporter rather than a net importer of the subject product.[251]

We find that any growth in U.S. consumption would not be sufficient to absorb the likely significant increase in subject imports if the orders were revoked. As discussed above, revocation of the antidumping and countervailing duty orders would be likely lead to a significant increase in the volume of subject imports that would undersell the domestic like product and significantly suppress or depress U.S. prices. We find that these volume and price effects of the subject imports would necessarily have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These reductions, in turn, would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, we conclude that, if the orders were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

D. France[252]

1. Likely Volume of Subject Imports

In a growing market, and without the discipline of an order, the volume of subject imports from France decreased irregularly from 153,375 short tons in 1996 to 123,083 short tons in 1998. The share of U.S. consumption of CTL plate held by subject imports from France declined in this same period from 1.8 percent in 1996 to 1.3 percent in 1998.[253]

Then, as U.S. consumption declined in 1999 and Commerce's preliminary affirmative determinations were issued, subject imports from France increased to *** short tons, and their market share increased to *** percent.[254] This increase was attributable to a specific project requiring X-70 plate for which the customer testified there was an insufficient domestic supply.[255]

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[247] CR, PR at V-1-V-2.

[248] The industry's unit cost of goods sold was 24.5 percent higher in 2004 than in 1999. CR, PR at Table C-1A.

[249] CR, PR at V-11.

[250] Nucor Prehearing Brief at Exh. 4 (citing ***).

[251] INV-CC-187 at IV-38-IV-40, PR at IV-26-IV-27.

[252] Commissioner Lane does not join in this section. Commissioner Lane cumulates subject imports from France with subject imports from India, Indonesia, Italy, Japan, and Korea and, therefore, dissents from this separate determination with regard to France.

[253] CR, PR at Table I-1.

[254] CR, PR at Table I-1.

[255] Tr. at 239 (Mr. Delie) (increase in import volume from France in 1999 was dedicated to the Alliance Pipeline project, for which U.S. importer Berg Steel Pipe needed high quantities of X-70 plate that could not be supplied domestically). See also GTS Posthearing Brief App. 2 at 4.

Subject imports from France declined from *** short tons in 2000 to consistently below *** short tons yearly through 2004.[256] Their share of U.S. consumption ranged from a high of *** percent in 2000, to less than *** percent between 2001 and 2004.[257] Subject imports from France appeared to *** in interim 2005 to *** short tons, a *** percent gain when compared to interim 2004.[258] GTS has argued that these data are overstated by *** short tons due to inclusion of nonsubject plate in the subject HTS subheading 7211.14.0030.[259] This would result in a revised total of *** short tons, which is comparable to the total for interim 2004 (*** short tons). In either case, the share of U.S. consumption was not significantly affected, registering *** percent using the unadjusted data and less than *** percent using the adjusted data.[260]

The industry in France also has reduced its capacity since the original investigations, and is operating at high levels of capacity utilization. France's production capacity declined from *** short tons in 1999 to *** short tons in 2000, and has remained at that level through the period for which data were collected. Capacity utilization increased irregularly from *** percent in 2000 to *** percent in 2004, and was *** percent in interim 2005 as compared to *** percent in interim 2004.[261]

The potential for product shifting appears insignificant. More than *** percent of GTS' sales in 2004 were CTL plate,[262] and the firm is operating ***. The other responding firm, Industeel France (a subsidiary of Arcelor), uses ***, which is only suitable for the production of small volumes of special quality product.[263] The industry's inventories are low and do not appear significant.[264] Indeed, GTS has represented that it does not ***.[265]

Subject imports from France in the original investigations were heavily concentrated in X-70 and higher line-pipe plate.[266] In 1999, it appears that the vast majority of subject imports from France were of this type of plate.[267] This is a segment of the market that the domestic industry supplies but that has not constituted more than 2.1 percent of domestic industry shipments during the original period or the period of these reviews,[268] and is a segment that the domestic industry appears unable to supply adequately given the large volumes typically required under short delivery schedules when a pipeline project is under way.[269] The industry in France continues to make other types of plate, including carbon structural steel

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[256] CR, PR at Table C-1A (imports ranged from a low of *** short tons in 2003 to a high of *** short tons in 2004; taking into account GTS's argument regarding one HTS subheading overstating subject imports results in *** adjustments downward of *** short tons in 2000 and *** short tons in 2004).

[257] CR, PR at Table C-1A.

[258] CR, PR at Table C-1A.

[259] GTS Posthearing Brief App. 8 at 2.

[260] See CR, PR at Table C-1A.

[261] CR, PR at Table IV-9.

[262] CR, PR at Table IV-17.

[263] CR at IV-17, PR at IV-16. Two methods of casting are used in the production of CTL plate, ingot teeming and continuous slab casting. The former is a lower-volume, higher-cost method normally used to produce thicker plate. CR at I-25-I-26; PR at I-21.

[264] CR, PR at Table IV-9.

[265] GTS Prehearing Brief at 23.

[266] OCR at Table II-4.

[267] Of the *** short tons of subject imports from France in 1999, Berg imported ***, most of which was for the Alliance Pipe Project. Berg Importer's Questionnaire at II-7a.

[268] OCR at Table II-4; CR, PR at Table IV-4. Nucor, Mittal, IPSCO, and Oregon produce X-70 plate.

[269] Two of the main domestic producers of X-70 plate have related pipe mills that they supply. The industry has sold only limited quantities to unrelated line pipe producers such as Berg Steel. See IPSCO Posthearing Brief Exh. 1 at 3 (Oregon Steel sold minuscule quantity to open market between 1992 and 2005) & Exh. 4 (IPSCO supplied Berg

(continued...)

plate, but there is no reasonable basis on this record to conclude that the historical product mix of French imports into the U.S. market will change significantly in favor of these other types of plate if the order were revoked.

Exports have accounted for more than *** percent of the French industry's shipments since 1999. They constituted *** percent of its shipments in 2000 and *** percent in 2004. In interim 2005, exports accounted for *** percent of shipments as compared to *** percent in interim 2004.[270] Exports to the United States accounted for *** percent of the industry's shipments in 1999, but importers have reported no subject imports from France since 2001.[271] The industry's largest markets are *** and ***, which have accounted for approximately *** of its shipments since 1999. *** were its next largest market since 2000; thus, shifts in the supply/consumption balance in China would not directly affect the industry's pattern of export shipments.[272]

Finally, unlike conditions facing the cumulated subject countries, imports from France are not subject to trade barriers in third countries that would make the United States a more attractive market if the order were revoked.

For all of these reasons, we do not find it likely that the volume of subject imports from France, in absolute terms or relative to production or consumption in the United States, would be significant if the order were revoked.

2. Likely Price Effects of Subject Imports

Both during the original period examined and the period covered by these reviews, subject imports from France were generally priced higher than U.S. products. In the original investigations, subject imports from France oversold the domestic like product in 32 of 47 quarterly comparisons.[273] The available quarterly comparisons in these reviews show that the French product oversold the domestic like product in 7 of 8 quarters in which comparisons were possible, with margins ranging from 3.7 percent to 69.4 percent.[274] The AUV data confirm the high prices of the French product.[275] In the original investigations, there were also no confirmed allegations of lost sales or lost revenues involving CTL plate from France.[276] These data are consistent with our finding that imports from France consist largely of high-end, line pipe plate that commands a premium price.

Based on the consistent overselling by subject imports from France and the limited likely volume of subject imports, we do not find that subject imports from France are likely to significantly undersell domestic CTL plate or significantly depress or suppress domestic prices if the order were revoked.

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[269] (...continued)
Pipe an average of approximately *** tons per year between 2002 and 2005). Whereas Mittal Steel has offered to supply Berg Steel with *** to *** tons of X-70 per week for a particular project, Berg has indicated that at that rate it would require at least six months to fill the order and would require it to accumulate substantial inventory. See Mittal Posthearing Brief Exh. 5; GTS Final Comments at 11-12.

[270] CR, PR at Table IV-9.

[271] CR, PR at Table IV-9.

[272] CR, PR at Table IV-9.

[273] OCR at Table V-15.

[274] CR at V-12, PR at V-10.

[275] CR, PR at Table I-1.

[276] OCR at Table V-16.

3. Likely Impact of Subject Imports

In evaluating the potential for impact on the domestic industry, we note that we have not found that the domestic industry is vulnerable and, further, that the industry has reported profits in 2004 and in interim 2005. Given that we do not find it likely that there will be a significant volume of subject imports from France or that there will likely be significant price effects, and further that likely sales would be directed to a relatively small segment of the domestic industry's business, we find that revocation of the antidumping duty order is not likely to lead to a significant adverse impact on the domestic industry within a reasonably foreseeable time.[277]

Thus, we conclude that if the order were revoked, subject imports from France would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the above-stated reasons, we determine that revocation of the antidumping and countervailing duty orders on CTL plate from India, Indonesia, Italy, and Korea, and of the antidumping duty order on CTL plate from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[278] We also determine that revocation of the antidumping duty order on CTL plate from France would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[279]

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[277] Mittal argues that revocation of the order on France would jeopardize a potential sale, worth *** of X-70 plate to Berg Steel for a line pipe project. Mittal Posthearing Brief at 5-6. We see no evidence that the existence, or lack thereof, of the order on France is an important determinant in who ultimately gets the sale. Berg has indicated that it purchases domestic product where possible. See Tr. at 198 (Mr. Delie); CR, PR at Table I-5. To the extent that Berg sourced X-70 plate from France, it would likely be based on the domestic industry's inability to supply it with sufficient quantities to meet the high-volume demands of line pipe projects. For example, Berg has indicated that Mittal has offered to supply it with X-70 plate at a rate that would require it to accumulate large inventories of product in advance of the project. See GTS Posthearing Brief at 6-7.

[278] Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissent from the determinations with respect to these countries. See Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson.

[279] As noted herein, Commissioner Lane dissents from the determination with regard to France.

SEPARATE AND DISSENTING VIEWS OF VICE CHAIRMAN DEANNA TANNER OKUN AND COMMISSIONER DANIEL R. PEARSON

I. INTRODUCTION

Section 751(d)(2) of the Tariff Act of 1930, as amended ("the Act"), requires that the U.S. Department of Commerce ("Commerce") revoke a countervailing duty or an antidumping duty order or terminate a suspended investigation in a five-year review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission ("Commission") determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.[1] Based on the record in these first five-year reviews, we determine that material injury is not likely to continue or recur within a reasonably foreseeable time if the antidumping duty orders on subject imports of cut-to-length carbon-quality steel plate ("CTL plate") from India, Indonesia, Italy, Japan and Korea are revoked. We also determine that material injury is not likely to continue or recur within a reasonably foreseeable time if the countervailing duty orders on subject imports of CTL plate from India, Indonesia, Italy and Korea are revoked.

We join our colleagues' discussion regarding domestic like product, domestic industry, and cumulation and their conclusions that there is no likelihood of continuation or recurrence of material injury if the antidumping order on France is revoked. We write separately to discuss the legal standard governing five-year reviews, conditions of competition, and to provide our analysis of the statutory factors.

II. SUMMARY

At the time of the Commission's original investigations that are the subject of these reviews, the global steel market was affected severely by what has come to be known as the Asian financial crisis. This crisis resulted in a decline in demand for many products, including CTL plate, in the previously expanding Asian markets. The disruption in the Asian markets particularly affected producers in countries such as India, Indonesia, Japan and Korea, all of which had significant exports to that region. At the same time, demand for CTL plate in the United States was increasing significantly, and consequently the U.S. market served as a destination for steel shipments from the subject countries. As a result, U.S. imports surged during the time of the original investigations.

The Commission's original determinations focused on the evidence that the domestic steel industry's performance was poorer than what would have been expected given increasing levels of demand, U.S. production and capacity in 1998. While the Commission recognized that the added capacity contributed to increased intra-industry competition, it found that the substantially increased volumes of subject imports at declining prices materially contributed to the industry's deteriorating performance.

Since the original determinations, the domestic CTL plate industry received the protection of an additional remedy – tariffs under section 201 of the Trade Act which were imposed in 2002 and lifted in late 2003. Moreover, in addition to the orders subject to these reviews, there are currently 19 outstanding antidumping or countervailing duty orders and two suspended investigations covering the subject product, including products from China. Notwithstanding the various antidumping and countervailing duties, suspension agreements and section 201 tariffs in place during the period of review, the domestic industry's condition continued to deteriorate.

The persistent losses from 1999 through 2003, coupled with the numerous trade remedies, contributed to significant restructuring of the domestic CTL plate industry. Several producers filed for bankruptcy, and the pension obligations of a number of producers were assumed by the Pension Benefit

[1] 19 U.S.C. § 1675(d)(2).

Guaranty Corporation. Following the bankruptcies, and the consequent shedding of legacy costs, parts of the industry underwent a period of consolidation and rationalization. Several producers were able to enter into new labor agreements, which increased productivity. As a result of these consolidations, the 29 firms present during the original period of investigation (the three largest being Bethlehem/Lukens, Geneva and U.S. Steel) had become 22 in 2005. In stark contrast to the industry in 1998, the three largest producers now are IPSCO, Mittal and Nucor (representing *** percent of domestic mill production in 2004). Both Nucor and IPSCO became dominant players after investing in greenfield facilities, and these firms are not burdened with the legacy costs of the older mills.

While the domestic industry suffered operating losses in several years since the orders were issued, these were due both to the effects of the industry's restructuring (*e.g.*, non-recurring restructuring charges and merger costs) and to a drop in demand caused by a recession in the United States. The industry, however, has emerged from this period stronger and fundamentally changed. Indeed, the restructured U.S. steel industry has benefitted from the changed market conditions and reported record profits during the last year and a half.

The world market for CTL plate also changed dramatically during this time period. After the Asian economies recovered, worldwide CTL plate consumption increased dramatically, with much of that growth occurring in the traditional Asian markets. Most notably, China has emerged as a significant consumer of CTL plate during this time period. As in the United States, the rapid growth in demand contributed to higher worldwide CTL plate prices. While global capacity to produce CTL plate, including capacity and production in the countries subject to these reviews, also grew substantially since the original investigations, the record does not support the proposition that subject producers have the ability to redirect significant volumes of CTL plate to the United States in the foreseeable future. Indeed, trends in consumption and production for cumulated subject countries are projected to result in these countries becoming net importers. Thus, beginning in 2006 and continuing through 2007, subject producers are forecast to produce less CTL plate than they are expected to consume in their home markets.[2]

Although 2004 and first-half 2005 may have been the peak of the CTL plate business cycle in the United States, the evidence on the record suggests that market conditions in the United States will remain positive in the reasonably foreseeable future. The evidence does not a support a finding that the global steel conditions that existed at the time of the original investigations are likely to reoccur. Moreover, even though the record does not support the proposition that subject imports are likely to increase if the orders are revoked, increased subject imports into the United States would not have the same impact on the restructured, healthier domestic industry.

Therefore, based on the evidence collected in these reviews, we do not find that revocation of the orders on CTL plate products from India, Indonesia, Italy, Japan and Korea would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

III. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ORDERS ARE REVOKED

A. Legal Standard

1. In General

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order or terminate a suspended investigation unless: (1) it makes a determination that dumping or a countervailable subsidy is likely to continue or recur, and (2) the

[2] While no data for Indonesia are available, the Indonesian industry was the smallest of the subject countries during the period of the original investigations.

Commission makes a determination that revocation of an order or termination of a suspended investigation would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.[3] The Statement of Administrative Action (SAA) states that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[4] Thus, the likelihood standard is prospective in nature.[5] The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[6] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' time frame applicable in a threat of injury analysis in antidumping and countervailing duty investigations."[7]

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated."[8] It directs the Commission to take into account its prior injury determinations, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[9]

2. Facts Available

The statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination.[10] We generally give credence to the facts supplied by the participating

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[3] 19 U.S.C. § 1675a(a).

[4] Statement of Administrative Action, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994) (SAA). The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." SAA at 883.

[5] While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

[6] 19 U.S.C. § 1675a(a)(5).

[7] SAA at 887. Among the factors that the Commission should consider in this regard are "the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities." *Id.*

[8] 19 U.S.C. § 1675a(a)(1).

[9] 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886. We note that no duty absorption findings have been made by Commerce.

[10] Section 776 of the Act authorizes the Commission to "use the facts otherwise available" in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section

(continued...)

parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept the participating parties' suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. In general, the Commission makes determinations by "weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive."[11]

3. The "Likely" Standard

The legal standard the Commission is to apply is whether revocation of an order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[12] The U.S. Court of International Trade has found that "likely," as used in the sunset review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[13] [14] [15]

In evaluating the likely volume of imports of subject merchandise if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[16] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[17]

In evaluating the likely price effects of subject imports if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the

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[10] (...continued)
782(I) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782(i) are applicable only to Commerce. 19 U.S.C. § 1677m(i). *See Titanium Metals Corp.*, 155 F. Supp. 2d at 765 ("the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of a Commission investigation.").

[11] SAA at 869.

[12] 19 U.S.C. § 1675a(a).

[13] *See NMB Singapore Ltd. V. United States*, 288 F. Supp. 2d 1306, 1352 (2003) ("'likely' means probable within the context of 19 U.S.C. §§ 1675(c)) and 1675a(a)"); *Nippon Steel Corp., et al. v. United States*, Slip Op. 02-153 at 7-8 (Dec. 24, 2002) (same) (*Nippon*); *Usinor Industeel, S.A. v. United States*, Slip Op. 02-152 at 6 n.6 (Dec. 20, 2002) (*Usinor Industeel* III); and *Usinor v. United States*, Slip Op. 02-70 at 43-44 (July 19, 2002) ("'likely' is tantamount to 'probable,' not merely 'possible'") (*Usinor*).

[14] The Court has interpreted the word likely to mean probable or "more likely than not." The Court's "likely" standard means that the continuation or recurrence of material injury must be "more likely than not," otherwise the order must be revoked. Accordingly, Vice Chairman Okun applies this standard. *See* Additional Views of Vice Chairman Deanna Tanner Okun Concerning the "Likely" Standard in *Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy*, Inv. Nos. 731-TA-707-709 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

[15] While, for purposes of these reviews, Commissioner Pearson does not take a position on the correct interpretation of "likely," he notes that he would have made negative determinations under any interpretation of "likely" other than that equating "likely" with merely "possible."

[16] 19 U.S.C. § 1675a(a)(2).

[17] 19 U.S.C. § 1675a(a)(2)(A-D).

subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.[18]

In evaluating the likely impact of imports of subject merchandise if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[19] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.[20] As instructed by the statute, we have considered the extent to which any improvement in the

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[18] 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[19] 19 U.S.C. § 1675a(a)(4).

[20] 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). *See also* SAA at 887. In its expedited final results of these five-year reviews, with respect to the antidumping duty orders on India, Indonesia, Italy, Japan and Korea, Commerce determined the following likely dumping margins: India: 42.39 percent; Indonesia: 50.80 percent to 52.42 percent; Italy, 7.85 percent; Japan: 10.7 percent to 59.12 percent; and Korea: 2.98 percent. Confidential Staff Report (INV-CC-180, October 21, 2005, as modified by INV-CC-187, October 28, 2005, and INV-CC-189, November 7, 2005) (hereinafter CR) at I-14-15, Public Staff Report (hereinafter PR) at I-11-12.

In its expedited final results of these five-year reviews, with respect to the countervailing duty orders on India, Indonesia, Italy and Korea, Commerce found the following likely countervailing duty levels: India, 12.82 percent (SAIL and all others); Indonesia, 47.72 percent (P.T. Krakatau) and 15.90 percent (all others); Italy, 2.38 percent (ILVA), *de minimis* (Palini & Bertoli), and 2.38 percent (all others); and Korea, 2.36 percent (Dongkuk Steel Mill and all others). POSCO is excluded from the order. CR at I-15 n. 27, PR at I-12 n. 27.

In addition, the statute provides that "if a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement." 19 U.S.C. § 1675a(6).

With respect to India, Commerce has indicated that the Export Promotion Capital Goods Scheme, Passbook/Duty Entitlement Scheme, and Special Import Licenses fall within the definition of an export subsidy under Article 3.1(a) of the WTO Subsidies Agreement, but not the two other programs at issue. *See* Memorandum from Barbara E. Tillman to Joseph A. Spetrini, Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon-Quality Steel Plate from India: Final Results, Case No. C-533-818 (Aug. 1, 2005) at 4-5.

With respect to Indonesia, Commerce has indicated that the Rediscount Loan Program falls within the definition of an export subsidy under Article 3.1(a) of the WTO Subsidies Agreement, but not the two other programs at issue. *See* Memorandum from Barbara E. Tillman to Joseph A. Spetrini, Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon-Quality Steel Plate from Indonesia: Final Results, Case No. C-560-806 (Aug. 8, 2005) at 4.

With respect to Italy, Commerce has indicated that the none of the programs at issue fall within the definition of an export subsidy under Article 3.1(a) of the WTO Subsidies Agreement. *See* Memorandum from Barbara E. Tillman to Joseph A. Spetrini, Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon-Quality Steel Plate from Italy: Final Results, Case No. C-475-827 (Aug. 1, 2005) at 8.

(continued...)

state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.[21] [22]

B. Conditions of Competition

In evaluating the impact of subject imports on the domestic industry if the orders are revoked, the statute directs the Commission to evaluate all the relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[23] Discussed below are the conditions of competition that weigh significantly in our determinations.

We are mindful of the statutory requirement to take into consideration the Commission's original determinations. As the following shows, however, the original investigations were undertaken in the wake of an unusually turbulent period. The Asian financial crisis led to reductions in steel demand in what had been expanding markets. Those reductions in demand in turn disrupted the world market, with exports displaced from Asian markets ending up in other markets and causing significant price depression. Since then, the U.S. industry has had an opportunity to regroup under two different sets of trade remedies, yet the condition of the domestic industry continued to deteriorate. During this time, however, both the domestic industry and the wider steel market have undergone sweeping structural changes. For the reasons discussed below, we find that the conditions of competition that prevailed during the original investigations are not likely to prevail upon revocation.

1. The Domestic Industry

During the original period of investigation, the domestic industry consisted of 29 firms (13 mills and 16 processors).[24] The three leading firms were Bethlehem/Lukens, Geneva, and U.S. Steel. Together, those three firms accounted for *** percent of production.[25] Nucor had not yet entered the market, but was scheduled to start production in 2000.[26] In 1996, when subject imports from India, Indonesia, Italy, Japan and Korea accounted for only 1.5 percent of the total market, and all imports accounted for 23.1 percent, the domestic industry's operating income was equivalent to 4.9 percent of sales.[27] Total imports fell in 1997 as suspension agreements on imports from China, Russia, South Africa and Ukraine were imposed after the Commission made an affirmative threat of material injury finding.[28] In 1998, the industry's operating income had irregularly declined to 4.0 percent of sales when subject

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[20] (...continued)

With respect to Korea, Commerce has indicated that Articles 16 and 17 of the Tax Reduction and Exemption Control Act fall within the definition of an export subsidy under Article 3.1(a) of the WTO Subsidies Agreement, but not the ten other programs at issue. *See* Memorandum from Barbara E. Tillman to Joseph A. Spetrini, Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon-Quality Steel Plate from Korea: Final Results, Case No. C-580-837 (Aug. 1, 2005) at 4-7.

[21] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[22] 19 U.S.C. § 1675a(6).

[23] 19 U.S.C. § 1675a(a)(4).

[24] USITC Pub. 3273 at Table III-1.

[25] Memorandum INV-X-004 (Confidential Staff Report, original investigations) at Table III-1.

[26] INV-X-004 at Table III-1.

[27] USITC Pub. 3273 at Table I-1.

[28] *Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, Invs. Nos. 731-TA-753-756 (Final), USITC Pub. 3076 (December 1997).

imports increased to 10.4 percent of the total market.[29] In first-half 1999, when subject imports had decreased to 5.8 percent of the market due to the pendency of the investigations, the industry's operating income declined to a loss of 5.2 percent of sales, and nine out of 25 reporting producers were operating at a loss.[30] By January of 2000, Acme Metals, Inc., had filed for bankruptcy protection, as had Geneva and Gulf States. In addition, Ispat/Inland had halted production in 1996 and Bethlehem and Lukens had completed a merger of their plate operations and then closed the Sparrows Point plate mill in 1998.[31]

The Commission reached an affirmative determination in these investigations in January 2000. Eighteen months later, the Commission instituted a safeguard investigation of a variety of steel products, including CTL plate. In October 2001 the Commission made an affirmative determination as to flat-rolled steel, which included CTL plate, as well as other upstream and downstream products, and in December 2001 the Commission recommended remedies for flat-rolled steel. On March 5, 2002, the President imposed temporary import relief for a period not to exceed three years and one day. The flat-rolled steel remedy consisted of an additional tariff of 30 percent *ad valorem* in the first year, falling to 24 percent in the second year and 18 percent in the third, although some products and some countries were excluded from the remedy. In 2003 the Commission undertook a midterm review of the section 201 remedies, noting that the industry had consolidated and restructured labor agreements. On December 4, 2003, the President terminated most of the safeguard remedies, although import licensing remained in effect.[32]

Besides the orders subject to these reviews, there are currently 19 outstanding antidumping or countervailing duty orders and two suspended investigations covering the subject product, including products from China. The imposition of these antidumping and countervailing duties and an additional 30 percent safeguard tariff during the period of review did not prevent the industry's position from deteriorating after 1999. In fact, with the exception of 2004, the industry had poorer operating results than in 1998, the year when subject import volume from India, Indonesia, Italy, Japan and Korea peaked. In 2001 the industry's operating losses were equivalent to 11.9 percent of sales. Even in 2003, the industry's operating losses were 7.0 percent of sales, though total imports had slipped to just 6.9 percent of total apparent U.S. consumption.[33]

The restructuring of the domestic CTL plate industry began before the orders subject to these reviews were issued and thus before the industry began to benefit from the existence of the orders. Of the original 29 domestic producers, most either experienced bankruptcy, closure, consolidation, or expansion. Acme, Geneva and Gulf States were in bankruptcy proceedings during the original investigations.[34] Gulf States and Geneva closed their facilities in August 2000 and December 2001, respectively.[35] Also filing for bankruptcy were Bethlehem/Lukens, LTV, National Steel, Kentucky Electric Steel, and WCI.[36] By 2004, two of the three largest producers in 1999, Bethlehem/Lukens and Geneva, no longer existed as independent companies; and the third, U.S. Steel, has shed most of its CTL plate production.[37] The pension obligations of one of the largest domestic producers in 1998, Bethlehem/Lukens, estimated at $4.3 billion, were assumed by the Pension Benefit Guaranty Corporation.[38]

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[29] USITC Pub. 3273 at Table III-1.

[30] USITC Pub. 3273 at Table VI-1, Table C-1a.

[31] USITC Pub. 3273 at III-1, III-4, and Table III-1.

[32] CR at I-4-5, PR at I-7.

[33] CR/PR at Table C-1A.

[34] USITC Pub. 3273 at Table III-1.

[35] CR/PR at Table I-3a.

[36] CR/PR at Table III-2, CR at D-6, PR at D-6.

[37] *Compare* INV-X-004 at Table III-1 *to* CR/PR at Table I-3a. *See also* CR/PR at Table III-2; CR at III-4, PR at III-3.

[38] The PBGC also assumed the pension obligations of Acme, Geneva, LTV, and National during the period of review. *Steel: Monitoring Developments in the Domestic Industry*, Inv. No. TA-204-9, USITC Pub. 3632, September 2003 (Table Overview III-4).

These bankruptcies, and the shedding of legacy costs in bankruptcy, helped prompt a wave of consolidation. LTV's assets were purchased by a new corporation, ISG; ISG went on to acquire the assets of Acme and Bethlehem/Lukens from bankruptcy, before itself agreeing to be acquired by Mittal Steel.[39] U.S. Steel acquired National from bankruptcy and then exchanged most of its plate business (Gary Works mill) for the assets of ISG's No. 2 pickle line at Indiana Harbor Works.[40]

Significantly, the industry's restructuring was not limited to consolidation. Indeed, several producers either entered the CTL plate market or added capacity during this period. Nucor became a new domestic producer in October 2000 when it began production at a greenfield facility in North Carolina. In 2004, Nucor further expanded by acquiring the steelmaking assets of Corus Tuscaloosa. After entering the market in 1997, IPSCO expanded production in 2001 when it opened a greenfield CTL plate mill in Alabama.[41] Thus, these facilities are modern, less than a decade old, and their owners are not burdened with the legacy costs of the older mills.

As a result of these closures, consolidations and expansions, the 29 firms during the original investigation period had become 22 in 2005 (11 mills and 11 processors). In stark contrast to 1998, the top three firms now are IPSCO, Mittal and Nucor. Those three firms accounted for *** percent of mill production in 2004.[42] Indeed, Nucor has gone from a new entrant in the CTL plate market in 2000 to become ***. Moreover, domestic producer ISG, prior to its purchase by Mittal, was able to enter into new labor agreements as it acquired the assets of Acme, Bethlehem/Lukens, and LTV. These new agreements were designed to improve productivity, reduce fixed costs, and promote flexibility, by reducing the number of job classifications, management layers, and health care expenses.[43]

The benefits of these changes and the effects of the market entry and dominance of IPSCO and Nucor could be seen in 2004 and have continued in 2005. The industry's productivity in 2004 was 83.7 percent higher than in 1999. The increase in productivity was not merely a result of greater production; even in 2001, when domestic production bottomed out at 6.36 million short tons, the industry's productivity was up 7.7 percent from 1999. Unit labor costs were down 36.9 percent from 1999, though hourly wages were up 16.0 percent. The industry's R&D expenditures grew significantly and then receded to levels that remain much higher than the 1999 levels. Overall the domestic industry had its best year by far in 2004 despite rapid and significant increases in raw material costs.[44]

The depth and breadth of these changes all indicate that the condition of the domestic industry is much changed, and much improved, from the period of the original investigations. The industry's excellent performance in 2004 (improving from an operating margin of negative 7.0 percent in 2003 to an operating margin of 21.6 percent in 2004), and even stronger performance in first-half 2005 (an operating margin of 24.7 percent), further support this conclusion.[45] It is not likely, then, that revocation would affect the industry in the same way and to the same extent that subject imports affected the domestic industry during the original investigations.

2. The World Market for Cut-to-Length Plate

During the original investigations, the global market for steel was roiled by what has come to be known as the Asian financial crisis. The crisis began in 1997 with a severe devaluation of the Thai baht;

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[39] CR/PR at Table III-2.

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

[41] USITC Pub. 3273 at III-1; CR/PR at Table III-2; CR at III-3, PR at III-3.

[42] CR/PR at Table I-3a.

[43] GTS Prehearing Brief at 3.

[44] CR/PR at Tables III-14 and C-1A. While capital expenditures have declined significantly since 1999-2001, we note that this period of time included the construction of Nucor's greenfield facility and IPSCO's new facility. We also note that the industry's capital expenditures for first-half 2005 already exceed full-year 2003 totals. CR/PR at Table III-14.

[45] CR/PR at Table III-9.

subsequently other Asian currencies, including those of Indonesia and Korea, also experienced sharp devaluations. These currency disruptions choked off demand for steel between 1997 and 1999 in what had been expanding markets.[46] The disruption in the Asian markets particularly affected producers in India, Indonesia, Japan and Korea, all of which had significant exports to that region.[47] Imports that normally would have served these rising markets were displaced. A significant portion of those displaced imports entered the U.S. market.[48]

The world market for CTL plate has changed significantly since the original investigations. While the years 1997-1999 saw contraction, more recent years brought growth to the world market, with CTL plate consumption increasing by *** percent between 1999 and 2004. Much of this growth occurred in Asian markets, and in China in particular. China alone is estimated to account for *** percent of the 1999-2004 worldwide increase.[49] Based on their location, subject producers in India, Indonesia, Japan and Korea benefitted from this strong demand. While not as robust, subject producers also report that the EU has grown as a market since 2000 and remains a substantial non-U.S. market for exports.[50] In 2004, when the EU enlarged through the addition of 10 new member states, exports to the EU by subject producers remained higher than 1999 levels.[51] Finally, the U.S. industry also has been participating in the growth of worldwide demand as its exports nearly tripled between 1999 and 2004. Moreover, exports more than doubled as a share of total shipments between 1999 and 2004 (equaling 5.9 percent of total shipments in 2004).[52]

The strong demand in the EU and the rapid growth of demand in China boosted global consumption and put upward pressure on prices for both raw materials and finished steel. According to subject country export statistics and published sources, world prices increased significantly during 2003 and 2004,[53] and remained relatively strong in the early months of 2005.[54] We note that according to subject country export statistics, all subject countries saw increased average unit values in 2005 for exports to the rest of the world.[55] Even assuming prices in the rest of the world may be somewhat lower than U.S. prices, the growth in exports from subject producers and the joint ventures established by domestic producer Mittal indicate that the Asian market is attractive and one which many producers are committed to supply in the future.[56]

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[46] CR at IV-39 n. 59, PR at IV-27 n. 59.

[47] USITC Pub. 3273 at Part VII.

[48] CR/PR at Table I-1. *Steel*, Inv. No. TA-201-73, USITC Pub. 3479, December 2001 (Overview-17 and 18, "The Asian Financial Crisis").

[49] CR at IV-39, PR at IV-27.

[50] CR/PR at Tables IV-9 and IV-13. *See also* Mittal Prehearing Brief at Confidential Exh. 1 (***).

[51] CR/PR at Tables IV-9 and IV-13.

[52] CR/PR at Table III-4.

[53] *See* Mittal Prehearing Brief at Exh. 2.

[54] Mittal Prehearing Brief at Exh. 2; CR/PR at Table IV-20.

[55] Mittal Prehearing Brief at Exh. 2. For example, average unit values for exports to the rest of the world from India exceeded average unit values for exports to the United States from India. *Id.*

[56] While all domestic producers expressed concern during these reviews that Indian and Chinese steel production is expected to increase significantly in the future and that this will create excess capacity, which will affect the U.S. CTL plate market, we note that certain domestic producers have expressed contrary views outside of these reviews. Indeed, Mittal Steel Co. is working toward signing a "memorandum of understanding with the Jharkhand State of India" to build a steel plant with a 12 million metric ton production capacity. CR at IV-24, PR at IV-18. Moreover, Mittal signed an agreement in September 2005 to take a large stake in a major Chinese steel producer, Hunan Valin Steel Tube & Wire Co. "Mittal Steel Sets Sights on Asia for Expansion," *Wall Street Journal Online*, October 4, 2005, retrieved October 5, 2005 (EDIS No. 241199). Mittal's president and chief financial officer, Aditya Mittal, stated that Mittal is not worried about such large capacity coming online with demand growing. *Id.* Mr. Mittal also stated that "{w}e see the Chinese steel industry as being very reasonable and understanding what their role is vis-à-vis the global steel industry. So China will not be a destructive force in the global steel industry." *Id.*

Moreover, increases in demand are anticipated to continue for several years. While slowing from the recent rates of increase, global apparent consumption is expected to increase steadily by at least *** percent each year through 2009. Indeed, over the next two-year period, global apparent consumption is expected to increase by *** percent.[57] Significantly, over the next two-year period (*i.e.*, between 2005 and 2007), apparent consumption in India, Italy, Japan and Korea is expected to increase by *** percent.[58] Thus, the improved global market is not expected to reverse itself in the reasonably foreseeable future.[59]

3. Demand

The overall demand for CTL plate remains largely dependent upon the demand for a variety of end-use applications, including construction, railcars, agriculture and industrial machinery, oil and gas (including pipelines), and shipbuilding.[60] Apparent U.S. consumption of CTL plate, already substantially lower in 1999 than in 1998, fluctuated in a generally downward trend from 1999 (7.7 million short tons) through 2003 (7.0 million short tons), before increasing 11 percent in 2004 to 7.8 million short tons.[61] Apparent U.S. consumption was higher in interim 2005 (4.0 million short tons) than during interim 2004 (3.8 million short tons), indicating demand growth in 2005.[62]

The record indicates that demand in the U.S. market for the reasonably foreseeable future will continue to be strong and will improve over the next few years.[63] We also note that post-Hurricane Katrina rebuilding efforts likely will increase demand for plate products in the near future.[64]

As noted above, the record also suggests that worldwide demand, including demand in China, will continue to be strong in the foreseeable future. *** projects that global CTL plate consumption will

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[57] CR at IV-39, PR at IV-27. *See also* Mittal Prehearing Brief at Confidential Exh. 1; CR at IV-42-43, PR at IV-29-30.

[58] Derived from data in CR/PR at Part IV. CR at IV-25, PR at IV-19 (India), CR at IV-32, PR at IV-21 (Italy), CR at IV-35, PR at IV-24 (Japan), CR at IV-37, PR at IV-25 (Korea). Data for Indonesia are not available.

[59] The Commission traditionally has avoided specifying a precise "reasonably foreseeable" period in particular cases given that doing so could itself be somewhat speculative and could involve arbitrary cutoffs. Nevertheless, in view of the nature of this industry and market, we have given significantly greater weight to developments likely to occur in the next two years than to those pertaining to later dates, although we cite other information as appropriate.

[60] CR at II-9, PR at II-6-7; CR/PR at Table II-3.

[61] CR/PR at Table I-1.

[62] CR/PR at Table C-1A.

[63] Mittal Posthearing Brief at Confidential Exh. 2 and Exh. 4. Mittal Submission of October 14, 2005 (F-4 Registration Statement of Ispat International, NV, December 14, 2004) (EDIS No. 241177) (In this statement, ISG provides reasons for its proposed merger with Mittal and prospective financial data. While none of the reasons for the merger or the market assumptions is specific to CTL plate, they are indicative of the larger market for carbon steel flat and long products generally. Based on September 2004 assumptions, it stated that the data "assume that current global and U.S. gross domestic product growth will continue, leading to continued strong demand for steel." It also anticipated that "China will remain the principal growth engine in the global steel industry, exchange rates will continue to be favorable for U.S. steel manufacturing and continued strong demand should allow steel prices to remain firm." It also noted that during 2005, spot steel prices would decline, that average annual contract prices would increase from their 2004 levels, and that input prices would remain high). "Careful! Plate's Hot," *Metal Center News Online*, August 2004 (EDIS No. 241198) (Nucor vice chairman, president and chief executive officer Daniel R. DiMicco stated that Nucor expects demand for plate to remain strong through 2004 and beyond, led by consumption in shipbuilding, energy-related projects, construction, bridge building and heavy equipment manufacturing).

[64] CR at II-11 n. 19, PR at II-8 n. 19.

increase by *** percent in the reasonably foreseeable future.[65] [66] This demand currently is being driven by strong demand in the shipbuilding sector. Industry publications report that CTL plate producers in both Japan and Korea are focusing on supplying this sector with high quality plate.[67]

Based on this record information, therefore, we find it likely that world demand for steel will continue to grow over the reasonably foreseeable future. We also find it likely that demand in the U.S. market will continue to grow.

4. Supply

The U.S. market is supplied by domestic producers, subject country producers, and producers in nonsubject countries. During the period examined in these reviews, U.S. producers held shares of the U.S. market in terms of quantity ranging from a low of 84.6 percent in 2001 to a high of 93.1 percent in 2003. The domestic industry continued to dominate the U.S. market in 2004 (90.6 percent) and interim 2005 (90.0 percent), well above the share of the market that it held in 1998, which was 77.9 percent.[68] The industry's overall capacity in 2004 was only slightly higher (1.1 percent) than in 1999; however, capacity fluctuated during the period for which data were collected as the industry restructured.[69]

Subject imports declined significantly following the original investigations and, during the period of review, remained well below the levels reached in those investigations. Subject imports declined from 10.4 percent of total U.S. consumption in 1998 to *** percent in 1999, declining further to *** percent in 2003 before slightly rising again to *** percent in 2004.[70]

Nonsubject imports accounted for shares of U.S. consumption ranging from 6.6 percent (2003) to 13.2 percent (2001).[71] There are currently 19 outstanding antidumping and countervailing duty orders and two suspended investigations covering the subject product from non-subject countries.[72] In addition, as part of the global safeguard proceedings involving steel products, President Bush issued a proclamation in March 2002 imposing temporary import relief on CTL plate. The President terminated the relief in December 2003 in the form of increased tariffs.[73]

Significantly, U.S. supply became tight in late 2003 to early-to-mid 2005 as several U.S. producers reported extended lead times, controlled-order entry, or that they declined to accept new customers.[74] Seventeen of the 23 responding purchasers reported that there had been problems with supply, with most reporting that domestic mills had placed them on allocation or controlled-order entry during this time. Other purchasers reported that they received partial or late deliveries or that their orders were not accepted.[75]

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[65] CR at IV-39, PR at IV-27. These projections are based on data through 2007.

[66] *** is an independent consultancy group that provides business analysis for the metals and other industrial sectors. Information available from *** includes current and historical market data as well as market forecasts, in most cases available by subscription only. The extent to which market participants consider *** information is demonstrated by ***.

[67] CR at IV-42-43, PR at IV-29-30.

[68] CR/PR at Table I-7; CR/PR at Table I-1.

[69] CR/PR at Table C-1A.

[70] CR/PR at Table I-1.

[71] CR/PR at Table I-1.

[72] CR/PR at App. E. X-70 plate was excluded from these orders.

[73] CR at I-4-5, PR at I-7 (import licensing remained in place until March 2005, and continues in modified form). X-70 plate was excluded from the safeguard measures.

[74] CR at II-4-5, PR at II-3-4. "Careful! Plate's Hot," *Metal Center News Online*, August 2004 (EDIS No. 241198) (noting reasons for the tightness of plate supply included a lack of imports, limited U.S. supply caused by reductions in plate production capacity by North American mills in the past few years, and high prices, which prompted some domestic mills to adjust their product mix to higher-value plate products).

[75] CR at II-4, PR at II-3-4.

Concurrent with growth in global consumption, as noted above, worldwide CTL plate capacity and production, including capacity and production in the countries subject to these reviews, also grew substantially since the original investigations. *** estimates that worldwide CTL plate production increased by *** percent from 1999 to 2004.[76] In comparison, we note, however, that *** estimates that CTL plate production in subject countries increased at a slower rate, by *** percent from 1999 to 2004. While subject producers produced more CTL plate in 2004 than they consumed internally,[77] the world market also was in tight supply, as demonstrated by high prices, and much of this excess production was shipped to China.[78]

Global capacity and production of CTL plate is projected to continue to grow. China continues to build new steel capacity, and, for the first time since 2000, its production may exceed its consumption in 2005.[79] This new imbalance, however, is not expected to be very large through 2008.[80] Significantly, trends in consumption and production for cumulated subject countries (all but Indonesia because no information is available) also are projected to reverse themselves; however, the reversal in these trends will result in these countries becoming net importers. Beginning in 2006 and continuing through 2007, subject producers are forecast to produce less CTL plate than they are expected to consume internally.[81] Indeed, by 2007, only Japan is projected to produce more CTL plate than it consumes. Japan's largest export market, however, is South Korea because of its strong demand in the shipbuilding sector.[82]

The original investigations occurred at a time of unusual volatility and disturbance in the world steel markets. The record indicates that the world market is much changed from 1997-1998, and the most recent conditions in the world market are likely to continue for the reasonably foreseeable future. The record also suggests that the effect of revocation is not likely to lead to import volumes or effects similar to what occurred in 1997-1998.

5. Other Conditions

The record indicates that domestic manufacturers produce a wide variety of grades and types of CTL plate within the scope of these investigations, and that there is some variation among the grades and types of CTL plate that have been imported from the individual subject countries.[83] Overall, there is a moderate to high degree of substitutability between CTL plate produced in the United States and the subject countries and other import sources.[84] Quality remains an important factor to purchasers; respondents ranked it first or second in importance more frequently than any other factor.[85] Although purchasers reported that U.S. product is generally comparable to subject countries regarding price, purchasers ranked the U.S. product as superior or comparable to other countries regarding availability, and as generally comparable regarding quality.[86]

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[76] CR at IV-38, PR at IV-26.

[77] Derived from data in CR/PR at Part IV. CR at IV-25, PR at IV-19 (India), CR at IV-32, PR at IV-21 (Italy), CR at IV-35, PR at IV-24 (Japan), CR at IV-37, PR at IV-25 (Korea). Data for Indonesia are not available.

[78] Mittal Prehearing Brief at Exh. 2.

[79] CR at IV-38-39, PR at IV-26-27.

[80] CR at IV-38-39, PR at IV-26-27.

[81] Derived from data in CR/PR at Part IV. CR at IV-25, PR at IV-19 (India); CR at IV-32, PR at IV-21 (Italy); CR at IV-35, PR at IV-24 (Japan); CR at IV-37, PR at IV-25 (Korea). While no data for Indonesia are available, we note that the Indonesian industry was the smallest of the subject countries during the period of the original investigations. INV-X-004 at Table VII-3.

[82] CR/PR at Table IV-17; CR at IV-43, PR at IV-29.

[83] CR/PR at Tables IV-4 and IV-5.

[84] CR at II-14, PR at II-10.

[85] CR/PR at Table II-5.

[86] CR/PR at Table II-7.

D. Revocation of the Antidumping Orders on Imports from India, Indonesia, Italy, Japan, and Korea, and Revocation of the Countervailing Duty Orders on Imports from India, Indonesia, Italy and Korea Are Not Likely to Lead to a Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

1. Likely Volume of Subject Imports

In the original investigations, the Commission cumulated imports from France, India, Indonesia, Italy, Japan, and Korea. In these reviews, we concur with the Commission majority's decision not to exercise its discretion, under 19 U.S.C. §1675a(a)(7), to cumulate imports from France with imports from the five remaining countries subject to the orders, based on significant differences in the conditions of competition with respect to the subject imports from France versus the other subject imports. We exercise our discretion to cumulate imports from all of the remaining subject countries. As a result, we have taken into account the Commission's previous volume findings, recognizing the difference represented by imports from France.

In the original investigations, the Commission found the volume of subject imports to be significant based primarily on large increases in both their quantity and market share, particularly toward the end of the period. Despite substantial increases in capacity, the domestic industry's market share did not grow in tandem with such increases; rather, in 1998, the industry's market share fell.[87] On a quantity basis, the volume of subject imports increased from 121,484 short tons in 1996 to 320,019 short tons in 1997, and increased again to 1,027,052 short tons in 1998. The greatest increase in subject imports, particularly for imports from Indonesia, Japan, and Korea, was during 1998, at the peak of the Asian financial crisis. The share of apparent U.S. consumption accounted for by subject imports increased from 1.5 percent in 1996 to 4.0 percent in 1997, and then to 10.4 percent in 1998.[88] The market share of imports from India increased from 0.5 percent to 1.4 percent; that of imports from Indonesia from 0.2 percent to 1.7 percent; that of imports from Italy from 0.2 percent to 0.8 percent (falling in 1998); that of imports from Japan from 0.3 percent to 2.9 percent; and that of imports from Korea from 0.3 percent to 3.6 percent.

During the period in these reviews (1999 to 2004), import levels from the subject countries declined significantly from 1999 to 2000, fell more slowly between 2000 and 2002, then plummeted in 2003, before slightly increasing in 2004, to a level that was more than *** percent below that at the start of the period.[89] Market share of subject imports showed a similar pattern.[90]

As noted above, the worldwide conditions of competition for CTL plate have changed significantly since the original investigations. Thus, it is reasonable to conclude that, while subject imports may increase somewhat upon revocation, no sudden surges are likely to occur. The worldwide demand characteristics for CTL plate are different than they were at the time of the original investigations. U.S. demand was lower during the period of review than during the last full year (1998) of the original period of investigation; however, apparent U.S. consumption in 2004 rebounded to a higher level than that at the start of the period of review (1999).[91] At the time of the original investigations, global demand for CTL plate was declining due to the effects of the Asian financial crisis, whereas U.S. demand was very strong. Currently, U.S. demand is recovering (although not yet at pre-1999 levels), and global consumption of CTL plate is strongly increasing, in vivid contrast to its trend during the time frame of the original investigations (1997-1999).[92] During the period of review, a

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[87] USITC Pub. 3273 at 21-23.

[88] Calculated from CR/PR at Table I-1. These figures do not include the volumes for France.

[89] The volume of cumulated subject imports was *** short tons in 1999, *** short tons in 2000, *** short tons in 2001, *** short tons in 2002, *** short tons in 2003, and *** short tons in 2004. CR/PR at Table IV-1.

[90] The market share of cumulated subject imports was *** percent in 1999, *** percent in 2000, *** percent in 2001, *** percent in 2002, *** percent in 2003, and *** percent in 2004. CR/PR at Table I-1.

[91] CR/PR at Table I-7.

significant share of the growth in world consumption came from China, which by 2004 constituted a substantial share of world consumption. Moreover, the record indicates that demand for CTL plate likely will continue to grow steadily in the coming years, again led by consistent growth in the Chinese market.[93]

In addition, U.S. producers, importers, and purchasers responding to the Commission's questionnaires reported that there has been an increase in demand for CTL plate both domestically and outside of the United States since 1999.[94] With regard to domestic demand, the majority of responding firms reported that demand increased during the period, with a smaller number reporting it unchanged. With regard to demand outside the United States, a substantial majority of responding firms reported that demand outside the United States increased during the period examined, for reasons ranging from rapidly increasing demand in China and other developing countries, to increased shipbuilding and oil and gas exploration, coupled with general global economic growth. A majority of firms also expect future increases in CTL plate demand, both domestically and globally, attributing these expected increases to increased growth in China and other developing countries, as well as growth in the construction of oil and gas pipelines. Even domestic CTL plate producers are finding reasons for optimism about the near-term outlook, noting that the rebuilding effort in New Orleans following Hurricane Katrina will result in increased demand for plate products.[95]

Worldwide CTL plate consumption grew by *** percent between 1999 and 2004, with China accounting for about *** percent of the increase in demand.[96] In fact, the growth of demand in China caused it to be a net importer of CTL plate during each year of the period of review.[97] Although China continues to build new steel capacity and its production may exceed its consumption in 2005, demand is projected to increase by *** percent in 2006. Moreover, this new imbalance is not expected to be very large through 2008.[98] The record also indicates that worldwide prices reached high levels in 2004 and early-to-mid 2005. While there has been some softening of prices outside the U.S. market, prices remain fairly robust.[99] In short, the U.S. is not the safe haven for steel that it was during the original investigations.

Thus, given these considerable changes in both home market and export demand, we cannot conclude that it is more likely than not that subject imports will increase to such an extent as to be significant, either absolutely or relatively. We reach this conclusion even though there is record evidence of increases in capacity and production in the subject countries, of barriers to those countries' exports in third country markets, and of a potential in some countries for product shifting. The characteristics of the cumulated countries are discussed below.

Capacity: According to published reports, global capacity to produce CTL plate, including capacity in the countries subject to these reviews, has grown since the original investigations. While it is possible that such capacity increases could make it easier for the subject countries to supply more product to the U.S. market, we note that production levels also have been rapidly increasing in the subject countries, implying that utilization rates for producers in those countries are likely to remain high. More importantly, the best information available suggests that trends in consumption and production for

[92] CR at IV-39, PR at IV-27.
[93] CR at IV-39, PR at IV-27.
[94] CR at II-11; II-13, PR at II-8; II-9-10; CR/PR at Table II-4.
[95] CR at II-11 n. 19; PR at 8 n. 19.
[96] CR at IV-39, PR at IV-27.
[97] CR at IV-38-39, PR at IV-26-27.
[98] CR at IV-38-39, PR at IV-26-27.
[99] Mittal Prehearing Brief at Exh. 2; CR/PR at Table IV-20.

cumulated subject countries are projected to result in these countries becoming net importers beginning in 2006.[100] [101]

For example, according to the record in these reviews, production in India has increased steadily between 1999 and 2004. Consumption in India over that period, however, has increased faster, such that there was a smaller gap between production and consumption in 2004 than there was in 1999. Moreover, over the course of the next two years, the Indian industry is projected to produce less CTL plate than it will consume.[102] Similarly, with regard to the Italian industry, although consumption of CTL plate declined over the period examined, consumption increases are forecast to keep pace with production increases over the next three calendar years, and, according to published sources, the Italian industry already is a net importer and projected to remain as such.[103] With regard to Korea, during the period of review, home market consumption greatly exceeded CTL plate production and increased at a faster rate, and is expected to continue to outpace production increases through 2009.[104] The only exception to this trend is Japan. While consumption increases are forecast to keep pace with production increases over the next few years, Japan continues to produce more plate than it consumes.[105] As noted above, however, cumulated subject producers are forecast to produce less CTL plate than they are expected to consume internally.[106] Much of Japan's excess production already is exported to South Korea, its largest export market, because of South Korea's strong demand in the shipbuilding sector.[107] [108]

These trends in production and home market consumption in the subject countries suggest that, as a practical matter, the ability of subject producers to increase exports to the United States is somewhat limited. While we recognize that subject producers are at least moderately export-oriented, existing customer relationships in established markets and business strategies likely will prevent a wholesale shift of focus by subject producers to the U.S. market. In light of current and projected conditions, any current difference between prices in the United States and other markets are not likely to become so large as to make the U.S. market more attractive than either subject producers' home markets or already established

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[100] While no data for Indonesia are available, the Indonesian industry was the smallest of the subject countries during the period of the original investigations. U.S. producers claim that PT Krakatau Steel, the largest steelmaker in Indonesia, expanded its production by 29 percent from 2002 to 2003. Domestic Producers' Response to Notice of Institution Exh. 11. Applying this figure to the 1998 capacity figure for the entire Indonesian industry would still make it the smallest of the subject countries during the original investigations. INV-X-004 at Table VII-3.

[101] Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. Thus, the Commission must make determinations by "weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive." SAA at 869. We do so here.

[102] CR at IV-25, PR at IV-19.

[103] CR at IV-32; PR at IV-21.

[104] CR at IV-37, PR at IV-25. We note that the only information on the record on production increases by Korean producers relates to POSCO, a producer that is excluded from the antidumping and countervailing duty orders on Korea.

[105] CR at IV-35, PR at IV-24.

[106] Derived from data in CR/PR at Part IV. CR at IV-25, PR at IV-19 (India); CR at IV-32, PR at IV-21 (Italy); CR at IV-35, PR at IV-24 (Japan); CR at IV-37, PR at IV-25 (Korea). While no data for Indonesia are available, we note that the Indonesian industry was one of the smallest of the subject countries. INV-X-004 at Table VII-3.

[107] CR/PR at Table IV-17; CR at IV-43, PR at IV-29.

[108] The Commission received no information from parties concerning developments regarding Indonesian capacity, either during the period of review, or with regard to projected capacity changes. Mittal noted that Krakatau Steel, an Indonesian plate producer, will increase its capacity by an additional 2.4 million metric tons by 2006. Mittal Posthearing Brief at 8, *citing* Mittal Prehearing Brief at Exh. 4. The cited source noted, however, that the forecast was made in March 2004, and also generally noted that detailed data were not available on whether the announced project would come to fruition. Moreover, there is no reason to conclude that the production and consumption trends in Indonesia are any different than the increasing production and consumption trends in the other subject countries.

markets. Indeed, the projected trend toward cumulated subject producers becoming net importers likely will increase prices in general.

As noted above, generally favorable trends in worldwide supply and demand are likely to continue in the foreseeable future. In particular, global CTL plate consumption likely will increase by at least *** percent or more annually in the reasonably foreseeable future.[109] Further, in response to strong demand and increased raw material costs, global CTL plate prices reached high levels during the latter part of the period of review, particularly in 2004, with only a slight softening in European markets by early 2005.[110] These phenomena do not suggest that, upon revocation, exports from the subject countries would be likely to seek the U.S. market in significant amounts.

Third-country barriers: While subject producers face some impediments to their exports of subject merchandise into certain third-country markets, these do not suggest a likely significant diversion of CTL plate to the U.S. market. First, there are no barriers in third countries facing exporters in Italy. Second, CTL plate from India and Indonesia are subject to duties in the EU (for India only), in Australia (for Indonesia only) and in Thailand, but the record does not indicate that these have been important markets for exporters from these countries.[111] Third, CTL plate exports from Japan face barriers in Australia, but, similarly, Australia has not been a significant export destination for Japanese producers since at least 1999.[112] Similarly, subject merchandise from Korea faces barriers in Australia and Thailand, but there is no indication that these markets are significant to Korean firms. Finally, we find it significant that in 2004 and 2005, Canada removed antidumping orders on imports of hot-rolled plate from India, Indonesia, Japan, and Korea.[113] Thus, in terms of serving the North American market, there is no longer an incentive for exporters in those countries to ship to the United States rather than Canada.

Inventories: Reported inventory levels of subject producers in Italy and Japan or inventories held by U.S. importers from these countries are either small as a ratio to production (in the case of Japan), or insignificant in absolute volume (in the case of Italy).[114] In any case, the record does not contain any evidence of inventory overhang that would indicate a potential surge of imports into the United States in the event of revocation.

Potential for product-shifting: We note that there are outstanding antidumping and countervailing duty orders on hot-rolled steel from India and Indonesia, and an outstanding antidumping duty order on hot-rolled steel from Japan. Although we are aware that CTL plate is sometimes produced in the same facilities as hot-rolled steel (*i.e.*, on a hot-strip mill), the record does not indicate the extent to which this occurs in the subject countries. We find it significant that during the original investigations, the Commission generally did not find that production facilities in the subject countries had the capability of switching between production of plate and production of hot-rolled steel.[115] Thus, it is not possible to draw any firm conclusions concerning the likelihood that firms in these countries will switch from shipping hot-rolled steel to shipping CTL plate if the orders on CTL plate are revoked.

Overall, given the worldwide changes in demand, global price levels, and the other facts noted above, we find that revocation of the antidumping and countervailing duty orders is not likely to lead to

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[109] CR at IV-39, PR at IV-27.

[110] CR/PR at Table IV-19.

[111] Memorandum INV-CC-189 at 2.

[112] CR/PR at Table IV-17. Since 1999, the top five export destinations for Japanese CTL plate producers have been Korea, China, Indonesia, the Philippines and Thailand.

[113] INV-CC-189 at 2.

[114] CR/PR at Tables IV-13 (Italy) and IV-16 (Japan); CR/PR at Table IV-3. We note that inventory data for Italy are incomplete. We lack data on the other subject countries' inventory levels.

[115] INV-X-004 at VII-5-13.

an increase in the volume of subject imports such that the likely volume of subject imports would be significant.

2. Likely Price Effects of Subject Imports

In performing our analysis, we have taken into account the Commission's price findings in the original investigations. The Commission found that domestically produced CTL plate and subject imports were broadly substitutable despite some perceived differences in quality and that substitutability may be limited with respect to plate used in specific applications.[116] The Commission found that subject imports had undersold the domestic like product in 62.7 percent of pricing product comparisons, with the instances and severity of underselling increasing in 1998.[117] The Commission also found that subject import AUVs had declined throughout the period examined, and had been lower than domestic producers' AUVs except in 1996 and the first half of 1999.[118] Thus, the Commission concluded that the increase in subject imports and their underselling had contributed significantly to the depression of domestic producer prices.[119]

In the current reviews, prices for U.S.-produced CTL plate changed little from 1999 through 2003, but increased significantly for all five products beginning in the first quarter of 2004. The highest price reached since 1999 occurred in the first quarter of 2005 for three of the five pricing products and the second quarter of 2005 for two of the five pricing products.[120] While three of the pricing products showed slight declines in the second quarter of 2005, we note that published sources show that raw material surcharges have been reinstated, as reflected in October 2005 pricing which showed renewed increases.[121] Domestic producers have been able to pass along raw material costs through the increasing use of surcharges.[122] Price increases in 2004 and first-half 2005 were reportedly attributable to various factors, including demand in China, raw material price increases, increased demand in end-use markets, and changes within the industry that caused tight supply.[123]

With the expectations for continued increased demand in the U.S. market, coupled with rising raw material costs, prices for CTL plate in the United States are likely to continue to remain strong. Moreover, restructuring by domestic producers and reduced legacy costs should lead to increased competitiveness among those firms. As noted above, we do not expect the likely volume of cumulated subject imports to be significant. As a result, although price is an important consideration for purchasers, we do not find it likely that these modest volumes of subject imports will lead to significant price declines for the domestic like product. Nor do we expect subject imports to capture increases in U.S. demand to the point that they would place downward pressure on U.S. prices. On balance, there is likely to be a marginal effect on price, but it is not likely to be significant, especially with the increased competitiveness of the U.S. industry during the period of review.

Consequently, despite the likelihood of continued underselling upon revocation of the orders,[124] we find that the modest volumes of subject imports will not likely place significant downward pressure on U.S. prices. We note that worldwide consumption is expected to continue to grow for the reasonably foreseeable future, which should keep subject import volumes and U.S. prices relatively steady. Moreover, the projected increasing gap between consumption and production in subject countries will mitigate, if not eliminate, the likelihood of declining prices, not only in the United States, but also in the

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[116] USITC Pub. 3273 at 23.
[117] USITC Pub. 3273 at 24.
[118] USITC Pub. 3273 at 24.
[119] USITC Pub. 3273 at 24.
[120] CR at V-11, PR at V-9; CR/PR at Tables V-1-5.
[121] CR at IV-42, PR at IV-29; CR/PR at Table IV-20.
[122] CR at V-1-2, PR at V-1.
[123] CR at V-11 n. 13, PR at V-9 n. 13.
[124] CR/PR at Tables V-1-5. Very little data were reported to show price trends for most subject countries.

home markets of the subject countries. We also note that the domestic industry was able to continue to raise prices even with an increase in total imports in 2004 and first-half 2005.[125] In addition, domestic producers have been able to increase prices in order to pass on increases in raw material costs. Consequently, we find that the likely increases in volume are not likely to lead to significant price depression or suppression within a reasonably foreseeable time. Therefore, we conclude that revocation of the orders is not likely to lead to any significant price effects.

3. Likely Impact of Subject Imports

In the original investigations, the Commission found that the domestic industry's operating and financial performance had deteriorated toward the end of the period examined, as subject import volume and market share rapidly increased.[126] Between the first half of 1998 and the first half of 1999, domestic industry sales volumes and values had declined significantly, cash flow had become negative, gross profits had declined 96 percent, and operating income had decreased from $97.4 million to negative $63.6 million.[127] Domestic industry capital expenditures, employment, hours worked, and wages had declined over the period examined, and particularly in the first half of 1999.[128] The Commission concluded that subject imports had caused present material injury to the domestic industry based on the correlation of these adverse domestic industry trends to the increase in subject import volume and market share, and the decline in subject import AUVs.[129]

As described above, after issuance of the orders on the subject countries and a decline in subject import levels (including from France), the domestic industry gained market share. However, domestic producers' production, U.S. shipments, and net sales declined through 2001 with the economic recession, then began to recover in 2002 and 2003, and showed dramatic improvement in 2004. Between 1999 and 2004, production increased overall 12.1 percent, U.S. shipments increased 5.9 percent, and net sales increased 15.7 percent.[130] With production capacity fairly stable overall (a gain of 1.1 percent between 1999 and 2004), capacity utilization increased 6.7 percentage points in this same period.[131] While domestic employment decreased by 36.1 percent between 1999 and 2004, productivity increased 83.7 percent.[132] Despite substantially reduced subject import levels, the industry posted increasingly worse operating losses from 2000 (negative 6.0 percent) to 2001 (negative 11.9 percent) before beginning to improve in 2002 (negative 6.1 percent).[133]

As noted above, the domestic industry's losses during the period of review stemmed in part from its restructuring efforts (*e.g.*, non-recurring restructuring charges and merger costs and increased intra-industry competition brought on by capacity expansions) and the U.S. recession.[134] As a result of these consolidations, however, the number of industry firms was reduced from 29 to 22, and the industry emerged more concentrated, stronger and fundamentally changed. The benefits of these changes could be seen in 2004, with higher industry productivity compared to 1999 and a solid return on investment (28.9 percent).[135] In 2004, the domestic industry had returned to relatively high levels of production,

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[125] CR/PR at Tables V-1-5; CR at IV-42, PR at IV-29; CR/PR at Table IV-20.

[126] USITC Pub. 3273 at 25-26 (domestic industry capacity and sales had increased with demand through 1998).

[127] USITC Pub. 3273 at 26.

[128] USITC Pub. 3273 at 26.

[129] USITC Pub. 3273 at 26 (for example, the Commission found that domestic industry orders had declined dramatically between the first half of 1998 and the second half of 1998, when two-thirds of 1998 subject imports had entered the U.S. market).

[130] CR/PR at Table C-1A. In addition, U.S. exports increased by 172.3 percent. *Id.*

[131] CR/PR at Table C-1A.

[132] CR/PR at Table C-1A.

[133] CR/PR at Table C-1A. Operating losses increased again in 2003 to negative 7.0 percent.

[134] CR at III-20-21 and n. 17, PR at III-12 and n. 17.

[135] CR/PR at Table III-16.

shipments, and operating profits.[136] Indeed, the U.S. market was experiencing tight supply and domestic producers were either extending lead times or declining to accept new customers.[137]

The domestic industry has argued that one and a half years of profitability (2004 and first-half 2005) do not overcome the weak overall performance of the industry during the period of review. However, as noted above, the industry has undergone significant restructuring that included expansion (two greenfield facilities), consolidation, and non-recurring restructuring charges and merger costs.[138] While capital expenditures have declined significantly over the period of review (from $277.4 million in 1999 and $278.5 million in 2000, to $135.9 million in 2001, to $31.0 million in 2004),[139] we note that the high levels of capital expenditures from 1999-2001 were associated with the construction of two greenfield facilities, which are both modern and efficient. Moreover, while we do not discount the costs associated with these non-recurring events, which contributed to the recent losses or lower profits, they now are completed and the industry has improved because of these decisions.[140]

In light of the fundamental changes that have occurred in the industry, including greenfield expansion, restructuring, and increased profitability by the end of the period of review, we do not find the domestic CTL plate industry to be vulnerable.[141] Moreover, the conditions that have enabled the industry to realize its recent profits are not likely to change in the foreseeable future. While raw material costs and energy costs were high at the end of this review period and continue to be high, domestic producers have been able to pass along raw material costs through the increasing use of surcharges.[142] Thus, domestic prices rose significantly in 2004 above their level from the original investigations and the beginning of the period examined in these reviews.[143] Even though there is some evidence of slight price declines in the second quarter of 2005, we note that published sources show that raw material surcharges have been reinstated, as reflected in October 2005 pricing which showed renewed increases.[144] The record also indicates that demand in the U.S. market for the reasonably foreseeable future will continue to be strong

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[136] *Compare* CR/PR at Table I-1 *to* CR/PR at Table C-1A.

[137] CR at II-4-5, PR at II-3-4. Based on the fact that the U.S. market was experiencing tight supply in 2004, we do not place much weight on the domestic industry's reported capacity utilization figure (68.1 percent in 2004). CR/PR at Table III-1. The fact that the domestic producers were extending lead times or placing customers on allocation while still reporting under-utilized capacity suggests that the reported capacity figures are theoretical.

[138] During the hearing, counsel to domestic producer Nucor argued that Corus sold its Tuscaloosa facility to Nucor in July 2004 because it likely saw that the profitable market of 2004 was not likely to continue in the reasonably foreseeable future. Hearing Transcript at 324 (Price). Documents provided by both Nucor and Corus do not support this proposition. Indeed, both documents noted that Corus was selling Tuscaloosa in order to ***. Nucor Submission of October 14, 2005 (EDIS No. 241142); Corus Submission of October 14, 2005 (EDIS No. 241146). Moreover, Corus stated in a press release that "{p}late manufacturing in the USA is a non-core activity with limited linkages to the rest of the Group's operations." "Corus Sells Tuscaloosa Mini-Mill," June 8, 2004 (EDIS No. 241198). Finally, while the analysis prepared for ***. Nucor Submission of October 14, 2005 (EDIS No. 241142).

[139] CR/PR at Table III-14.

[140] We find that the restructuring of the domestic CTL plate industry began before the orders were issued and thus before the industry began to benefit from the existence of the orders. The domestic industry did benefit to some degree from the orders as they allowed U.S. producers time to restructure and to emerge from this period of restructuring and rationalization as a more efficient and cost effective industry. As noted above, by 2005 the industry had completed this period of restructuring.

[141] We also note that while at least seven of the at least 13 to 15 reporting firms reported losses throughout the period of review, not a single firm reported an operating loss either in 2004 or first-half 2005. CR/PR at Table III-9.

[142] CR at V-1-2, PR at V-1; CR at V-11, PR at V-9; CR/PR at Tables V-1-5.

[143] CR at V-1-2; PR at V-1.

[144] CR at IV-42, PR at IV-29; CR/PR at Table IV-20. Indeed, the industry's restructuring and productivity improvements have made it more likely that the industry could operate profitably even if prices were to decline somewhat.

and to improve over the next few years.[145] Indeed, post-Hurricane Katrina rebuilding efforts likely will increase demand for plate products in the near future.[146] While global production of steel plate is increasing, worldwide demand, including demand in China, will continue to be strong in the foreseeable future.[147] Moreover, part of the domestic industry is participating in the expansion of capacity outside of the United States and has expressed its view that it is not worried about such large capacity coming online with demand growing.[148]

In conjunction with our findings regarding likely volume and price effects, we find that revocation is not likely to lead to a significant negative impact on the domestic industry within a reasonably foreseeable time.

IV. CONCLUSION

For the foregoing reasons, we find that revocation of the antidumping duty orders on subject imports of CTL plate from India, Indonesia, Italy, Japan, and Korea would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We also determine that revocation of the countervailing duty orders on subject imports of CTL plate from India, Indonesia, Italy and Korea would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

[145] Mittal Posthearing Brief at Confidential Exh. 2 and Exh. 4.

[146] CR at II-11 n. 19, PR at II-8 n. 19.

[147] CR at IV-39, PR at IV-27.

[148] "Mittal Steel Sets Sights on Asia for Expansion," *Wall Street Journal Online*, October 4, 2005, retrieved October 5, 2005 (EDIS No. 241199).

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On January 3, 2005, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on cut-to-length carbon-quality steel plate ("CTL plate") from France, India, Indonesia, Italy, Japan, and Korea would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective April 8, 2005, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Information relating to the background and schedule of the reviews is provided in the following tabulation.[1]

Effective date	Action
February 3, 2000	Commerce's antidumping duty orders on France, India, Indonesia, Italy, Japan, and Korea (65 FR 6585, February 10, 2000)
February 3, 2000	Commerce's countervailing duty orders on France, India, Indonesia, Italy, and Korea (65 FR 6587, February 10, 2000). Countervailing duty orders on France were revoked effective November 7, 2003 (68 FR 64858, November 18, 2003).
January 3, 2005	Commission's institution of the subject reviews (70 FR 110, January 3, 2005)
April 8, 2005	Commission's decision to conduct full reviews (70 FR 20173, April 18, 2005)
May 4, 2005	Commission's scheduling of the reviews (70 FR 25599, May 13, 2005)
August 8, 2005	Commerce's final results of expedited review ((CVD) 70 FR 45655 and (AD) 70 FR 45689, August 8, 2005)
September 27, 2005	Commission's hearing[1]
November 8, 2005	Commission's vote
November 21, 2005	Commission's determinations transmitted to Commerce
[1] App. B contains a list of witnesses who appeared at the hearing.	

The Original Investigations

On February 16, 1999, petitions were filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of imports of cut-to-length carbon-quality steel plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia.[2] Sales of such products were allegedly subsidized with respect to France, India, Indonesia, Italy, Korea, and Macedonia and made at less than fair value ("LTFV") with respect to the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia. Investigations with respect to the Czech Republic and

[1] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in app. A and may also be found at the Commission's web site (internet address www.usitc.gov). Commissioners' votes on whether to conduct expedited or full reviews may also be found at the web site.

[2] The petition was filed by Bethlehem/Lukens (Bethlehem, PA); U.S. Steel (Pittsburgh, PA); Gulf States (Gadsen, AL); IPSCO (Muscatine, IA); (Tuscaloosa, AL); and USWA (Pittsburgh, PA).

Macedonia were terminated when the Commission found subject imports from these countries to be negligible in the preliminary phase of the original investigations.[3]

On December 29, 1999, Commerce made final affirmative dumping and subsidy determinations and subsequently amended these determinations on February 10, 2000.[4]

Commerce's amended final dumping margins with respect to France, India, Indonesia, Italy, Japan, and Korea were as follows:

Country/manufacturer/producer/exporter	Weighted-average margin (*percent*)[5]
France:	
Usinor	10.41
All others	10.41
India:	
SAIL	72.49
All others	72.49
Indonesia:	
Gunawan/Jaya Pari	50.80
PT Krakatau Steel	52.42
All others	50.80
Italy:	
ILVA S.p.A.	*de minimis*
Palini and Bertoli S.p.A.	7.85
All others	7.85
Japan:	
Kawasaki Steel Corporation	10.78
Kobe Steel, Ltd	59.12
Nippon Steel Corporation	59.12
NKK Corporation	59.12
Sumitomo Metal Industries, Ltd	59.12
All others	10.78
Korea:	
Dongkuk Steel Mill Co., Ltd.	2.98
Pohang Iron & Steel Co., Ltd. ("POSCO")	*de minimis*
All others	2.98

[3] *Certain Cut-to-Length Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia, Invs. Nos. 701-TA-387-392 & 731-TA-815-822 (Preliminary),* USITC Publication No. 3181, pp. 13-17.

[4] *Final Determination of Sales at Less than Fair Value and Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate Products from India et al.; Notices,* 64 FR 73125 (December 29, 1999).

[5] *Notice of Amendment of Final Determinations of Sales at Less than Fair Value and Antidumping Duty Orders: Certain Cut-to-Length Carbon Quality Steel Plate Products from France, India, Indonesia, Italy, Japan, and the Republic of Korea,* 65 FR 6585 (February 10, 2000).

Commerce's amended final subsidy margins with respect to France, India, Indonesia, Italy, and Korea were as follows:

Country/manufacturer/producer/exporter	Net subsidy rate (*percent*)[6]
France:	
Usinor Group	5.56
GTS Industries S.A.	6.86
All others	6.80
India:	
Steel Authority of India (SAIL)	12.82
All others	12.82
Indonesia:	
P.T. Gunawan Steel	0.00 (*de minimis*)
P.T. Jaya Pari	0.00 (*de minimis*)
P.T. Krakatau Steel	47.71
All others	15.90
Italy:	
ILVA S.p.A. and ILVA Lamiere e. Tubi S.p.A.	26.12
Palini and Bertoli S.p.A	0.12 (*de minimis*)
All others	26.12
Korea:	
Dongkuk Steel Mill, Ltd.	3.26
POSCO	0.82 (*de minimis*)
All others	3.26

The Commission made its final affirmative injury determination on February 1, 2000,[7] and Commerce issued the antidumping duty orders[8] and countervailing duty orders[9] on February 10, 2000.

Table I-1 presents a summary of data from the original investigations and from these reviews; figures I-1 and I-2 show U.S. imports of CTL plate from France, India, Indonesia, Italy, Japan, and Korea since 1996.

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[6] *Notice of Amendment of Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate from India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, and the Republic of Korea,* 65 FR 6587 (February 10, 2000).

[7] *Certain Cut-to-Length Steel Plate From France, India, Indonesia, Italy, Japan, and Korea, Determinations,* 65 FR 6624 (February 10, 2000). Commissioner Okun did not participate and Commissioner Askey dissented with respect to France.

[8] *Notice of Amendment of Final Determinations of Sales at Less than Fair Value and Antidumping Duty Orders: Certain Cut-to-Length Carbon Quality Steel Plate Products from France, India, Indonesia, Italy, Japan, and the Republic of Korea,* 65 FR 6585 (February 10, 2000).

[9] *Notice of Amendment of Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate from India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, and the Republic of Korea,* 65 FR 6587 (February 10, 2000).

Figure I-1
CTL plate: Total, nonsubject, and subject U.S. imports, 1999–2004

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Figure I-2
CTL plate: U.S. imports from France, India, Indonesia, Italy, Japan, and Korea, 1999–2004, January-June 2004, and January-June 2005

* * * * * * *

Table I-1
CTL plate: Comparative data of the U.S. market and industry from the original investigations and the current reviews, 1996-2004

(Quantity= short tons, value=*1,000 dollars*; unit values=*per short ton*, unit labor costs, shares/ratios *in percent*)

Item	Calendar year								
	1996	1997	1998	1999	2000	2001	2002	2003	2004
U.S. consumption quantity:									
Amount	8,385,326	7,956,975	9,814,196	7,683,631	7,351,192	7,396,843	7,392,172	6,987,726	7,759,428
U.S. producers' share[1]	76.9	82.2	77.9	86.3	88.1	84.6	89.3	93.1	90.6
U.S. importers' share:[1]									
France	1.8	2.1	1.3	***	***	***	***	***	***
India	0.5	1.6	1.4	0.1	(2)	(2)	(2)	0.0	(2)
Indonesia	0.2	0.8	1.7	0.5	0.0	(2)	0.0	0.0	0.0
Italy	0.2	1.1	0.8	0.1	(2)	(2)	(2)	(2)	0.4
Japan	0.3	0.2	2.9	***	***	***	***	***	***
Korea	0.3	0.3	3.6	***	***	***	***	***	***
Subtotal	3.3	6.1	11.7	5.9	2.4	2.1	1.5	0.3	1.1
All other countries	19.8	11.7	10.4	7.8	9.5	13.2	9.2	6.6	8.4
Total imports[3]	23.1	17.8	22.1	13.7	11.9	15.4	10.7	6.9	9.4

Continued on next page.

Table I-1--*Continued*
CTL plate: Comparative data of the U.S. market and industry from the original investigations and the current reviews, 1996-2004

(Quantity= short tons, value=*1,000 dollars*; unit values=*per short ton*, unit labor costs, shares/ratios *in percent*)

Item	Calendar year								
	1996	1997	1998	1999	2000	2001	2002	2003	2004
U.S. imports from:									
France: Quantity	153,375	165,713	123,083	***	***	***	***	***	***
Value	76,334	81,559	63,678	***	***	***	***	***	***
Unit value	$498	$492	$517	***	***	***	***	***	***
India: Quantity	38,081	130,846	137,735	6,462	1,485	1,262	20	0	1,585
Value	12,833	45,098	50,298	2,057	498	377	12	0	1,731
Unit value	$337	$345	$365	$318	$336	$298	$584	([4])	$1,092
Indonesia: Quantity	13,667	59,837	168,098	39,553	0	123	0	0	627
Value	4,354	21,716	57,763	10,761	0	34	0	0	457
Unit value	$319	$363	$344	$272	([4])	$273	([4])	([4])	$728
Italy: Quantity	17,003	85,576	80,766	11,396	2,369	1,130	278	666	29,130
Value	7,661	35,743	32,792	4,319	1,509	1,427	850	1,164	19,279
Unit value	$451	$418	$406	$379	$637	$1,263	$3,054	$1,746	$662
Japan: Quantity	24,238	18,327	288,398	***	***	***	***	***	***
Value	17,028	13,462	131,070	***	***	***	***	***	***
Unit value	$703	$735	$455	***	***	***	***	***	***
Korea: Quantity	28,495	25,432	352,056	***	***	***	***	***	***
Value	12,391	10,287	130,914	***	***	***	***	***	***
Unit value	$435	$404	$372	***	***	***	***	***	***
Subtotal, subject countries: Quantity	274,859	485,732	1,150,135	450,990	174,196	158,311	112,443	21,017	82,011
Value	130,602	207,864	466,515	172,359	58,092	52,418	41,604	18,634	61,810
Unit value	$475	$428	$406	$382	$333	$331	$370	$887	$754
All other sources quantity:	1,661,428	929,205	1,016,753	598,355	696,939	977,191	679,724	458,834	648,818
Value	641,034	380,670	449,154	255,824	280,019	383,530	281,233	199,499	389,203
Unit value	$386	$410	$442	$428	$402	$392	$414	$435	$600
Total: Quantity[3]	1,936,286	1,414,937	2,166,888	1,049,344	871,136	1,135,502	792,166	479,851	730,918
Value[3]	771,636	588,535	915,669	428,183	338,111	435,948	322,837	217,613	451,051
Unit value[3]	$399	$416	$423	$408	$388	$384	$408	$454	$617

Continued on next page.

Table I-1--*Continued*
CTL plate: Comparative data of the U.S. market and industry from the original investigations and the current reviews, 1996-2004

(Quantity= short tons, value=*1,000 dollars*; unit values=*per short ton*, unit labor costs, shares/ratios *in percent*)

Item	Calendar year								
	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total U.S. producers': Capacity	8,721,762	9,252,017	11,191,586	10,923,834	10,622,180	11,026,162	11,445,322	11,636,348	11,041,815
Production	6,560,861	6,782,408	7,948,996	6,706,626	6,668,398	6,357,791	6,764,974	6,812,140	7,520,671
Capacity utilization[1]	75.2	73.3	71.0	61.4	62.8	57.7	59.1	58.5	68.1
U.S. shipments: Quantity	6,449,040	6,542,038	7,647,308	6,634,287	6,480,056	6,261,341	6,600,006	6,507,875	7,028,510
Value	2,901,398	2,908,985	3,377,079	2,474,901	2,440,460	2,215,708	2,345,160	2,377,420	4,456,089
Unit value	$450	$445	$442	$374	$378	$354	$355	$365	$634
Export shipments: Quantity	75,389	182,888	232,848	161,153	236,598	144,677	195,180	305,067	438,759
Value	39,795	82,666	106,132	62,059	88,523	51,238	66,271	107,616	282,506
Unit value	$528	$452	$456	$385	$374	$354	$340	$353	$666
Production and related workers	7,680	8,186	8,547	6,457	6,026	5,670	5,060	4,470	4,125
Hours worked (*1,000*)	17,314	18,028	18,896	14,189	13,477	12,586	11,228	9,261	8,728
Hourly wages	$21	$22	$22	$22	$22	$23	$24	$24	$25
Net sales value	2,851,617	2,852,624	3,382,607	1,922,593	1,910,118	1,749,895	1,867,048	1,989,141	3,628,077
Operating income or (loss)/sales	139,690	84,978	135,678	(122,005)	(114,870)	(207,370)	(113,336)	(139,941)	782,756
Ratio operating income or (loss)/sales[1]	4.9	3.0	4.0	(6.3)	(6.0)	(11.9)	(6.1)	(7.0)	21.6

[1] In *percent*.
[2] Less than 0.05 percent.
[3] Data for imports of POSCO-produced plate are not presented separately. Such imports, however, were limited to *** short tons, valued at ***, with a unit value of *** in 2004, and are included in the total imports.
[4] Not applicable.

Note.–Because of rounding, figures may not add to the totals shown. Import data may be slightly overstated, as certain HTS subheadings include coiled product.

Source: Compiled from USITC Publication 3273, table C-1A (1996-98) and from data submitted in response to Commission questionnaires and from official Commerce statistics (1999-2004). Consistent with the original report, data for Korea are presented without excluding POSCO.

Related Investigations

A list of previous investigations and outstanding antidumping and countervailing duty orders on CTL plate is presented in appendix E. There are currently 29 outstanding antidumping and countervailing duty orders and two suspended investigations covering the subject product.

On March 5, 2002, following affirmative determinations of serious injury or threat of serious injury by the Commission under section 202 of the Trade Act of 1974, the President announced the safeguard measures that he planned to implement to facilitate efforts by various domestic steel industries and their workers to make a positive adjustment to import competition with respect to certain steel products. The safeguard measures encompassed 10 different product categories, including CTL plate. Presidential Proclamation 7529 implemented the safeguard measures, principally in the form of tariffs and tariff-rate quotas, effective March 20, 2002, for a period of three years and one day. The President also instructed the Secretary of the Treasury and the Secretary of Commerce to establish a system of import licensing to facilitate the monitoring of imports of certain steel products.[10]

The safeguard measures applied to imports of subject steel products from all countries except Canada, Israel, Jordan, and Mexico, which have entered into free trade agreements with the United States, and most developing countries that are members of the World Trade Organization.[11] The President's initial proclamation also excluded numerous specific products from the measures, and was followed by subsequent additional exclusions.[12]

Covered imports of CTL plate, one form of the broader steel product encompassing carbon and alloy flat-rolled steel, were subject to an increase in duties of 30 percent *ad valorem* in the first year of the measure, to be reduced to 24 percent in the second year, and to 18 percent in the third year. The increased duties were reduced from 30 percent to 24 percent on March 20, 2003. The President, however, terminated the U.S. measure with respect to increased tariffs in December 2003, following receipt of the Commission's mid-point monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, having determined that the effectiveness of the action taken had been impaired by changed circumstances.[13] Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.[14]

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[10] The Department of Commerce published regulations establishing such a system on December 31, 2002.

[11] Safeguard measures were not applied to imports from the following countries: Albania, Angola, Antigua and Barbuda, Argentina, Bahrain, Bangladesh, Barbados, Belize, Benin, Bolivia, Botswana, Bulgaria, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Chile, Colombia, Congo (Brazzaville), Congo (Kinshasa), Costa Rica, Cote d'Ivoire, Croatia, Czech Republic, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Fiji, Gabon, the Gambia, Georgia, Ghana, Grenada, Guatemala, Guinea, Guinea Bissau, Guyana, Haiti, Honduras, Hungary, Indonesia, Jamaica, Jordan, Kenya, Kyrgyzstan, Latvia, Lesotho, Lithuania, Macedonia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mongolia, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sierra Leone, Slovakia, Solomon Islands, South Africa, Sri Lanka, Suriname, Swaziland, Tanzania, Togo, Trinidad and Tobago, Tunisia, Uganda, Uruguay, Zambia, and Zimbabwe.

In addition, safeguard measures were applied to certain products, but not CTL plate, from the following countries: India; Moldova; Romania; Thailand; Turkey; and Venezuela.

[12] For example, X-70 plate, a form of plate covered by these reviews, was excluded from the safeguard measure in August 2002. *Exclusion of Particular Products From Actions Under Section 203 of the Trade Act of 1974 With Regard to Certain Steel Products; Conforming Changes and Technical Corrections to the Harmonized Tariff Schedule of the United States*, 67 FR 56182 (August 30, 2002).

[13] *See* Proclamation 7741 of December 4, 2003, 68 FR 68483 (December 8, 2003).

[14] Proclamation 7741 terminated the tariff-rate quota and the increased import duties on certain steel products, but directed the Secretary of Commerce to continue the monitoring system until the earlier of March 21, 2005, or such time as the Secretary establishes a replacement program. On March 11, 2005, the Department of Commerce

(continued...)

Commerce's Changed Circumstances Review

Commerce conducted one changed circumstances antidumping administrative review with respect to CTL plate from Japan. On March 3, 2003, Commerce published its final results in the *Federal Register*.[15] The antidumping duty order was revoked, in part, with respect to particular abrasion-resistant steel products[16] based on the fact that domestic parties expressed no interest in the continuation of the order with respect to these particular abrasion-resistant steel products.

Commerce's Implementation of Uruguay Round Agreements Act

Effective November 7, 2003, Commerce gave notice of implementation under section 129 of the Uruguay Round Agreements Act ("URAA") of countervailing measures concerning certain steel products from European communities.[17] Countervailing duty orders on certain cut-to-length carbon-quality steel plate from France were revoked in whole.[18] In addition, due to the implementation Commerce also adjusted the cash deposit rate for CTL plate from Italy's ILVA/ILT to 3.44 percent.[19]

Amended Final Determinations

On September 24, 2004, Commerce amended its final determination pursuant to final court decision and issued a partial revocation of the order on certain cut-to-length carbon-quality steel plate from France.[20] The countervailable subsidy rate for GTS during the period of review changed to 0.00 percent *ad valorem*. Consequently, the CVD order was revoked with regard to GTS, for all entries after July 26, 1999 (the date on which Commerce published its preliminary countervailing duty determination in *CTL Plate*) through November 7, 2003 (the effective date on which Commerce implemented its

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[14] (...continued)
published an interim final rule to implement a replacement program for the period beyond March 21, 2005, with modifications to be implemented on June 9, 2005.

[15] *Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Determination to Revoke the Order in Part: Certain Cut-to-Length Carbon-Quality Steel Plate from Japan,* 68 FR 9975 (March 3, 2003).

[16] Specifically, the order was revoked for NK-EH-360 (NK Everhard 360) and NK-EH-500 (NK Everhard 500).

- NK-EH-360 has the following specifications: (a) Physical Properties: Thickness ranging from 6–50 mm, Brinell Hardness: 361 min.; (b) Heat Treatment: controlled heat treatment; and (c) Chemical Composition (percent weight): C: 0.20 max., Si: 0.55 max., Mn: 1.60 max., P: 0.030 max., S: 0.030 max., Cr: 0.40 max., Ti: 0.005–0.020, B: 0.004 max.
- NK–EH–500 has the following specifications: (a) Physical Properties: Thickness ranging from 6–50 mm, Brinell Hardness: 477 min.; (b) Heat Treatment: Controlled heat treatment; and (c) Chemical Composition (percent weight): C: 0.35 max., Si: 0.55 max., Mn: 1.60 max., P: 0.030 max., S: 0.030 max., Cr: 0.80 max., Ti: 0.005–0.020, B: 0.004 max. Ibid.

[17] *Notice of Implementation Under Section 129 of the Uruguay Round Agreements Act; Countervailing Measures Concerning Certain Steel Products From the European Communities,* 68 FR 64858 (November 17, 2003).

[18] Ibid.

[19] Ibid.

[20] *Certain-Cut-to-Length Carbon-Quality Steel Plate from France: Notice of Amended Final Determination Pursuant to Final Court Decision and Partial Revocation of Order,* 69 FR 57266 (September 24, 2004).

Section 129 determination on *CTL Plate* (see discussion above in "Commerce's Implementation of Uruguay Round Agreements Act")).

On August 29, 2005, Commerce published its amended final determination pursuant to final court decision and partial revocation of the order on certain cut-to-length plate from Italy.[21] The countervailing duty rate for ILVA/ILT changed to 2.45 percent *ad valorem* entered or withdrawn from warehouse, for consumption, on or after April 16, 2004. The countervailing duty rate for ILVA/ILT changed to 3.44 percent *ad valorem* on all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption, on or after January 1, 2004, through April 15, 2004. The rate of 2.45 percent *ad valorem* applies to the same type of shipments indicated above on or after April 16, 2004 through December 31, 2004.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*
>
> > *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
> >
> > *(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
> >
> > *(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
> >
> > *(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..*
>
> *(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--*

[21] *Certain Cut-To-Length Plate from Italy: Notice of Amended Final Determination Pursuant to Final Court Decision and Partial Revocation of Order,* 70 FR 51013 (August 29, 2005).

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

Organization of the Report

Information obtained during the course of the reviews that relates to the above factors is presented throughout this report. A summary of data collected in the reviews is presented in appendix C. U.S. industry data are based on questionnaire responses of 13 U.S. mills that accounted for 98.4 percent

of domestic mill shipments[22] of CTL plate during 2004 and 11 processors. U.S. import data are based on official Commerce statistics and data submitted in response to Commission questionnaires.[23] Responses by U.S. producers, importers, and purchasers of CTL plate and producers of CTL plate in France and Italy to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation are presented in appendix D.

COMMERCE'S ADMINISTRATIVE REVIEWS

Commerce conducted one administrative review of the antidumping duty order on CTL plate from Korea. On May 12, 2004, Commerce issued final results and rescission in part of antidumping duty administrative review on CTL plate from Korea. Commerce's period of review was February 1, 2002 through January 31, 2004, and the results were published in the *Federal Register* on May 12, 2004.[24] Commerce determined that the margin for the period of review for Exporter/Manufacturer Dongkuk Steel Mill Co., Ltd. was 0.85 percent.

RESULTS OF COMMERCE'S EXPEDITED REVIEWS

On August 8, 2005, Commerce published the final results of its expedited reviews of the antidumping duty orders on certain cut-to-length carbon-quality steel plate from France, India, Indonesia, Italy, Japan, and Korea, determining that revocation of the orders would likely lead to continuation or recurrence of dumping at the rates listed below:[25]

Country/manufacturer/producer/exporter	Margin (*percent*)[26]
France:	
Usinor, S.A.	10.41
All others	10.41
India:	
Steel Authority of India, Ltd.	42.39
All others	42.39
Indonesia:	
PT Gunawan Dianjaya/PT Jaya Pari Steel Corporation	50.80
PT Krakatau	52.42
All others	50.80
Italy:	
Palini and Bertoli S.p.A.	7.85
All others	7.85

[22] Total U.S. mill shipments are based on data from American Iron and Steel Institute for domestic shipments.

[23] The Commission received essentially complete responses regarding U.S. imports of CTL plate from France, Italy, and Korea; partial responses with respect to CTL plate from Japan; and limited responses from smaller-volume subject countries.

[24] *Certain Cut-to-Length Steel Plate Products From the Republic of Korea: Final Results and Rescission in Part of Antidumping Duty Administrative Review*, 69 FR 26361 (May 12, 2004).

[25] *Certain Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and the Republic of Korea; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 70 FR 45655 (August 8, 2005).

[26] *Notice of Amendment of Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate from India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, and the Republic of Korea*, 65 FR 6587 (February 10, 2000).

Japan:	
Kawasaki Steel Corporation	10.78
Kobe Steel, Ltd.	59.12
Nippon Steel Corporation	59.12
NKK Corporation	59.12
Sumitomo Metal Industries, Ltd.	59.12
All others	10.7
Korea:	
Dongkuk Steel Mill Co., Ltd.	2.98
All others	2.98

On August 8, 2005, Commerce published the final results of its expedited reviews of the countervailing duty orders on subject CTL plate from Korea,[27] Indonesia,[28] India,[29] and Italy.[30] For each of these countries, Commerce found that revocation of the CVD orders would be likely to lead to continuation or recurrence of countervailable subsidies at the levels listed below:

Country/manufacturer/producer/exporter	Net countervailable subsidy (*percent*)
Korea:	
Dongkuk Steel Mill, Ltd.	2.36
All others	2.36
India:	
Steel Authority of India ("SAIL")	12.82
All others	12.82
Indonesia:	
P.T. Krakatau Steel	47.72
All others	15.90
Italy:	
ILVA S.p.A.	2.38
Palini & Bertoli	*de minimis*
All others	2.38

[27] Pohang Iron & Steel Co., Ltd. ("POSCO'') was excluded from the order on the basis of a *de minimis* net subsidy rate of 0.82 percent. *See Notice of Amended Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plated From India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-to-Length Carbon-Quality Steel Plate From France, India, Indonesia, Italy, and the Republic of Korea,* 65 FR 6587 (February 10, 2000), referenced by: *Final Results of Expedited Sunset Review of the Countervailing Duty Order: Certain Cut-to-Length Carbon-Quality Steel Plate from Korea,* 70 FR 45689 (August 8, 2005).

[28] *Certain Cut-to-Length Carbon-Quality Steel Plate from Indonesia: Final Results of the Expedited Sunset Review,* 70 FR 45692 (August 8, 2005).

[29] *Final Results of Expedited Sunset Review of the Countervailing Duty Order: Certain Cut-to-Length Carbon-Quality Steel Plate from India,* 70 FR 45691 (August 8, 2005).

[30] *Certain-Cut-to-Length Carbon-Quality Steel Plate from Italy: Final Results of Expedited Sunset Review,* 70 FR 45694 (August 8, 2005).

DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

Under the provisions of the Continued Dumping and Subsidy Offset Act of 2000 ("CDSOA," commonly known as the "Byrd Amendment") duties assessed pursuant to an antidumping or countervailing duty order, or antidumping finding, are distributed on an annual basis to "affected domestic firms."[31] In 2004, four U.S. CTL plate producers (ISG, Ipsco, Nucor, and U.S. Steel) and the USWA qualified for distribution of duties collected on imports of CTL plate from the subject countries. The distribution of such duties appears in table I-2.

Table I-2
CTL plate: CDSOA disbursements, federal fiscal years 2001-04

Country	Claimant	Amount disbursed (*dollars*)
2001		
Antidumping duty orders		
France	Bethlehem	26.67
	U.S. Steel	14.21
	Ipsco	6.30
	National Steel	0.34
	Geneva	7.04
	Subtotal	54.56
India	Bethlehem	89.17
	Geneva	23.53
	U.S. Steel	47.52
	Ipsco	21.07
	National	1.13
	Subtotal	182.42
Italy	Bethlehem	13,916.87
	Geneva	3,671.64
	Ipsco	3,287.63
	National	176.55
	U.S. Steel	7,417.04
	Subtotal	28,469.73

Continued on next page.

[31] Under the provisions of the CDSOA (19 U.S.C. 1675(c)), the term "affected domestic producer" refers to any producer or worker representative that (1) was a petitioner or interested party in support of the petition leading to imposition of an antidumping or countervailing duty order, or antidumping finding, and (2) remains in operation.

Table I-2--*Continued*
CTL plate: CDSOA disbursements, federal fiscal years 2001-04

Country	Claimant	Amount disbursed (*dollars*)
Japan	Bethlehem	5,101.00
	Geneva	1,345.78
	Ipsco	1,205.03
	U.S. Steel	2,718.59
	Subtotal	10,370.40
Korea	Bethlehem	173,517.27
	U.S. Steel	92,476.55
	Ipsco	40,990.56
	National	2,201.20
	Geneva	45,778.50
	Subtotal	354,964.10
2001		
Countervailing duty orders		
France	Bethlehem	259.81
	Geneva	68.54
	National	3.30
	U.S. Steel	138.47
	Ipsco	61.38
	Subtotal	531.50
India	Bethlehem	19.11
	Geneva	5.04
	National	0.24
	U.S. Steel	10.19
	Ipsco	4.52
	Subtotal	39.1
Korea	Bethlehem	26,491.00
	Geneva	6,989.03
	National	336.06
	U.S. Steel	14,118.46
	Ipsco	6,258.06
	Subtotal	54,192.61

Continued on next page.

Table I-2--*Continued*
CTL plate: CDSOA disbursements, federal fiscal years 2001-04

Country	Claimant	Amount disbursed (*dollars*)
2002		
Antidumping duty orders		
France	Bethlehem	326.64
	U.S. Steel	189.64
	Ipsco	70.85
	National Steel	2.70
	Subtotal	589.83
India	Bethlehem	1,198.56
	U.S. Steel	695.85
	Ipsco	259.99
	National	9.91
	Subtotal	2164.31
Indonesia	Bethlehem	10,533.28
	U.S. Steel	6,115.34
	National Steel	87.08
	USWA	6.86
	Subtotal	16,742.56
Japan	Bethlehem	5,275.95
	Ipsco	1,144.46
	U.S. Steel	3,063.08
	Subtotal	9,483.49
Korea	Bethlehem	64,956.80
	U.S. Steel	37,712.21
	Ipsco	14,088.51
	National	536.87
	USWA	42.28
	Subtotal	117,336.67

Continued on next page.

Table I-2--*Continued*
CTL plate: CDSOA disbursements, federal fiscal years 2001-04

Country	Claimant	Amount disbursed (*dollars*)
Countervailing duty orders		
India	Bethlehem	130.75
	National	1.08
	U.S. Steel	75.91
	Ipsco	28.36
	Subtotal	236.10
2003		
Antidumping duty orders		
France	ISG	12.23
	U.S. Steel	6.56
	Ipsco	2.25
	Subtotal	21.04
India	ISG	67.47
	U.S. Steel	36.17
	Ipsco	12.39
	Subtotal	116.03
Indonesia	ISG	504.81
	U.S. Steel	270.66
	Subtotal	775.47
Japan	USWA	240.15
	Ipsco	68,835.89
	U.S. Steel	193,592.49
	ISG	374,940.48
	Subtotal	637,609.01
Korea	ISG	141,388.90
	U.S. Steel	75,809.59
	Ipsco	25,956.13
	USWA	90.56
	Subtotal	243,245.18

Continued on next page.

Table I-2--*Continued*
CTL plate: CDSOA disbursements, federal fiscal years 2001-04

Country	Claimant	Amount disbursed (*dollars*)
Countervailing duty orders		
France	Ipsco	0.39
	ISG	2.13
	U.S. Steel	1.14
	Rouge Steel	2.45
	Subtotal	6.11
India	ISG	14.46
	U.S. Steel	7.75
	Ipsco	2.65
	Subtotal	24.86
Korea	ISG	470,330.90
	U.S. Steel	252,174.89
	Ipsco	86,347.91
	USWA	301.25
	Subtotal	809,154.95
2004		
Antidumping duty orders		
France	ISG	18,661.09
	U.S. Steel	8,410.83
	Ipsco	4,555.33
	Subtotal	31,627.25
India	ISG	204.85
	U.S. Steel	97.88
	Ipsco	53.01
	Nucor	3.13
	Subtotal	358.87
Indonesia	ISG	93.18
	U.S. Steel	30.80
	Nucor	0.98
	Subtotal	124.96

Continued on next page.

Table I-2--*Continued*
CTL plate: CDSOA disbursements, federal fiscal years 2001-04

Country	Claimant	Amount disbursed (*dollars*)
Korea	ISG	617,408.41
	U.S. Steel	278,306.32
	Ipsco	150,716.73
	Nucor	8,889.57
	USWA	424.66
	Subtotal	1,055,745.69
Japan	USWA	(15.49)
	Ipsco	(4,439.22)
	U.S. Steel	(12,484.76)
	ISG	(24,179.87)
	Subtotal	(41,119.34)
Countervailing duty orders		
France	Ipsco	1,802.02
	ISG	8,637.48
	U.S. Steel	3,327.20
	Subtotal	13,766.70
India	ISG	43.91
	U.S. Steel	20.98
	Ipsco	11.36
	Nucor	0.67
	Subtotal	76.92
Korea	ISG	1,044,903.02
	U.S. Steel	345,434.32
	Ipsco	187,067.26
	Nucor	11,033.75
	USWA	527.04
	Subtotal	1,588,965.39

Note: Negative disbursement amounts are the result of refunds to importers as a result of liquidations or court cases.

Source: Custom's *CDSOA Annual Reports* at http://www.customs.gov/xp/cgov/import/add_cvd/cont_dump/, retrieved October 6, 2005.

THE SUBJECT MERCHANDISE

Commerce's Scope

The products subject to the antidumping orders and countervailing duty orders under review, as defined by Commerce, are: (1) 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 nominal or actual thickness of not less than 4 mm, which are cut-to-length (not in coils) and without patterns in relief), of iron or non-alloy-quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils).

These steel products are of rectangular, square, circular or other shape and of rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process (i.e., products which have been "worked after rolling")--for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non-metallic substances are included within this scope.

Also, specifically included in the scope of these orders are high strength, low alloy ("HSLA") steels. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Steel products to be included in this scope, regardless of Harmonized Tariff Schedule of the United States ("HTS") definitions, are products in which: (1) iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated:

1.80 percent of manganese, or	1.25 percent of nickel, or
1.50 percent of silicon, or	0.30 percent of tungsten, or
1.00 percent of copper, or	0.10 percent of molybdenum, or
0.50 percent of aluminum, or	0.10 percent of niobium, or
1.25 percent of chromium, or	0.41 percent of titanium, or
0.30 percent of cobalt, or	0.15 percent of vanadium, or
0.40 percent of lead, or	0.15 percent zirconium.

All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are included in this definition unless otherwise specifically excluded.[32]

Tariff Treatment

The subject merchandise is imported under the following HTS statistical reporting numbers: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000,

[32] The following products are specifically excluded from these orders: (1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion-resistant steels (i.e., USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.

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, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000. Imports of cut-to-length carbon-quality steel plate may also include goods in HTS subheadings 7207.12 and 7207.20 (certain hot-rolled slabs (e.g., "profile slabs") meeting the written physical description on the previous page) and 7211.19 (certain thin-gauge material with a nominal thickness of 4.75 mm or more but an actual thickness of less than 4.75 mm). General U.S. tariffs on CTL plate, applicable to U.S. imports that are products of the subject countries and classified under these headings, ranged from 1.2 to 3.2 percent *ad valorem* at the time of the original investigations. As of January 1, 2004, these tariffs were eliminated and now the general duty rate is "Free."

Physical Characteristics and Uses

Steel is generally defined as a combination of carbon and iron that is usefully malleable as first cast, and in which iron predominates, by weight, over each of the other contained elements and the carbon content is two percent or less, by weight.[33] The definition of non-alloy steel adopted in the scope of these reviews includes all steel grades considered non-alloy steel by the steel industry. Certain HSLA steel grades, considered alloy steel using the definition in the HTS, are also included.

Plate is used for welded load-bearing and structural applications, such as bridgework; machine parts (e.g., the body of the machine or its frame); transmission towers and light poles; buildings; 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. End users concerned about "coil set memory" (such as those that burn out parts from plate) may prefer plate from a reversing mill (described below), since the edges of plate cut from coils may curl on heating.

Manufacturing Processes

The manufacturing processes for CTL plate, are summarized below. In general, there are three distinct stages that include: (1) melting or refining steel, (2) casting steel into semi-finished forms, and (3) hot rolling semi-finished forms into flat-rolled hot-rolled steel mill products.

Melt Stage

Steel is produced by either the integrated or the non-integrated process.[34] In the non-integrated process, which is primarily scrap-based, molten steel is produced by melting scrap and primary iron products such as pig iron or direct-reduced iron[35] in an electric arc furnace. In the integrated process, iron ore is smelted in a blast furnace with coke to produce molten iron, which is subsequently poured into

[33] *Harmonized Tariff Schedule of the United States* (2005), Chapter 72, note 1 (d), Steel: Ferrous materials other than those of heading 7203 which (with the exception of certain types produced in the form of castings) are usefully malleable and which contain by weight 2 percent or less of carbon. However, chromium steels may contain higher proportions of carbon.

[34] U.S. Steel, The Making, Shaping, and Treating of Steel (William T. Lankford, Jr. et al., eds., 1985), p. 24. and International Iron and Steel Institute, "About Steel," found at http://www.worldsteel.org, retrieved August 30, 2005.

[35] Cold pig iron and direct-reduced iron, which includes hot-briquetted iron and iron carbide, are sometimes called scrap substitutes because they can be used as replacements for scrap in an electric arc furnace that could otherwise use a charge consisting only of scrap as its source of iron. Reasons for using scrap substitutes may include the nonavailability of scrap in sufficient quantity, or the relative prices of scrap and scrap substitutes, as well as technical reasons related to the freedom from residual metallic elements in scrap substitutes.

a steelmaking furnace, generally a basic oxygen furnace, together with a small amount of scrap metal. The molten metal is processed into steel by blowing oxygen into the metal bath.

Whether produced by the integrated or non-integrated process, molten steel is poured or "tapped" from the furnace into a ladle to be transported to a ladle metallurgy station (an optional step) and then to casting. It is common for steelmakers to utilize a secondary steelmaking stage (the ladle metallurgy station) to refine the product further into extra-clean or low-carbon steels satisfying stringent surface or internal requirements or microcleanliness quality and mechanical properties.[36] Steelmakers may adjust the chemical content by adding alloying elements or by lowering the carbon content (decarburization), or adjust the temperature of the steel for optimum casting. The essential characteristics of the steel are established prior to the casting stage.

Slab Casting Stage

Following the production of molten steel with the desired properties, the steel is cast into a form that can enter the rolling process. Two principal methods of casting are used, ingot teeming and continuous casting, but continuous slab casting is the preferred, lower-cost method and is normally used to produce plates up to approximately 101.6 mm (4 inches) in thickness. Ingots are used to produce thicker plates, since continuous cast slabs of sufficient thickness are not available.[37]

Rolling Stage

Most CTL plate is hot-rolled on a reversing plate mill (also called a sheared plate mill) consisting of one or two reversing hot-rolling mill stands and associated equipment. If there are two stands, the first is called the roughing mill and the second is called the finishing mill. The roughing mill in a two-stand mill or the single stand is equipped with special tables in front of and behind the mill to rotate the plate one-quarter turn between rolling passes in order to allow cross-rolling, increasing the width rather the length of the plate as the thickness is reduced. After the desired finished width is reached, the plate is again rotated one-quarter turn and rolled straightaway to finished thickness.[38]

Some reversing plate mills are equipped on each side of the finishing mill with coilers that operate inside small heating furnaces, keeping the steel hot and allowing the production of much longer

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[36] The goals of secondary steelmaking include controlling gases (e.g., decreasing the concentration of oxygen, hydrogen, and nitrogen, called degassing), reducing sulfur, removing undesirable nonmetallic inclusions such as oxides and sulfides, changing the composition and/or shape of oxides and sulfides that cannot be completely removed, and improving the mechanical properties of the finished steel. U.S. Steel, *The Making, Shaping, and Treating of Steel* (William T. Lankford, Jr. *et al.,* eds., 1985), p. 671.

[37] Plate of a thickness that requires the use of ingots in the manufacturing process is a relatively small part of the plate market. *See* Table IV-5.

[38] Controlled rolling and accelerated cooling are alternative ways to achieve a combination of high strength and high toughness. Controlled rolling involves a substantial amount of hot work at near the recrystallization temperature. A slab might be partially hot rolled, then held until it reached a specific temperature, and then finish rolled. This practice could also involve a second hold for a controlled finishing temperature. Accelerated cooling involves rolling without interruption, then cooling the plate rapidly with water sprays to a specific temperature. Controlled rolling involves holding steel on the tables of the plate mill, and therefore results in lower productivity. Accelerated cooling should not result in the same penalty in productivity, but does require additional equipment. Typical products for which controlled rolling is used include ASTM A656 Grade 80 (HSLA structural steel with improved formability for truck frames, brackets, crane booms, rail cars, and similar applications), ASTM A572 Grades 60 and 65 (HSLA structural steel for bridges, buildings, and other structures where notch-toughness is a requirement), and API X-60, X-65, and X-70.

or thinner plates. Such mills are called "Steckel mills." Plate can be rolled on a Steckel mill without using the heated coilers, in which case the mill operates like a conventional reversing plate mill. Because they have the capability to produce long pieces, Steckel mills are equipped with coilers to produce coiled plate as well as in-line shearing facilities to produce discrete plate. Plate cut from hot-rolled coils is processed on a separate processing line where it is uncoiled, flattened, and cut to length.

Plate also may be rolled on a continuous hot-strip mill. Such a mill has either a reversing rougher or a number (four or five) of non-reversing roughing mills followed by a finishing section comprised of a series of mill stands, usually six, spaced close together so that a plate is rolled continuously in a single pass in one direction. The finished plate is coiled, discharged from the mill, allowed to cool, then uncoiled, flattened, and cut to length on a separate processing line. Hot-strip mills produce mostly hot-rolled sheet, that is, product less than 4.75 mm thick (0.187 inch), and are usually limited to product no wider than 1,829 mm (72 inches). However, for plate product up to 1,829 mm wide (72 inches) and between 4.75 mm (0.187 inch) and 12.7 mm (0.5 inch) in thickness, hot-strip mill rolling followed by cutting to length is normally the most economical method of production.[39]

Because of its capability to cross roll, a sheared plate mill is somewhat flexible with regard to the slab width used to produce a given plate width. A Steckel mill or continuous hot-strip mill must have a slab slightly wider than the width of the plate to be produced and has the advantage of being able to roll longer, heavier slabs than could be used on a sheared plate mill.

Reversing and Steckel mills can produce wider and thicker plate than a hot strip mill. Plate produced on reversing mills ranges from 4.75 to 508 mm (0.187 to 20 inches) in thickness and from 1,201 to 3,912 mm (48 to 154 inches) in width, while plate produced on a Steckel mill typically ranges from 4.75 to 19.1 mm (0.187 to 0.750 inch) in thickness and 1,219 to 2,438 mm (48 to 120 inches) in width.

Most CTL plate is smooth on both sides, since by definition the product excludes plate with patterns in relief if produced on a universal mill.[40] "Patterns in relief" are used primarily in floor plate, which has a non-skid pattern of raised figures at regular intervals on one surface of the plate. Floor plate, however, can be produced on other mills, with patterns in relief derived directly from rolling. Such plate is produced primarily by continuous hot-strip mills by placing an embossed roll in the final stand of the continuous mill. It can also be produced on a Steckel mill by holding the hot plate on one of the Steckel furnaces at the mill after completing all but the final rolling pass. One roll is then changed, and the final rolling pass completed. Using this method, the roll would be changed again to roll the next plate.

Channels of Distribution

Steel service centers traditionally have served as distributors of plate. Some service centers also perform a wide range of value-added processing of many steel products, such as uncoiling, flattening, and cutting plate products to length or flame cutting plate into non-rectangular shapes. Service centers that process coiled plate into cut lengths or non-rectangular shapes may purchase the coiled plate from U.S. or foreign mills. The process of producing cut-to-length plate from coiled plate is the same whether

[39] There are facilities that have both a reversing plate mill and a continuous hot-strip mill at a single steel facility. The reversing plate mills are separated from hot-strip mills and employ different production workers. For example, the reversing mills at the former Bethlehem/Lukens (Burns Harbor, IN), and the former U.S. Steel (Gary, IN) facilities (now owned by Mittal Steel) are separate from the hot-strip mills at the same locations.

[40] A universal mill is a mill capable of simultaneously rolling between both horizontal and vertical rolls. Universal mill plate is defined in HTSUS Chapter 72 Additional U.S. Note 1(b) as follows: 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 thickness of not less than 4 mm, not in coils and without patterns in relief.

performed at the steel company or by a service center. The Commission considered service centers to be part of the domestic CTL plate industry during the original investigations.[41]

DOMESTIC LIKE PRODUCT ISSUES

In the original investigations, the Commission determined that there was one domestic like product consisting of all domestically produced CTL plate that corresponds to the scope description, including grade X-70 plate.[42] Grade X-70 plate is used to produce large diameter welded line pipe conforming to API Specification 5L, Grade X-70, for oil or gas transmission lines. In the original investigations, the French producers argued that grade X-70 plate should be considered a separate like product. In the responses to the Commission's notice of institution for the current reviews, both the domestic interested parties and GTS Industries of France agree with the definition of the domestic like product contained in the Commission's notice of institution[43] for these reviews.[44]

U.S. MARKET PARTICIPANTS

U.S. Producers

During the original investigations, 29 firms, representing 86 percent of production of CTL plate in the United States, provided data on their operations. In the current reviews, the Commission mailed questionnaires to 14 integrated and non-integrated mills and 41 service centers believed to have cut-to-length processing lines. The Commission has received questionnaire responses from 11 active mills and historical data from two closed mills, representing in total 98.4 percent of U.S. mill shipments[45] of CTL plate in the United States. In addition, 11 service centers provided the Commission with data on their

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[41] "We include all producers of CTL plate in the domestic industry, whether toll producers, integrated producers, or processors." *Certain Cut-to-Length Steel Plate From France, India, Indonesia, Italy, Japan, and Korea*, *Invs. Nos. 701-TA-387-391 (Final) and 731-TA-816-821 (Final)*, USITC Publication 3273, January 2000, p. 10. The Commission had reached a similar conclusion in the previous investigation involving CTL plate as well. *See Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, Invs. Nos. 731-TA-753-756, USITC Publication 3076, December 1997, p. 12. The Commission also included processors in its two previous reviews of outstanding orders on CTL plate. *See Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom*, Invs. Nos. AA1921-197; 701-TA-231, 319-320, 322, 325-328, 340, 342 and 348-350; and 731-TA-573-576, 578, 582-587, 604, 607-608, 612 and 614-618 (Review), USITC Publication 3364, November 2000, pp. 8-9; *and Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, Investigations Nos. 731-TA-753-756 (Review), USITC Publication 3626, September 2003, pp. 9-10.

[42] Previous investigations of CTL plate did not include X-70 plate. *See, e.g., Certain Flat-Rolled Carbon Steel Products from Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom*, Invs. Nos. 701-TA-319-322, 334, 336-342, 344, and 347-353 and 731-TA-573-579, 581-592, 594-597, 599-609 and 612-619 (Final), USITC Publication 2664, August 1993, p. I-3. *See also Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, Invs. Nos. 731-TA-753-756, USITC Publication 3076, December 1997, p. I-3.

[43] *Cut-to-Length Carbon Steel Plate From France, India, Indonesia, Italy, Japan, and Korea*, 70 FR 110 (January 3, 2005).

[44] Domestic interested parties' (Nucor Corp., International Steel Group, Inc., IPSCO Inc., and Oregon Steel Mills, Inc.) response to the notice of institution, February 22, 2005, p. 32; French respondent interested party's (GTS Industries) response to the notice of institution, February 23, 2005, p. 13.

[45] Total U.S. production coverage is based on a comparison of reported U.S. mill production and AISI shipment data.

CTL plate operations.[46] Four firms, representing *** percent of reported 2004 production, have filed notices of appearances in these reviews. Ten firms, representing *** percent of reported 2004 production, support the continuation of the orders; five firms, representing the remaining *** percent of production, *** on the orders; and one firm *** but opposes all other orders.

Two U.S. firms are related to firms from subject countries. *** is related to *** from Japan. *** has a ***-percent stake in ***. *** is owned by *** from India. One firm, ***, is owned by a firm from a nonsubject county, *** from Germany.

U.S. production of CTL plate occurs throughout the country. The West had experienced a decline in its share of production with the closure of Geneva in Vineyard, Utah. Details regarding each firm's production location, share of production, parent company, and position on the orders are presented in tables I-3a and I-3b.

Table I-3a
CTL plate: U.S. mills, locations, share of 2004 production, parent company, and position on the orders

Firm	Mill locations	Share of production (percent)	Parent company	Position on the orders
CSI	Fontana, CA	***	***% JFE ***% Rio Doce LTD	***
Citisteel	Claymont, DE	***	***% HIG Capital	***
Gerdau Ameristeel	Cartersville, GA Jackson, TN Wilton, IA Calvert City, KY	***	***% Gerdau, S.A.	***
Geneva	Vineyard, UT	***	([1])	([1])
Gulf States	Gadsden, AL	***	([1])	([1])
IPSCO Enterprises, Inc.	Montpelier, IA Axis, AL St. Paul, MN Houston, TX	***	***% IPSCO, Inc.	***
Jindal United Steel Corp.	Baytown, TX	***	***% Jindal Group	([2])
LeTourneau	Longview, TX	***	***% Rowan Companies, Inc.	***
Mittal Steel USA ISG Inc.	Burns Harbor, IN Coatsville, PA Conshohocken, PA	***	A division of Mittal Steel Company, NV	***
Nucor Steel	Cofield, NC Tuscaloosa, AL	***	***%, a division of Nucor Corporation	***
Oregon Steel Mills	Portland, OR	***	None	***
U.S. Steel	Gary, IN	***	None	***
WCI Steel, Inc.	Warren, OH	***	***% Renco Steel Holdings, Inc.	***

[1] Geneva closed in December 2001 and Gulf States closed in August 2000.
[2] Information not supplied.
[3] Less than 0.05 percent.

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

[46] Twenty firms reported that they do not produce CTL plate.

Table I-3b
CTL plate: U.S. service centers, locations, share of 2004 production, parent company, and position on the orders

Firm	Mill locations	Share of production (percent)	Parent company	Position on the orders
American Steel	Portland, OR	***	***% Reliance Steel	***
Cargill Steel Service Centers	Houston, TX Memphis, TN Catoosa, OK Panama City, FL East Chicago, IN Nashville, TN	***	A division of Cargill Inc.	***
Feralloy	Chicago, Il Portage, IN	***	***% TUI-AG	***
Friedman	Lone Star, TX AR Morel, AR	***	None	***
Ghent	Ghent, KY	***	***% Gallatin Steel Company	***
IPSCO Enterprises, Inc.	St. Paul, MN Houston, TX	***	***% IPSCO, Inc.	***
Macsteel	Torrance, CA Fontana, CA	***	Macsteel International	***
Olympic	([2])	***	None	***
PDM	Fresno, CA	***	***% Reliance Steel & Aluminum	***
Primary Steel	Chicago, IL Middletown, CT	***	([2])	([2])
Robinson Steel	East Chicago, IN Granite City, IL	***	None	***

[1] ***
[2] Information not supplied.

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

U.S. Importers

In the original investigations, the Commission sent importer questionnaires to all U.S. producers as well as 58 firms believed to have imported CTL plate between January 1996 and June 1999. The Commission identified 53 firms that imported CTL plate during this time period. For these reviews, the Commission sent importers' questionnaires to all U.S. mills; all U.S. services centers believed to have cut-to-length processing lines; all U.S. firms believed to have imported CTL plate during previous investigations; and firms identified by *** as importers of record for CTL plate between January 1999 and March 2005. In response to the Commission's importers' questionnaires, 21 firms supplied usable data and 106 firms indicated that they had not imported the product since 1999. Several firms reported small amount of imports of the subject product but did not complete the questionnaires. The imports for these firms typically occurred in one year and were not substantial. Table I-4 presents a summary of information regarding U.S. imports of CTL plate.

Table I-4
CTL plate: U.S. importers, source of imports, U.S. headquarters, and parent company

* * * * * * *

Several U.S. importers are affiliated with manufacturers/exporters of CTL plate produced outside the United States. Five importers are related to foreign CTL plate producers. *** is a wholly owned subsidiary of *** which is, in turn, a wholly owned subsidiary of ***. *** is a wholly owned subsidiary of *** which is *** owned by ***. *** also owns ***, both of which import into the United States or export to the United States CTL plate from subject and nonsubject countries. *** is a wholly owned subsidiary of ***. *** is owned by ***. *** is related to ***.

*** is also related to ***, an importer that brings in non-subject country CTL plate to the United States as well as *** which exports the same to the United States.

In addition to ***, importers that are related to firms that export CTL plate from subject countries include: ***, which is related to *** and ***; ***, which is a subsidiary of ***; and ***, which is a subsidiary of ***. In additions, *** is related to ***.

U.S. Purchasers

In response to Commission purchaser questionnaires, 22 purchasers supplied usable data, and 7 reported that they had not purchased CTL plate during the period for which data were collected. Table I-5 presents a summary of information regarding these U.S. purchasers of CTL plate.

Table I-5
CTL plate: U.S. purchasers, headquarters, source of purchases, type of firm, and end products produced using CTL plate

Company	Headquarters	Source of purchases	Type of firm	End products produced with CTL plate
American Alloy Steel	Houston, TX	***	Distributor (to fabricators)	N/A
American Steel LLC	Portland, OR	***	Distributor (for warehouse stock and transportation)	N/A
Berg Steel Pipe Corp.	Panama City, FL	***	End user	***
Caterpillar, Inc.	Peoria, IL	***	End user	• Tractor parts
Central Steel & Wire Co.	Chicago, IL	***	Distributor (for agriculture and construction heavy equipment)	N/A
Corus International America Houston	Sugarland, TX	***	Distributor (to oil and gas fabricators, ship builders, tank manufacturers, and flame cutters)	N/A

Table continued on next page.

Table I-5--*continued*
CTL plate: U.S. purchasers, headquarters, source of purchases, type of firm, and end products produced using CTL plate

Company	Headquarters	Source of purchases	Type of firm	End products produced with CTL plate
DuBose Steel Inc. of NC	Roseboro, NC	***	Distributor/Steel Service Center (to structural fabricators and manufacturers)	N/A
Jeffboat LLC	Jeffersonville, IN	***	End user	• Barges
Kenilworth Steel Co.	Warren, OH	***	Distributor (to OEMs, general fabricators, and other carbon steel distributors)	N/A
Kiewit Offshore Services, Ltd.	Ingleside, TX	***	End user	• Offshore platforms • Bridge components
Metals USA	Enid, OK	***	Distributor (for shipbuilding, marine, and oil and gas)	N/A
Morse Steel Service	Bellingham, WA	***	Distributor (for construction and manufacturing)	N/A
Nance Steel	Southfield, MI	***	Distributor	N/A
O'Neal Steel	Birmingham, AL	***	Distributor (for transportation, heavy industry, railcar, and general fabrication)	N/A
Pacific Steel & Recycling	Great Falls, MT	***	Distributor	N/A
Panama Machinery	Everett, WA	***	Distributor (to fabricators)	N/A
Pioneer Steel Corp.	Detroit, MI	***	Distributor/Steel Service Center (for automotive, general manufacturing, and construction)	N/A
Ryerson Tull, Inc.	Chicago, IL	***	Distributor (to construction and agricultural equipment manufacturers)	N/A
Synergy Steel	Troy, MI	***	Distributor (to tool and die makers and injection mold makers)	• Steel plate burnouts
Temtco Steel	Louisville, MS	***	Distributor (to manufacturers)	• A512 plate
Thomas & Betts Corp.	Memphis, TN	***	End user	• Steel tubular structures for transmission market
Valmont Industries, Inc.	Valley, NE	***	End user	• Base plates • Small parts • Poles

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

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table I-6 presents U.S. shipments, imports, and apparent U.S. consumption of CTL plate for the period for which data were collected in these reviews. Table I-7 presents total U.S. consumption and market shares. Domestic shipment data presented in these tables are compiled from responses to Commission questionnaires, while import data are derived from official Commerce statistics for CTL plate, as adjusted by questionnaire responses to include imports of micro-alloy steel products, TIB imports, and FTZ entries, to the extent that the latter two forms of imports were not subsequently exported.[47]

Table I-6
CTL plate: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 1999-2004, January-June 2004, and January-June 2005

	Calendar year						January-June	
Item	1999	2000	2001	2002	2003	2004	2004	2005
	Quantity (*short tons*)							
U.S. producers' shipments	6,634,287	6,480,056	6,261,341	6,600,006	6,507,875	7,028,510	3,497,561	3,626,970
U.S. imports from--								
France	***	***	***	***	***	***	***	***
India	6,462	1,485	1,262	20	0	1,585	210	1,722
Indonesia	39,553	0	123	0	0	627	0	2,498
Italy	11,396	2,369	1,130	278	666	29,130	9,214	7,781
Japan	***	***	***	***	***	***	***	***
Korea (excluding POSCO)	***	***	***	***	***	***	***	***
All subject countries	450,990	174,196	158,311	112,443	21,017	82,011	17,813	74,814
Korea (POSCO)	***	***	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***	***	***
All countries	1,049,344	871,136	1,135,502	792,166	479,851	730,918	311,296	401,928
Total U.S. consumption	7,683,631	7,351,192	7,396,843	7,392,172	6,987,726	7,759,428	3,808,857	4,028,898

Table continued on next page.

[47] As discussed in greater detail in Part IV, TIB imports and FTZ entries that are subsequently exported are not included in these data. For a presentation of import data that include such exports to NAFTA countries, see table C-1B.

Table I-6--*Continued*
CTL plate: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 1999-2004, January-June 2004, and January-June 2005

	Calendar year						January-June	
Item	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2004**	**2005**
	Value (*$1,000*)							
U.S. producers' shipments	2,474,901	2,440,460	2,215,708	2,345,160	2,377,420	4,456,089	1,889,449	2,725,315
U.S. imports from--								
France	***	***	***	***	***	***	***	***
India	2,057	498	377	12	0	1,731	186	1,837
Indonesia	10,761	0	34	0	0	457	0	1,714
Italy	4,319	1,509	1,427	850	1,164	19,279	4,836	7,120
Japan	***	***	***	***	***	***	***	***
Korea (excluding POSCO)	***	***	***	***	***	***	***	***
All subject countries	172,359	58,092	52,418	41,604	18,634	61,810	13,400	57,842
Korea (POSCO)	***	***	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***	***	***
All countries	428,183	338,111	435,948	322,837	218,133	451,051	162,464	311,530
Total U.S. consumption	2,903,084	2,778,571	2,651,656	2,667,997	2,595,553	4,907,140	2,051,913	3,036,845

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

Table I-7
CTL plate: U.S. consumption and market shares, 1999-2004, January-June 2004, and January-June 2005

Item	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
					Quantity (*short tons*)			
U.S. consumption	7,683,631	7,351,192	7,396,843	7,392,172	6,987,726	7,759,428	3,808,857	4,028,898
					Value (*1,000 dollars*)			
U.S. consumption	2,903,084	2,778,571	2,651,656	2,667,997	2,595,553	4,907,140	2,051,913	3,036,845
					Share of quantity (*percent*)			
U.S. producers' U.S. shipments	86.3	88.2	84.6	89.3	93.1	90.6	91.8	90.0
U.S. imports from--								
France	***	***	***	***	***	***	***	***
India	0.1	([1])	([1])	([1])	0.0	([1])	([1])	([1])
Indonesia	0.5	0.0	([1])	0.0	0.0	([1])	0.0	0.1
Italy	0.1	([1])	([1])	([1])	([1])	0.4	0.2	0.2
Japan	***	***	***	***	***	***	***	***
Korea (excluding POSCO)	***	***	***	***	***	***	***	***
All subject countries	5.9	2.4	2.1	1.5	0.3	1.1	0.5	1.9
Korea (POSCO)	***	***	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***	***	***
All countries	13.7	11.9	15.4	10.7	6.9	9.4	8.2	10.0

Continued on next page.

Table I–7*Continued*
CTL plate: U.S. consumption and market shares, 1999-2004, January-June 2004, and January-June 2005

Item	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
	Share of value (*percent*)							
U.S. producers' U.S. shipments	85.3	87.8	83.6	87.9	91.6	90.8	92.1	89.7
U.S. imports from--								
France	***	***	***	***	***	***	***	***
India	0.1	([1])	([1])	([1])	0.0	([1])	([1])	0.1
Indonesia	0.4	0.0	([1])	0.0	0.0	0.0	0.0	0.1
Italy	0.1	0.1	0.1	([1])	([1])	0.4	0.2	0.2
Japan	***	***	***	***	***	***	***	***
Korea (excluding POSCO)	***	***	***	***	***	***	***	***
All subject countries	5.9	2.1	2.0	1.6	0.7	1.3	0.7	1.9
Korea (POSCO)	***	***	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***	***	***
All countries	14.7	12.2	16.4	12.1	8.4	9.2	7.9	10.3

[1] Less than 0.5 percent.

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

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

U.S. MARKET SEGMENTS

CTL plate is produced from carbon and micro-alloy steel slabs. As discussed in part I, slabs are formed from molten steel, then typically passed through a reversing plate mill, which increases the width and reduces the thickness. Alternatively, the slab may be processed into coiled plate[1] on a hot strip mill or a combination mill and processed through a separate shear line. The plate is finished to the customer's specified thickness, width, and length.[2]

Commodity-grade CTL plate is used in a variety of applications, such as the manufacture of storage tanks, heavy machinery and machinery parts, ships and barges, agriculture and construction equipment, and general load-bearing structures. Non-commodity CTL plate has superior strength and performance characteristics as compared with commodity CTL plate and typically is made to order for customers seeking specific properties, such as improved malleability, hardness or abrasion resistance, impact resistance or toughness, higher strength, and ease in machining and welding. These particular properties are achieved by chemically refining the steel by increasing or decreasing specific elements, and by accurate temperature control while hot rolling or heat treating the plate. Non-commodity CTL plate is used to manufacture railroad cars, line pipes, mobile equipment, highway and railway bridges, pressure vessels, military armor, and machinery components.

U.S. CHANNELS OF DISTRIBUTION

U.S. producers and importers ship CTL plate to end users, as well as to distributors and service centers (see table II-1). U.S. producers shipped slightly more than one-half of their CTL plate to distributors, while importers shipped well over one-half of their CTL plate to distributors, between 1999 and 2004.

U.S. producers and importers, as a whole, reported nationwide sales, although most individual firms reported that their sales were concentrated in particular regions. Generally, producers reported serving primarily the Midwest as well as the national market, and importers reported primarily serving the Midwest, Central Southwest, and Pacific Coast regions. Three importers reported serving the national market (see table II-2).[3]

*** reported some CTL plate sales using the Internet, generally 5 percent of sales or less. None of the 23 purchasers reported buying CTL plate over the Internet.

[1] Coiled plate is also used as the feedstock for the manufacture of welded pipe.

[2] Service centers generally purchase coiled plate from U.S. or foreign mills to produce CTL plate.

[3] Importers of the subject product generally served the national market, but *** served only the Pacific Coast region.

Table II-1
CTL plate: Channels of distribution for domestic product and imports[1] sold in the U.S. market (as a percent of total) by year and by source, 1999-2004[2]

Item	1999	2000	2001	2002	2003	2004
	Share of quantity (*percent*)					
Domestic industry:						
Shipments to distributors/service centers	53.6	55.0	50.0	48.8	46.1	48.0
Shipments to end users	46.4	45.0	50.0	51.2	53.9	52.0
Imports from France:						
Shipments to distributors/service centers	***	***	***	***	***	***
Shipments to end users	***	***	***	***	***	***
Imports from Japan:						
Shipments to distributors/service centers	***	***	***	***	***	***
Shipments to end users	***	***	***	***	***	***
Imports from Korea:						
Shipments to distributors/service centers	***	***	***	***	***	***
Shipments to end users	***	***	***	***	***	***
Nonsubject imports:						
Shipments to distributors/service centers	49.9	78.5	30.5	43.1	49.4	55.9
Shipments to end users	50.1	21.5	69.5	56.9	50.6	44.1

[1] No data were reported for imports from India. Limited data were reported for imports from Indonesia and Italy; in years where such data were reported, the share was *** percent to distributors.

[2] In the original investigations, U.S. mills shipped 56.4 percent of their CTL plate to distributors and service centers, and U.S. processors shipped 71.8 percent of their CTL plate to end users. U.S. importers shipped the vast majority of their CTL plate from France (81.5 percent), India (94.6 percent), Indonesia (68.3 percent), Japan (85.9 percent), and Korea (79.1 percent) to distributors and service centers. However, the majority of imports from Italy (79.4 percent) was shipped to end users. In addition, Staff notes that data for CTL plate from France appear to exclude ***, since *** percent of reported imports of CTL plate from France in 1998 was X-70 plate, a product that was sold only to end users.

Source: Compiled from data submitted in response to Commission questionnaires and *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea*, Inv. Nos. 701-TA-387-391 and 731-TA-816-821, USITC Publication No. 3273 (January 2000) (Final) original report at table II-4 and *Certain Cut-to-Length Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia,* Inv. Nos. 701-TA-387-392 and 731-TA-815-822 (Preliminary), USITC 3181, April 1999.

Table II-2
CTL plate: Geographic market areas in the United States served by domestic producers and importers of subject product[1]

Region	Producers	Importers[2]
Contiguous United States	7	3
Northeast	1	4
Midwest	5	7
Central Southwest	1	6
Southeast	3	4
Mountains	2	1
Pacific Coast	2	9

[1] In the original investigations, domestic producers as a whole generally served the national market, and importers reported serving primarily the Gulf Coast, the Great Lakes, the East Coast, and the West Coast.
[2] ***.

Note.–Fourteen producers and 15 importers responded to this question. Firms were not limited to the number of market areas that they could report.

Source: Compiled from data submitted in response to Commission questionnaires and *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea*, Inv. Nos. 701-TA-387-391 and 731-TA-816-821, USITC Publication No. 3273 (January 2000) (Final).

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

One producer and three importers reported that the U.S. safeguard measure on steel, which included increased duties on CTL plate from March 2002 until December 2003, as well as separate antidumping actions on CTL plate, affected the availability of CTL plate. Other producers and importers reported that plant closures, new plants, increased raw material, energy, and transportation costs, increased plate production in China, and the war in Iraq have affected supply since 1999. Ten of the 13 responding producers[4] and 13 of the 16 responding importers reported they do not anticipate any change in the availability of U.S.-produced CTL plate in the U.S. market in the future. Three producers reported that they expect increased availability in the U.S. market because of new manufacturing facilities and increased capacity at existing mills. *** reported that it expects an increase in availability, but *** reported that it expects a decrease in availability because of tight U.S. supply and higher prices in export markets.

Purchasers were asked if there have been changes in any factors that affected the availability of CTL plate in the U.S. market since 1999. Seventeen of the 23 responding purchasers reported that there

[4] Although *** reported that it expects no change in availability, it added that there have been changes in capacity through mill closures and minimill additions. This producer concluded that the domestic industry is fully capable of meeting demand in the United States, even if imports decrease further.

had been changes, such as shortages of raw materials, mill consolidations and bankruptcies, increased freight costs, U.S. military involvement in Iraq, and increased demand for CTL plate in China, which limited availability of foreign product. Purchasers also were asked if any suppliers refused, declined, or were unable to supply CTL plate since 1999. Seventeen of the 23 responding purchasers reported that there had been problems with supply, with most reporting that domestic mills had placed them on allocation, or controlled order entry, from late 2003 or early 2004 to early-to-mid 2005. Other purchasers reported that they received partial or late deliveries or that their orders were not accepted. *** reported that there was limited availability of heat-treated material due to U.S. involvement in Iraq.

Five of the 13 responding producers and 5 of the 16 responding importers reported having refused, declined, or been unable to supply CTL plate since 1999.[5] *** reported that they placed customers on a controlled order intake program in 2004 and *** reported that it concentrated its sales to regional customers. *** reported closing its order book to customers in 2004 because lead times extended to 20 weeks or more. Importers reported a lack of supply from both U.S. and foreign producers.

Producers and importers reported that, generally, there have been no significant changes in the product range, product mix, or marketing of CTL plate since 1999. However, *** reported that it developed sales to the structural tubing market and *** reported that consolidation in the U.S. and EU markets has affected marketing. Three importers reported anticipating changes in the future, including more heat-treatment capacity and increased use of the Internet for sales and marketing.

Based on available information, U.S. producers are likely to respond to changes in demand with small to moderate changes in the quantity of shipments of U.S.-produced product to the U.S. market. The main contributing factors to the small to moderate degree of responsiveness of supply are the availability of unused capacity, few export shipments, low levels of inventories, and some production alternatives.

Industry capacity

U.S. producers reported excess capacity throughout the period for which data were collected in these reviews.[6] U.S. producers' capacity utilization for CTL plate increased irregularly from 61.4 percent in 1999 to 68.1 percent in 2004 (its highest level for any full calendar year) and was higher in January to June 2005 than it was in January to June 2004 (see table III-1). U.S. mills' reported capacity utilization increased from 66.0 percent in 1999 to 76.5 percent in 2004 (see table C-2),[7] and U.S. processors' reported capacity utilization decreased from 1999 (51.4 percent) to 2001 (41.3 percent) and then increased from 2001 to 2004 (51.8 percent) (see table C-3).

Alternative markets

U.S. producers' export shipments, as a share of total shipments, increased from 2.4 percent in 1999 to 5.9 percent in 2004 (see table III-4), but export shipments in January to June 2005 were lower than they were during the same period in 2004. This relatively low level of exports during the period

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[5] Nucor reported that there was no shortage of CTL plate in 2004. This producer reported placing customers on controlled order intake because of opportunistic buying, or buying low in order to sell high, present in the market. Hearing transcript, pp. 36-37 and 98-100 (McFadden).

[6] Mittal reported that its ideal capacity utilization rate is *** percent, and IPSCO and Oregon Steel reported that their ideal capacity utilization rates are *** percent. Mittal's posthearing brief, response to Commissioner Lane, Q2, pp. 4-5 and IPSCO and Oregon Steel's posthearing brief, p. A-12. Nucor did not report a specific number but reported that its mills ***. Nucor's posthearing brief, exhibit 8, p. 2.

[7] Domestic producers reported that there is available capacity for producing CTL plate. Hearing transcript, pp. 36-37 (McFadden), p. 45 (Fabina), and p. 60 (Ruane).

indicates that domestic producers may be somewhat constrained in their ability to shift shipments between the United States and other markets in response to price changes. Indeed, 10 of the 12 responding producers reported that they are unable or limited in their ability to shift sales of CTL plate between the U.S. market and alternative country markets.[8] *** reported that it is relatively easy to shift sales to other markets, although lead times would be longer than usual and transportation costs are a concern. *** reported that it would take three to four months to shift sales. No responding producer reported that U.S. exports of CTL plate are subject to any tariff or non-tariff barriers in other countries.

Inventory levels

U.S. producers' inventories, as a share of total shipments, fell from 9.8 percent in 1999 to 7.4 percent in 2004 and were the same (6.8 percent) in January to June 2005 as they were during the same period in 2004 (see table III-5). U.S. mills' inventories, as a share of total shipments, fell from 6.2 percent in 1999 to 3.2 percent in 2004 (see table C-2) but were slightly higher in January to June 2005 than during the same period in 2004. U.S. processors' inventories, as a share of total shipments, were relatively constant during the 1999 to 2004 period (20.0 percent in 1999 and 20.1 percent in 2004) and were slightly higher in January to June 2005 than in January to June 2004 (see table C-3).

Production alternatives

Eleven of 16 responding producers reported that they produce other products, such as hot-rolled sheet in coils, alloy plate, stainless steel plate, and clad plate, on the same equipment and machinery used in the production of CTL plate. Ten producers also reported that they are able to switch production to these other products in response to relative price changes. Five producers reported that the time and cost to switch production are minimal, but other producers reported that the switch would need to be long-term in order to be profitable.

Subject Imports

The sensitivity of supply of subject imported CTL plate to changes in price depends upon such factors as the existence of excess capacity, the levels of inventories, and the existence of export markets. Relevant information for France and Italy follows, but there was not enough information from questionnaire responses for producers from India, Indonesia, Japan, and Korea.[9]

France

Based on available information, French producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of CTL plate to the U.S. market.[10] The main

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[8] Among producers, *** reported that its ability is limited due to global excess capacity, *** reported that there are higher prices in the U.S. market and foreign producers have excess capacity, and *** reported that they only sell in the U.S. market or only supply North America.

[9] Domestic producers submitted reports indicating that producers in India, Indonesia, Japan, and Korea have increased production capacity, production, and export shipments since 1999. They also reported being unaware of any public data with respect to inventories of CTL plate in subject countries. Domestic producers' response to notice of institution, pp. 13-23.

[10] French producer GTS noted that CTL plate prices in Europe have shown similar increases as prices in the U.S. market and are significantly higher than in any other region. GTS also reported that "the global plate market is

(continued...)

contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, moderate levels of inventories, and high capacity utilization. French export shipments, as a percent of total shipments, increased from *** percent in 1999 to *** percent in 2004 (see table IV-9). French producers' inventories, as a share of total shipments, increased irregularly from *** percent in 1999 to *** percent in 2004. French producers' capacity utilization[11] for CTL plate increased from *** percent in 1999 to *** percent in 2004. Reported capacity utilization was *** percent in January to June 2005, up from *** percent during the same period in 2004.

Italy

Based on available information, the one responding Italian producer, Palini e Bertoli, is likely to respond to changes in demand with moderate changes in the quantity of shipments of CTL plate to the U.S. market. The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, moderate levels of inventories, and high levels of capacity utilization. Palini's export shipments, as a percent of total shipments of CTL plate, increased from *** percent in 1999 to *** percent in 2004 (see table IV-13). Palini's inventories, as a share of total shipments, decreased from *** percent in 1999 to *** percent in 2004 but were *** percent in January to June 2005. Capacity utilization increased from *** percent in 1999 to *** percent in 2004, but was *** percent in January to June 2005, down from *** percent during the same period in 2004.

Nonsubject Imports

Five of the 13 responding producers and 6 of the 15 responding importers reported that the availability of nonsubject CTL plate has changed since 1999. *** reported that the West Coast has seen increased imports from Malaysia and Thailand. Two importers reported that levels of nonsubject imports have fluctuated as price and market conditions have changed, and one reported that new mills in China and Russia have come on-line. Others reported that nonsubject availability has changed because world demand for CTL plate has increased, the U.S. dollar has weakened, and there has been increased shipbuilding in Asia and Europe.[12]

U.S. Demand

Demand Characteristics

The overall demand for CTL plate primarily depends upon the demand for a variety of end-use applications (see table II-3). When asked if the CTL plate market is subject to business cycles or conditions of competition distinctive to CTL plate, 8 of the 22 responding purchasers reported that it is, explaining that demand fluctuates with demand in end-use markets. However, all 21 responding

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[10] (...continued)
extremely strong." GTS response to notice of institution, pp. 7 and 11.

[11] Mittal questioned reported data for French capacity, as it is markedly lower than what was reported during the original investigation. Mittal's posthearing brief, pp. 7-8 and response to Commissioner Hillman, Q2, pp. 13-14. Coverage of French CTL plate production and capacity are discussed in part IV of this report.

[12] Many nonsubject countries, including China, Malaysia, Russia, Thailand, and Turkey, are currently adding or expect to add capacity for CTL plate production. Nucor's prehearing brief, exhibit 3 citing reports from ***, Metal Bulletin Daily, Iron and Steel Works of the World, Steel Business Briefing, Asia Pulse, and other sources.

purchasers reported that the emergence of new markets for CTL plate since 1999 did not affect the business cycle or conditions of competition distinctive to CTL plate.

Table II-3
CTL plate: Shipments by market, 2004[1]

Market	Share of quantity (*percent*)
Steel service centers and distributors[2]	42.1
Construction (including bridge and highway)	32.6
Railcars	8.4
Agriculture and industrial machinery	8.4
Oil and gas (including pipelines)	5.7
Shipbuilding	2.1
Automotive	0.5
Other	0.3

[1] Data are for calendar year 2004 and include only classified shipments as reported by AISI reporting companies.
[2] Data are not available from AISI on the end-use markets of shipments from service centers and distributors.

Source: American Iron & Steel Institute, 16C Report, Shipments of Steel Products by Market Classification, Carbon Steel, Report AIS 16C, 2004.

Producers, importers, and purchasers were asked to list the end uses of CTL plate. The most commonly reported uses were the construction of bridges, tunnels, railcars, agricultural and construction machinery, oil and gas pipelines, offshore platforms, ships, barges, and storage vessels. When asked if there had been any changes in the end uses of CTL plate since 1999, one producer and one purchaser reported that CTL plate is now used to manufacture wind towers, and one importer reported that CTL plate is now used in a variety of security-related applications.

Purchasers who distribute or resell CTL plate listed oil and gas fabricators, storage tank and structural fabricators, power transmission and utility pole fabricators, construction and agricultural equipment manufacturers, ship builders, tool and die makers, and railcar and other transportation-related manufacturers as consumers of their CTL plate.

CTL specialty plate also is used to retrofit Humvees and other vehicles being used by U.S. forces in the Iraq war, with demand starting in early 2004 and continuing through 2005.[13] Increased production of this specialty plate reportedly has not displaced regular production of CTL plate.[14]

[13] "Waging war to wrap an army of Humvees in heat-treated armor plate." American Metal Market, March 25, 2005.

[14] ***. However, *** and Berg Steel Pipe reported that U.S. involvement in Iraq has limited the availability of heat-treated material. *** purchaser questionnaire response, section III-13 and hearing transcript, pp. 260-261 (Delie).

Apparent U.S. consumption of CTL plate fluctuated in a generally downward trend from 1999 through 2003,[15] but increased from 7.7 million short tons in 1999 to 7.8 million short tons in 2004.[16] Apparent U.S. consumption was higher in January to June 2005 than during the same period in 2004. Four producers, 5 importers, and 9 purchasers reported that demand was unchanged between 1999 and 2005, while 6 producers, 5 importers, and 11 purchasers reported that demand increased. Of those reporting that demand increased, factors cited included the improved economy, increased global consumption, increased shipbuilding and oil and gas exploration, and increased construction and manufacturing activity.[17]

Four producers and two importers reported that demand has fluctuated, with both increases and decreases during the period.[18] Two purchasers reported that demand decreased during the period, citing manufacturing moving out of the United States and the lack of new shipbuilding, especially shrimp boats, in the United States. When asked if they anticipate future changes in CTL plate demand in the United States and the rest of the world, seven producers, six importers, and eight purchasers responded yes, and many explained that China and developing countries will continue to be a factor in demand growth as well as growth in oil and gas pipelines.[19] Others reported that there is increased demand for alternative energy sources, such as wind towers.

Purchasers were asked whether their purchasing patterns for CTL plate from domestic, subject, and nonsubject sources had changed since 1999. Four purchasers reported that the relative share of their total purchases of CTL plate from domestic mills increased, and one stated that the relative share decreased. Two purchasers noted that their purchases from Canadian producers increased due to

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[15] As shown in table I-1 of this report, apparent U.S. consumption in 1999 already was substantially lower than in 1998. This trend is consistent with the trend observed in the original investigations, in which apparent U.S. consumption in January-June 1999 was 20.0 percent lower than apparent U.S. consumption in January-June 1998. *Certain Cut-to-Length Steel Plate From France, India, Indonesia, Italy, Japan, and Korea*, Investigations Nos. 701-TA-387-391 (Final) and 731-TA-816-821 (Final), USITC Publication 3273, January 2000, Table C-1a.

[16] Nucor contends that the increase in apparent consumption in 2004 was caused by "panic buying" and resulted in increased inventories. Nucor's prehearing brief, p. 34.

[17] *** estimated that demand in 2005 was approximately 4 to 5 percent higher than it was in 1999. *** reported that demand in 2002 was approximately 24 percent below the 1998 peak and showed an uptick only in 2004. *** producer questionnaire responses, section IV-B-24.

[18] Industry press reports indicate that demand for products fabricated from plate weakened in the first half of 2003 as a result of weakened demand in sectors such as bridge and highway construction, pipelines, power plants, and others. "Construction slowdown weakens plate pricing," Purchasing Magazine, June 19, 2003. However, reports indicate that demand then increased in late 2003 and early 2004, due to increased demand in China and a rebound in demand in the capital goods market. "Pinch-me time, ISG's Gary Works play sets a bountiful table for platemakers," American Metal Market, June 21, 2004 and "Careful! Plate's hot," Metal Center News, August 2004.

[19] There are mixed reports as to the effect of the post-hurricane rebuilding efforts on demand for CTL plate. Some domestic producers expect steady demand and no additional business. Hearing transcript, p. 65 (McFadden), and p. 66 (Montross). Mittal reported that it has had no reports of increased demand but also reported that if demand does increase, domestic producers will be able to meet such demand. Mittal's posthearing brief, response to Vice Chairman Okun, Q2, p. 7. More recently, however, IPSCO reported that "the company is just now beginning to see increased demand for plate products related to the rebuild of New Orleans in the aftermath of Hurricane Katrina." *AMM online*, "Hurricanes blow in short delay for IPSCO line; rebuilding demand now emerging," retrieved on October 27, 2005, from www.amm.com/News-2005-10-26_13-50-33.html. The American Iron and Steel Institute (AISI) has reported that steel availability is not an issue, and that mills are geared up to supply the affected areas. Post-Katrina: Steel Industry Fact Sheet, AISI, undated. However, the American Institute for International Steel has asked President Bush to eliminate all import duties on steel products, including plate, that will be used in the reconstruction effort, citing a massive effort involving vast amounts of steel, an already tight supply, and increasing prices. Letter to President George W. Bush from the American Institute for International Steel, September 29, 2005.

increased availability,[20] and one reported that their purchases from Indonesia and Italy decreased due to price, availability, and antidumping duties. Five stated that there had been no significant change in their purchasing patterns. Seven of the 23 responding purchasers reported purchasing CTL plate from at least one of the subject countries prior to 1999. Three reported that their purchasing pattern has been essentially unchanged since 1999; three reported that they reduced or discontinued their subject purchases because of the orders; and one reported that its purchasing pattern changed for reasons other than the orders, specifically a lack of availability.

Ten purchasers reported that their purchasing pattern from nonsubject sources was essentially unchanged since 1999; five did not purchase from nonsubject sources before or after the order; five changed their purchasing pattern for reasons other than the orders; and one increased its purchases from nonsubject countries because of the orders.

Substitute Products

While there are reported substitutes for CTL plate, the potential for substitution is often limited by the end use, as well as such factors as width, thickness, strength, and price. Concrete, alloy plate, aluminum, fiberglass, plastics, and wood were listed as substitutes for CTL plate in certain applications. Two producers, three importers, and nine purchasers reported that there are no substitutes for CTL plate. When asked if there have been any changes in the number or type of products that can be substituted for CTL plate, one purchaser reported that substitutes have been gaining market share due to increased steel costs and also reported that because of the high price of CTL plate, it expects the substitute products to continue gaining market share. Another purchaser reported that if steel prices continue to increase, there will be more substitutes used instead of CTL plate. The other purchasers, as well as all of the producers and importers, reported that there have been no changes in the number or type of substitutes, nor do they expect any changes in the future.

Cost Share

CTL plate often accounts for a relatively large percentage of the total cost of end-use products, although the cost share does vary widely, depending on the end use. Purchasers reported that CTL plate accounts for between 5 and 80 percent of the total cost of the end products in which CTL plate is used. In oil and gas transmission, CTL plate represents 44 to 80 percent of the total cost of the end product, whereas in barges, CTL plate represents 30 to 50 percent. According to purchasers, CTL plate represents 5 percent of the total cost of poles, 10 percent of the total cost of small mechanical parts, and 25 percent of the total cost of base plates.

Demand Outside the United States

Producers, importers, and purchasers also were asked how demand for CTL plate outside the United States has changed between 1999 and 2005. Four producers, seven importers, and seven purchasers reported that demand outside the United States increased, citing factors such as rapidly increasing demand in China and other industrializing countries in Asia and Latin America, increased shipbuilding and oil and gas exploration, and global economic growth.

[20] Commerce revoked an outstanding antidumping duty on CTL plate from Canada following a negative determination by the Commission in its 2000 review of the order. In addition, Canada was not included in the U.S. safeguard measures on certain steel products, including CTL plate.

Three producers, one importer, and two purchasers reported that demand outside the United States was unchanged. Two producers and one purchaser reported that demand outside the United States has varied, with both increases and decreases during the period.[21]

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported products depends upon such factors as relative prices, quality, and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there may be some differences between domestic and imported CTL plate, but overall, there is a moderate to high degree of substitution between CTL plate produced in the United States and the subject countries and other import sources.

This section is based primarily on the responses of 23 purchasers that accounted for approximately 64.6 percent of total consumption in 2004 (a figure that, because of potential double-counting, is likely to be overstated). Fifteen purchasers described themselves as distributors,[22] six as end users,[23] and two as both distributors and as other.[24] These purchasers tended to purchase primarily from U.S. and nonsubject sources, with none reporting purchases from India or Japan (see table II-4).

Table II-4
CTL plate: Purchased quantities in short tons, by country and by year, 1999-2005

Country	1999	2000	2001	2002	2003	2004	2005[1]
United States	897,569	2,997,377	2,829,186	1,504,466	1,457,186	1,800,788	906,141
France	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
Nonsubject	81,009	2,062,755	1,624,279	2,492,168	2,433,568	2,230,734	1,090,108

[1] 2005 figures are for January through June only.

Note.--Not all purchasers reported data for each year.

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

[21] The impact of the December 2004 tsunami on both the supply of and demand for steel in the affected region is forecast to be minimal, as the areas that were destroyed did not have much heavy industry, and the reconstruction efforts will not be steel-intensive. Mittal's posthearing brief, response to Vice Chairman Okun, Q2, pp. 6-7.

[22] Purchasers who described themselves as distributors reported selling CTL plate to steel service centers and to various construction, transportation, and manufacturing end users.

[23] Purchasers who described themselves as end users reported that they use CTL plate to manufacture such items as offshore platforms, bridge components, barges, large diameter steel pipes, and tractor parts.

[24] *** described itself as a processor/service center of flame-cut plate and *** described itself as a processor.

Purchasers of CTL plate tend to buy frequently, and many have changed suppliers since 1999. Seventeen of the 23 responding purchasers reported that they purchase daily or weekly, with four purchasing monthly and two on an as-needed basis. None of the 23 purchasers reported that they expect this purchasing pattern to change in the next two years. Fourteen of the 22 responding purchasers reported changing suppliers since 1999; eight of the changes resulted from mergers, consolidations, bankruptcies, and new mills starting within the industry.[25] Other purchasers reported that issues of quality and price, as well as steel shortages, caused the supplier changes.

Factors Affecting Purchasing Decisions

Purchasers were asked to identify the three major factors considered by their firm in deciding from whom to purchase CTL plate (table II-5). Price and quality were the most commonly cited factors overall. Eight of the 20 responding purchasers reported that quality was the most important factor, and 8 reported that price was the most important factor. The next most commonly cited factors were availability and delivery and service.

Table II-5
CTL plate: Most important factors in selecting a supplier, as reported by purchasers

Factor	First	Second	Third
Quality	8	8	1
Price	8	5	6
Availability	3	2	5
Delivery/service	1	5	4
Other	1	1	5

Note.--Other category includes meeting ASTM standards, extension of credit, size of material, contracts, lead times, sensitivity to market, and support of the company.

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

Purchasers were asked what factors determined the quality of CTL plate. Factors cited included surface quality, flatness, dimensional tolerance, strength, weldability, chemical properties, and edge quality. Nine purchasers cited the necessity of meeting the firm's specs or meeting ASTM, API, or another of the various industry standards. Sixteen of the 23 responding purchasers reported that they require suppliers to become certified or prequalified and that these requirements apply to all, or nearly all, of their purchases. Most of the requirements consist of standards set by independent organizations, such as the ASTM, ISO, and ASME. Other purchasers perform audits or require samples. Seven of the 20 responding purchasers reported that they compete for sales with the manufacturers or importers from whom they purchase CTL plate.

Purchasers were asked if they always, usually, sometimes, or never purchased the lowest-priced CTL plate (of the same specification). Eighteen of the 23 responding purchasers reported always or usually purchasing the lowest-priced product and five sometimes purchased the lowest-priced CTL plate. Of those who reported sometimes purchasing the lowest-priced product, availability and quality were factors cited as to why price is not a controlling factor.

[25] For example, Gulf States Steel halted plate production in late 2000; Nucor started a new plate mill in North Carolina in late 2000; IPSCO started a new plate mill in Alabama in early 2001; and Geneva Steel halted plate production in 2001.

Purchasers also were asked if they purchased CTL plate from one country in particular. Eight purchasers responded, reporting reasons why they purchased from a one country in particular. Reasons provided included "Buy American" requirements or preferences, government work that requires a domestic supplier, and customers who specify a specific supplier. Eleven purchasers reported that certain grades, types, or sizes of CTL plate are available only from a single source; with four reporting that certain widths or types are available from only one domestic mill and others reporting that certain products are only available from suppliers outside the United States.[26]

Purchasers also were asked if they purchased CTL plate from one source although a comparable product was available from another source at a lower price. Sixteen purchasers responded, reporting reasons why they purchased from a source that might be more expensive. Reasons provided included immediate availability, reliability of supply, shorter lead times, minimum order requirements, customer preferences, and quality/meeting product specifications.

In rating the importance of 15 factors in their purchasing decisions (table II-6), 22 of the 23 responding purchasers rated availability and quality meets industry standards as very important; 20 reported that product consistency was very important, 19 reported that reliability of supply and delivery time were very important; and 18 reported that price was very important.

Purchasers were asked for a country-by-country comparison of the same 15 factors. Two purchasers completed this comparison for the United States and France, two for the United States and India, three for the United States and Italy, one for the United States and Japan, and two for the United States and Korea (table II-7). The majority of purchasers stated that the domestic and subject products were comparable for price, extension of credit, minimum quantity requirements, packaging, product consistency, quality meets industry standards, quality exceeds industry standards, and reliability of supply. Both responding purchasers reported that the U.S. product was superior to the French product for U.S. transportation costs and all three responding purchasers reported that the U.S. product was superior to the Italian product for availability, delivery time, technical support/service, and U.S. transportation costs.

Eighteen purchasers reported factors they considered in qualifying a new supplier. Factors considered included quality, price, availability, reliability, service, delivery, reputation, credit terms, and meeting ISO standards. The time required to qualify a new supplier was reported by nine purchasers and ranged from several hours to a year.[27]

Purchasers were asked if any suppliers had failed to qualify their product or lost their approved status. Five of the 23 responding firms reported that suppliers had failed to qualify. Two purchasers cited *** as failing to certify their CTL plate, with one of the purchasers reporting that the problems have been resolved since the initial attempt. One purchaser reported that of those that failed to qualify, none are still in business, one purchaser cited *** as having failed to qualify, and one reported that *** failed to produce mill certification and failed to meet quoted delivery times.

[26] *** reported that Creusot of France can produce larger and heavier plates that the U.S. mills and *** reported that none of the proven sources for higher grade API plate are domestic mills.

[27] *** reported that it takes 2-3 months to qualify a domestic mill and 5-6 months to qualify a foreign mill. No other purchaser reported differences in timing for domestic versus foreign mills.

Table II-6
CTL plate: Importance of purchase factors, as reported by purchasers

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	22	1	0
Quality meets industry standards	22	1	0
Product consistency	20	3	0
Reliability of supply	19	4	0
Delivery time	19	4	0
Price	18	5	0
U.S. transportation costs	15	6	2
Delivery terms	13	9	0
Technical support/service	10	11	2
Quality exceeds industry standards	9	11	3
Discounts offered	9	7	7
Product range	8	10	4
Extension of credit	8	8	7
Minimum quantity requirements	6	11	6
Packaging	5	6	12

Note.--Not all purchasers responded for each factor.

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

Table II-7
CTL plate: Comparisons of product by source country, as reported by purchasers[1]

Factor	U.S. vs France			U.S. vs India			U.S. vs Italy		
	S	C	I	S	C	I	S	C	I
	Number of firms responding								
Availability	1	1	0	1	0	1	3	0	0
Delivery terms	0	2	0	0	1	1	2	1	0
Delivery time	1	1	0	1	0	1	3	0	0
Discounts offered	0	2	0	0	1	1	1	1	1
Extension of credit	0	2	0	0	2	0	0	3	0
Price[2]	0	2	0	0	2	0	0	2	1
Minimum quantity requirements	0	2	0	0	1	1	0	3	0
Packaging	0	2	0	0	1	1	0	3	0
Product consistency	0	2	0	0	1	1	0	3	0
Quality meets industry standards	0	2	0	0	2	0	0	3	0
Quality exceeds industry standards	0	2	0	0	2	0	0	3	0
Product range	1	1	0	1	1	0	2	1	0
Reliability of supply	0	2	0	0	1	1	1	2	0
Technical support/service	1	1	0	1	0	1	3	0	0
U.S. transportation costs[2]	2	0	0	0	2	0	3	0	0

Table continued on next page.

Table II-7--*Continued*
CTL plate: Comparisons of product by source country, as reported by purchasers[1]

Factor	U.S. vs Japan			U.S. vs Korea			U.S. vs all other countries[3]		
	S	C	I	S	C	I	S	C	I
	Number of firms responding								
Availability	1	0	0	1	1	0	5	2	1
Delivery terms	0	1	0	1	1	0	5	3	0
Delivery time	1	0	0	1	1	0	6	1	1
Discounts offered	0	1	0	0	1	1	0	6	2
Extension of credit	0	1	0	0	2	0	0	7	1
Price[2]	0	1	0	0	1	1	1	3	4
Minimum quantity requirements	0	1	0	0	2	0	4	4	0
Packaging	0	1	0	0	2	0	1	7	0
Product consistency	0	1	0	0	2	0	1	5	2
Quality meets industry standards	0	1	0	0	2	0	0	7	1
Quality exceeds industry standards	0	1	0	0	2	0	0	6	2
Product range	1	0	0	1	1	0	3	4	1
Reliability of supply	0	1	0	0	2	0	4	3	1
Technical support/service	1	0	0	1	1	0	5	3	0
U.S. transportation costs[2]	0	1	0	1	1	0	2	6	0

[1] No purchaser completed the comparison for the United States and Indonesia, and eight purchasers completed the comparison for the United States and nonsubject countries.

[2] A rating of "S" on price and U.S. transportation costs indicates that this country has lower prices/costs than the other country.

[3] Other countries includes China, the Czech Republic, Germany, Malaysia, Romania, Russia, Thailand, and Ukraine.

Note.--S=first-listed country's product is superior; C=both countries' products are comparable; I=first-listed country's product is inferior.

Note.--Not all purchasers responded for every factor.

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

Purchasers were asked how often they and their customers make purchasing decisions involving CTL plate based on the producer of the product they purchase and based on the country of origin of the CTL plate they purchase. Their responses are summarized in the following tabulation:

Factor	Always	Usually	Sometimes	Never
Firm purchases based on producer?	6	6	5	6
Customers purchase based on producer?	4	2	12	5
Firm purchases based on country of origin?	5	3	7	8
Customers purchase based on country of origin?	2	2	13	6

When asked how the firm or its customers determine the source, some purchasers reported that they require the name of the mill prior to the purchase, require a qualified mill, monitor the track record of the mill, and require domestic product by law or by preference. When asked why the information is important, purchasers reported that such things as quality, availability, flatness, delivery, and price may vary by supplier.

Purchasers were asked if buying a product that is produced in the United States an important factor in their purchases of CTL plate. Sixteen of the 23 responding purchasers reported that it was, with most saying that purchases of the domestic product are either required by law or regulation or required by customers, and this generally involved a range from 1 to 65 percent of their purchases of CTL plate.[28]

Purchasers also were asked how often domestically produced, subject imports, and nonsubject imports of CTL plate meet minimum quality specifications. Their responses are summarized in the following tabulation:

Source	Always	Usually	Sometimes	Never
Domestically produced	11	9	1	1
Subject imports	6	9	1	1
Nonsubject imports - Canada	3	1	0	0
Nonsubject imports - Ukraine	0	2	0	1
Nonsubject imports - Germany	2	0	0	0
Nonsubject imports - Mexico	0	2	0	0
Nonsubject imports - Romania	0	2	0	0
Nonsubject imports - Thailand	1	1	0	0
Nonsubject imports - Russia	0	1	0	1

Of the 12 purchasers who reported being aware of new suppliers in the market since 1999, nine cited domestic mills having entered the market and two cited entries from China, Turkey, Egypt, and Malaysia. Only three of the 22 responding purchasers expect new CTL plate suppliers to enter the market in the future, with one reporting that it is likely there will be new suppliers from lower-cost countries, such as China and India, and one reported that it expects continued consolidation of U.S. mills.

[28] *** reported that purchases of domestic product are required for quality reasons and the ability to better manage its inventory; this involves 95 percent of its purchases of CTL plate.

Lead Times

Eight of the 13 responding producers reported selling at least 85 percent of their CTL plate produced to order, with lead times ranging from 4 to 16 weeks.[29] Four producers reported selling at least 70 percent of their CTL plate from inventory, with lead times from one day to one week.[30] Eight producers reported that lead times have not changed since 1999; five producers reported that lead times have fluctuated during the period; and *** reported that lead times have increased since ***.

Seven of the ten responding importers reported selling at least 90 percent of their CTL produced to order, with lead times ranging from one to six months. Three importers reported selling at least 60 percent of their CTL plate from inventory, with lead times ranging from one or two days to one month. Eleven importers reported that lead times have been unchanged since 1999; *** reported that lead times have increased due to tight U.S. supply; and *** reported that lead times vary and are based on market conditions.

Six producers reported offering just-in-time or similar inventory services for CTL plate customers in the United States. *** reported that standard warehouse sizes and grades are maintained in a Standard Plate Program, and *** offers these services for local manufacturers. *** offers standard size carbon plates and provides 48-hour order-to-ship services.[31] Three of the 14 responding importers reported offering these types of services, with *** reporting that just-in-time services are a core foundation of its customer service.

Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports

Producers, importers, and purchasers were asked to assess how interchangeable CTL plate from the United States is with CTL plate from both subject and nonsubject countries. Their answers are summarized in table II-8. Generally, producers, importers, and purchasers reported that CTL plate from the United States and from other countries are always or frequently interchangeable. For those firms that reported that CTL plate is sometimes or never used interchangeably, they were asked to explain the factors that preclude interchangeable use. Reported factors cited by importers included "Buy American" requirements, higher standards in Japan and Korea, quality differences, and the fact that some specialty plate that has no substitutes. Reported factors cited by purchasers included different levels of quality, delivery restrictions, country of origin requirements, and the ability of mills to produce acceptable quality higher grade CTL plate.

Producers and importers were asked to assess how often differences other than price were significant in sales of CTL plate from the United States, subject countries, and nonsubject countries (table II-9). Generally, producers said differences other than price were never significant, while importers said differences other than price were sometimes or never significant. For those firms that reported that factors other than price are always or frequently a significant factor in their sales of CTL plate, they were asked to explain the advantages or disadvantages imparted by such factors. Importers cited factors such as delivery time, transportation costs, reliability, quality, availability, lead times, and product ranges. *** reported that certain grades of CTL plate are not available from domestic suppliers, and so purchasers will buy from foreign mills because of quality and availability, not price.

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[29] However, *** reported a lead time for sales produced to order of three to five days, and *** reported a lead time for sales produced to order of four days.

[30] *** reported selling 15 percent from inventory with a lead time of one to two weeks.

[31] *** also reported offering a similar program to its tool steel customers, as well as a just-in-time blast and paint service through an outside processor.

Table II-8
CTL plate: U.S. producers', importers', and purchasers' perceived degree of interchangeability of products produced in the United States and in other countries[1]

	U.S. producers					U.S. importers					U.S. purchasers				
Country comparison	A	F	S	N	0	A	F	S	N	0	A	F	S	N	0
U.S. vs. France	6	2	0	0	3	4	4	0	0	3	3	2	2	0	10
U.S. vs. India	6	2	0	0	3	3	2	3	0	3	5	2	1	0	9
U.S. vs. Indonesia	7	2	0	0	2	3	2	3	0	3	3	2	1	0	11
U.S. vs. Italy	6	2	0	0	3	3	3	2	1	2	3	3	1	0	10
U.S. vs Japan	7	2	0	0	2	5	4	1	0	4	4	2	2	0	8
U.S. vs Korea	7	2	0	0	2	5	4	1	0	2	3	2	2	0	10
U.S. vs. other countries	6	2	0	0	2	3	3	2	0	2	3	3	4	0	6
France vs India	6	0	0	0	5	3	1	2	0	4	2	1	1	0	12
France vs Indonesia	6	0	0	0	5	3	1	2	0	4	2	1	1	0	12
France vs Italy	6	0	0	0	5	3	2	1	0	4	2	1	1	0	12
France vs Japan	6	0	0	0	5	5	2	0	0	5	3	1	1	0	11
France vs Korea	6	0	0	0	5	4	1	1	0	4	2	2	1	0	11
France vs other countries	5	0	0	0	5	3	2	1	0	4	2	1	2	0	11
India vs Indonesia	6	0	0	0	5	4	1	1	0	4	2	0	1	0	12
India vs Italy	6	0	0	0	5	3	2	1	0	4	2	0	1	0	12
India vs Japan	6	0	0	0	5	3	1	2	0	5	2	0	1	0	12
India vs Korea	6	0	0	0	5	3	1	2	0	4	2	0	1	0	12
India vs other countries	5	0	0	0	5	3	2	1	0	4	2	0	2	0	11
Indonesia vs Italy	6	0	0	0	5	3	2	1	0	4	2	0	1	0	12
Indonesia vs Japan	7	0	0	0	4	3	1	3	0	5	2	0	1	0	12
Indonesia vs Korea	7	0	0	0	4	3	1	2	0	4	2	0	1	0	12
Indonesia vs other countries	6	0	0	0	4	3	2	1	0	4	2	0	2	0	11
Italy vs Japan	6	0	0	0	5	5	2	0	0	5	2	0	1	0	12
Italy vs Korea	6	0	0	0	5	4	1	1	0	4	2	0	1	0	12
Italy vs other countries	5	0	0	0	5	3	2	1	0	4	2	0	2	0	11
Japan vs Korea	7	0	0	0	4	6	1	0	0	4	2	1	1	0	11
Japan vs other countries	6	0	0	0	4	5	1	0	0	4	2	0	2	0	11
Korea vs other countries	6	0	0	0	4	4	1	1	0	4	2	0	2	0	11

[1] Producers, importers, and purchasers were asked if CTL plate produced in the United States and in other countries is used interchangeably.

Note.--"A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

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

Table II-9
CTL plate: U.S. producers' and importers' perceived importance of factors other than price in sales of product produced in the United States and in other countries[1]

	U.S. producers					U.S. importers				
Country comparison	A	F	S	N	0	A	F	S	N	0
U.S. vs. France	0	0	2	5	4	3	1	2	2	3
U.S. vs. India	0	0	2	5	4	3	1	3	1	3
U.S. vs. Indonesia	0	0	2	6	3	3	1	3	1	3
U.S. vs. Italy	0	0	2	5	4	3	1	3	2	2
U.S. vs Japan	0	0	2	6	3	2	4	3	2	3
U.S. vs Korea	0	0	2	6	3	1	1	4	2	2
U.S. vs. other countries	0	0	2	5	3	2	0	3	1	2
France vs India	0	0	0	5	6	2	1	2	1	4
France vs Indonesia	0	0	0	5	6	2	1	2	1	4
France vs Italy	0	0	0	5	6	2	1	1	2	4
France vs Japan	0	0	0	5	6	1	3	1	2	5
France vs Korea	0	0	0	5	6	2	1	1	2	4
France vs other countries	0	0	0	4	6	3	0	1	1	4
India vs Indonesia	0	0	0	5	6	1	0	2	2	4
India vs Italy	0	0	0	5	6	1	1	1	2	4
India vs Japan	0	0	0	5	6	1	1	1	3	5
India vs Korea	0	0	0	5	6	2	0	1	2	4
India vs other countries	0	0	0	4	6	2	0	1	1	4
Indonesia vs Italy	0	0	0	5	6	1	1	1	2	4
Indonesia vs Japan	0	0	0	6	5	1	1	1	3	5
Indonesia vs Korea	0	0	0	6	5	2	0	1	2	4
Indonesia vs other countries	0	0	0	5	5	2	0	1	1	4
Italy vs Japan	0	0	0	5	6	1	2	1	2	5
Italy vs Korea	0	0	0	5	6	2	0	1	2	4
Italy vs other countries	0	0	0	4	6	2	0	1	1	4
Japan vs Korea	0	0	0	6	5	2	0	3	3	3
Japan vs other countries	0	0	0	5	5	4	0	1	1	3
Korea vs other countries	0	0	0	5	5	2	0	1	1	4

[1] Producers and importers were asked if differences other than price between CTL plate produced in the United States and in other countries are a significant factor in their sales of the products.

Note.--"A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

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

ELASTICITY ESTIMATES

U.S. Supply Elasticity

The domestic supply elasticity for CTL plate measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of CTL plate. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to and from production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced CTL plate. Earlier analysis of these factors indicates that the U.S. industry has a small to moderate ability to increase or decrease shipments to the U.S. market; an estimate in the range of 1 to 3 is suggested.[32]

U.S. Demand Elasticity

The U.S. demand elasticity for CTL plate measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of CTL plate. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of CTL plate in the production of any downstream products. Based on the available information, the aggregate demand elasticity for CTL plate is likely to be in a range of -0.3 to -0.7.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[33] Product differentiation, in turn, depends upon such factors as quality and conditions of sale. Based on available information concerning product range, quality, availability, and degree of substitution, the elasticity of substitution between domestic and subject CTL plate is likely to be in the range of 3 to 5 for all six subject countries.

[32] The prehearing report suggested an estimate in the range of 3 to 5. However, based on hearing testimony and supplemental information regarding optimal capacity utilization, staff have revised the elasticity of supply estimate. Corus suggested that supply elasticity is effectively 0, citing high prices and the fact that mills placed customers on allocation in 2004 and 2005. Corus' prehearing brief, p. 14.

[33] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

PART III: CONDITION OF THE U.S. INDUSTRY

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Information in this section is based on the questionnaire responses of 11 active mills, 11 active processors, and two now-closed mills (Geneva Steel and Gulf States Steel). Responses to Commission questionnaires account for 98.4 percent of domestic mill shipments in 2004.[1] Data regarding U.S. CTL plate producers' capacity, production, and capacity utilization are presented in table III-1. Table III-2 summarizes important industry events that contributed to shifts in domestic production and capacity.

Table III-1
CTL plate: U.S. capacity, production, and capacity utilization: 1999-2004, January-June 2004 and January-June 2005

Item	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
Capacity[1] (short tons)	10,923,834	10,622,180	11,026,162	11,445,322	11,636,348	11,041,815	5,690,166	5,822,155
Production (short tons)	6,706,626	6,668,398	6,357,791	6,764,974	6,812,140	7,520,671	3,673,872	3,819,356
Capacity utilization (percent)	61.4	62.8	57.7	59.1	58.5	68.1	64.6	65.6

[1] Capacity refers to rolling capacity (for a mill) or cutting/shearing capacity (for a processor).

As shown in table III-1, overall U.S. producers' capacity in 2004 was only slightly higher than in 1999. Capacity fluctuated noticeably during the intervening years, however, reflecting mill openings, mill closures, and asset swaps among mills. The decline in capacity from 2003 to 2004 can be attributed primarily to the idling of ***. Production, in contrast, decreased between 1999 and 2001, recovered in 2002 and 2003, then increased markedly in 2004. The combination of rising production and reduced capacity contributed to the highest level of capacity utilization over the entire period in 2004.

In 1999, Geneva Steel and Gulf States Steel had the capacity to produce *** and *** short tons of CTL plate, respectively. The closures of Gulf States in August 2000 and of Geneva Steel in December 2001 removed this capacity from the U.S. plate market. Ultimately, Geneva's production assets were sold to a Chinese firm, Qindao Iron & Steel Co., which has been dismantling and shipping the equipment to China.[2] Similarly, Gadsden Industrial Park, the purchaser of Gulf States' equipment at bankruptcy court, also reported plans to sell the equipment to a Chinese buyer.[3] The effect on domestic capacity from these closures, however, was mitigated by the ramping up of production at Nucor's and IPSCO's facilities (discussed below).

[1] Total U.S. mill shipments are based on data from American Iron and Steel Institute for domestic shipments.

[2] Frank Haflich, *Geneva's assets slow sail to China; furnace sold back,* American Metal Markets, March 8, 2005, found at http://www.amm.com/news-2005-03-08__14-15-22.html, retrieved August 15, 2005.

[3] Scott Robertson, *Gulf States mill equipment headed to China,* American Metal Markets, April 28, 2003, found at http://www.amm.com/news-2003-08-28__01-04-00.html, retrieved August 12, 2005.

Table III-2
CTL plate: Important industry events, January 1999-June 2005

Month and year	Company	Description of event (merger, shutdown, bankruptcy, change in capacity)
1999	Tuscaloosa Steel	**Merger**: British Steel (parent company of Tuscaloosa Steel) merges with Koninklijke Hoogovens, creating a new company, Corus. Tuscaloosa Steel is renamed Corus Tuscaloosa.
2000	Gulf States Steel	**Closure**: While in Chapter 11 bankruptcy proceedings, mill closes and company is liquidated. The new owner subsequently announces plans to develop the property into an industrial park and sell the equipment to companies in China.
	LTV[1]	**Bankruptcy:** Files for Chapter 11 bankruptcy protection.
	Nucor	**New Mill:** Opens new plate mill in North Carolina.
2001	Geneva	**Closure:** Production of CTL plate halted.
	IPSCO	**New Mill:** Opens new plate mill in Alabama.
	Newport[1]	**Closure:** Ceases producing its own hot-rolled steel for pipe production.
2002	Acme Steel[1]	**Bought Out:** In Chapter 11 bankruptcy protection, Acme is liquidated. International Steel Group (ISG) purchases and operates Acme's major assets.
	Gallatin Steel Co.	**Acquisition**: Purchases assets of Huntco Steel (a service center) in Ghent, KY, in order to process its own steel products.
	International Steel Group	**Acquisition:** Created by the acquisition of LTV and Acme Steel.
	Kentucky Electric Steel, Inc.	**Closure:** Plant closes.
	LTV[1]	**Bought Out:** ISG purchases many of the assets of LTV (including the plate mill). LTV is liquidated.
	National Steel[1]	**Bankruptcy:** Files for Chapter 11 bankruptcy protection.
2003	Bethlehem	**Bought Out**: ISG purchases most of Bethlehem's assets, including the plate mills. Bethlehem Steel is liquidated.
	Geneva	**Bankruptcy**: Enters Chapter 7 bankruptcy proceedings.
	International Steel Group	**Acquisition, Capacity Expansion, Manufacturing Change:** Acquires Bethlehem Steel. Exchanges its pickle line at Indiana Harbor Works for U.S. Steel's Gary Works' plate mill but elects not to roll plate at Gary, instead directing raw steel to other facilities.
	Kentucky Electric Steel, Inc.	**Bankruptcy**: Files for Chapter 11 bankruptcy protection. A newly formed entity, KES Acquisition Co. LLC, purchases the assets of Kentucky Electric Steel and restarts production.
2003	National[1]	**Bought Out:** U.S. Steel purchases and operates substantially all of the assets. National is liquidated.
	Oregon Steel	**Manufacturing Change:** Idles melt shop in Portland, OR, and relies solely on purchased slabs for feedstock at that facility.
	U.S. Steel	**Acquisition, Capacity Reduction, Manufacturing Change:** Acquires the integrated steelmaking assets of National Steel and exchanges the assets of its CTL plate business, including the plate mill at Gary Works, for the assets of ISG's No. 2 pickle line at Indiana Harbor Works. U.S. Steel continues to produce plate in coils.
	WCI[1]	**Bankruptcy:** Enters Chapter 11 bankruptcy protection.
2004	Corus Tuscaloosa	**Bought Out:** Nucor purchases substantially all of Tuscaloosa's steelmaking assets.
	North Star	**Bought Out:** Cargill, Inc. (parent company of North Star) sells fixed assets and working capital of North Star to Gerdau Ameristeel.
	Nucor	**Acquisition:** Purchases substantially all of the steelmaking assets of Corus Tuscaloosa.
	Oregon Steel	**Manufacturing Change:** Idles pipe mill at Napa facility to focus on plate production.
2005	Citisteel	**Bought Out:** H.I.G. Capital, a U.S.-based private equity and venture capital investment firm, acquires mill in June 2005.
	ISG	**Buy Out, Capacity Expansion:** In April, shareholders of ISG approve the $4.5-billion acquisition by Mittal Steel, a company based in the Netherlands. Also, Mittal Steel re-starts the 110-inch plate mill at Burns Harbor, IN (formerly ISG's mill) which has been idle since 2000.

[1] While capable of producing strip mill plate, actual production of CTL plate is believed to be minimal.

Source: Various articles in the trade press, *Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil, Japan, and Russia, Invs. Nos. 701-TA-384 and 731-TA-806-808 (Review)* hearing transcript, March 2, 2005, p.111 (Daily).

Most responding firms experienced changes to their operations relating to the production of CTL plate since 1999. Nucor and IPSCO reported plant openings that added a total of *** short tons of new capacity to the domestic industry. Nucor added capacity with a greenfield expansion when it completed construction of its Hertford County, NC, facility and began production in October 2000. On July 17, 2004, Nucor acquired Corus' Tuscaloosa, AL, plate mill. Nucor reported that it increased capacity at these two facilities with changes in operating practices and learning curve efficiencies.

IPSCO reported that it began production of CTL plate at its minimill in Mobile County, AL, in the first quarter of 2001. This new capability complemented the company's previous additions to its coil processing capability. In the second quarter of 2000, IPSCO Texas began producing CTL plate at its temper level coil processing plant in Houston. In the fourth quarter of 2000, a temper mill was added to IPSCO Minnesota Inc.'s coil processing facility in St. Paul, MN.

PDM, a service center, reported the only other plant opening, in its case a small service center in Las Vegas, NV. U.S. processor Robinson consolidated operations with the purchase of National Steel's share of National Robinson LLC. Gerdau Ameristeel acquired its Cartersville, GA mill in 2002, then expanded further in 2004 with its Calvert City and Wilton, IA, mills. Gerdau primarily produces flat bar products, however, it produces subject product in narrow widths on bar mills at these facilities.

WCI Steel entered Chapter 11 bankruptcy in September 2003, and currently manages and operates its business as a debtor-in-possession. WCI primarily produces hot-rolled, cold-rolled, and corrosion-resistant steel products. CTL plate production typically accounts for less than *** percent of WCI's production.

Oregon Steel has undergone several changes since 1999. In May 2003, Oregon closed its Portland melt shop. The company switched to purchasing semi-finished steel in the form of slabs. In July 2004, Oregon announced its expansion through construction of a spiral weld DSAW pipe-making facility near the Portland rolling mill.[4] However, the company subsequently announced that it would close its large diameter pipe mill in Napa, CA, in December 2004. Most recently, Oregon acquired *** of Camrose Pipe Company, in Camrose, Alberta, in March 2005.

On October 31, 2003, United States Steel Corporation ("U.S. Steel") and International Steel Group ("ISG") completed an exchange of most of the assets of U.S. Steel's plate business, which included the 110" plate mill at Gary Works, for the assets of ISG's No. 2 pickle line at Indian Harbor Works. U.S. Steel has continued to sell CTL plate produced from coiled plate produced at its Gary Works. ***. U.S. Steel also purchased the assets of National Steel Company in May 2003. The impact of acquisition on CTL plate capacity and production was limited, however, as National did not produce large volumes of CTL plate.

The extensive changes experienced by Bethlehem/ISG/Mittal are noted in table III-2. On April 15, 2005, ISG was merged with Mittal Steel Company, NV. The merger itself has had no effect on CTL plate operations. However, Mittal reactivated the Burns Harbor 110" mill plate mill, which had been idled since 2000, in May 2005. This mill has the capacity to produce *** short tons per year, although it is currently staffed to operate at only *** short tons per year.

Several firms reported no changes or changes that have had neither a significant impact on individual firms or the industry as a whole. *** and *** reported no changes to their operations. In October 2004, *** shut down its hot-rolled CTL plate line. CTL plate, however, represented only a small portion of ***'s steel production. *** reported that in November 2001 its Houston operation was closed, but that the company was not materially affected by the closure.

[4] In September 2003, Oregon began leasing a structural tube mill in Portland, OR.

Anticipated Changes in Existing Operations

The Commission asked domestic producers to report anticipated changes in their operations. *** will not affect plate operations or capacity. If domestic plate demand declines, *** contends that it will have to reconsider the operations of ***. Any expected changes would be in response to domestic demand. *** is in the process of ***. *** is planning to complete equipment upgrades and additions for the purpose of producing more alloy plate for internal consumption in June 2006. This will also add an additional *** tons per month capacity for external customers.

Firms that reported no anticipated changes to the character of their operations include service centers ***, and the mills ***.

Maintenance and Outages

U.S. producers were requested to describe the impact of planned maintenance and outages on their production planning and operations. *** reported no planned shutdowns. *** reported that its annual one-week shutdown for maintenance had no impact on production. *** adjusts production and inventory levels prior to shutdowns in order to meet customer requirements during the maintenance period. ***'s plate mills are scheduled for one week of planned outages a year. The outages are built into the production cycle and are timed to fluctuate from mill to mill. *** coordinates its planned, semi-annual four-to-seven-day maintenance shutdowns with its customers' schedules to avoid disruptions to their operations. Additional production prior to a shutdown is used when needed. *** in order not to disrupt supplies to customers. In addition to one-week semi-annual major maintenance, *** also shuts down two to three days each month for preventative maintenance. Like the others, *** reported that the shutdowns are planned in advance to minimize the impact. *** performs maintenance on the weekends or on an as-needed basis. *** ensured that the *** did not affect CTL plate shipments by increasing its inventory levels before the maintenance. ***'s plan to add new equipment and upgrades will cause numerous shut downs through June 2006. The major shut down will be for the melt shop in January 2006, but the firm expects minimal impact on capacity. Only *** and ***, both of which are processors, reported no planned maintenance shutdowns.

Alternative Products

The Commission collected data on products produced on the same equipment used to manufacture CTL plate (table III-3). Not all producers manufacture other products on their CTL plate lines, but those that did report such production indicated a substantial increase in coiled products. This is consistent with the shift in CTL plate production away from reversing mills (such as those operated by Gulf States and U.S. Steel) toward combination mills (such as those operated by IPSCO).

Table III-3
CTL plate: U.S. producers' capacity, production, and capacity utilization of alternative products, by products, 1999-2004

Item	Calendar year					
	1999	2000	2001	2002	2003	2004
Average capacity	6,798,740	6,823,740	7,923,740	9,213,740	9,343,740	9,706,240
Production						
Carbon-quality "CTL" steel plate	3,625,969	3,953,086	4,450,060	4,704,004	4,836,882	5,090,763
Alloy steel plate	353,246	378,328	290,959	338,745	294,929	338,392
Hot-rolled sheet and strip	449,675	408,021	352,077	448,192	465,560	523,303
Hot-rolled plate in coils	424,276	497,842	549,736	1,006,402	1,090,232	1,184,162
Other	61,661	62,332	66,934	47,395	68,217	124,318
Total production	4,914,827	5,299,609	5,709,766	6,544,738	6,755,820	7,260,938
Capacity utilization (percent)	72.3	77.7	72.1	71.0	72.3	74.8

[1] Production does not match CTL plate production presented in Table III-1, since several producers either did not produce alternative products on the same equipment and machinery used in the production of CTL plate or did not respond to the request for alternative products data.

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

U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Data on domestic producers' shipments of CTL plate are presented in table III-4. From 1999 to 2004, the quantity of the domestic industry's U.S. shipments increased by nearly 400,000 short tons, as a result of the substantial increase occurring between 2003 and 2004. The average unit values of such shipments ranged between $354 and $378 per short ton between 1999 and 2003, then increased to $634 per short ton in 2004. Both the quantity and the average unit values of U.S. shipments continued to rise in the first half of 2005. As a result, the value of U.S. shipments by the domestic industry increased by nearly $2 billion between 1999 and 2004, and was approximately $836 million higher in January-June 2005 than in January-June 2004.

Export shipments by the U.S. industry also increased from 1999 to 2004, nearly 439,000 short tons in 2004. Exports increased from each preceding year, except 2001, but were lower in terms of quantity (although not value) in January-June 2005 than in January-June 2004. Exports more than doubled as a share of total shipments between 1999 and 2004.

Table III-4
CTL plate: U.S. producers' shipments, by types, 1999-2004, January-June 2004, and January-June 2005

Item	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
Quantity (*short tons*)								
Commercial shipments	6,235,455	6,346,259	5,833,252	6,139,148	6,214,497	6,881,730	3,399,696	3,579,594
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	6,634,287	6,480,056	6,261,341	6,600,006	6,507,875	7,028,510	3,497,561	3,626,970
Export shipments	161,153	236,598	144,677	195,180	305,067	438,759	219,209	183,249
Total	6,795,440	6,716,654	6,406,018	6,795,186	6,812,942	7,467,269	3,716,770	3,810,219
Value (*$1,000*)								
Commercial shipments	2,330,037	2,390,671	2,065,526	2,166,484	2,262,290	4,354,485	1,830,904	2,687,821
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	2,474,901	2,440,460	2,215,708	2,345,160	2,377,420	4,456,089	1,889,449	2,725,315
Export shipments	62,059	88,523	51,238	66,271	107,616	282,506	114,421	144,204
Total	2,536,960	2,528,983	2,266,946	2,411,431	2,485,036	4,738,595	2,003,870	2,869,519
Unit value (*per short ton*)								
Commercial shipments	$375	$378	$354	$353	$364	$633	$539	$751
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***	***
U.S. shipments	374	378	354	355	365	634	540	751
Export shipments	385	374	354	340	353	666	534	788
Average	374	377	354	355	365	636	540	753

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

U.S. PRODUCERS' INVENTORIES

Data collected in these reviews on domestic producers' end-of-period inventories of CTL plate are presented in table III-5. The domestic industry's inventories of CTL plate experienced a drop off of 10.9 percent from its peak year in 1999 to 2000 and then proceeded to fluctuate in a generally downward trend for the rest of the period. Industry inventories relative to total shipments also were highest in 1999, at 9.8 percent, then decreased to 7.4 percent by 2004. The ratios of inventories to production and to U.S. shipments mirrored these trends, and likewise were stable or lower in January-June 2005 compared to January-June 2004, even though inventories were slightly higher in absolute terms.

Table III-5
CTL plate: U.S. producers' end-of-period inventories, 1999-2004, January-June 2004, and January-June 2005

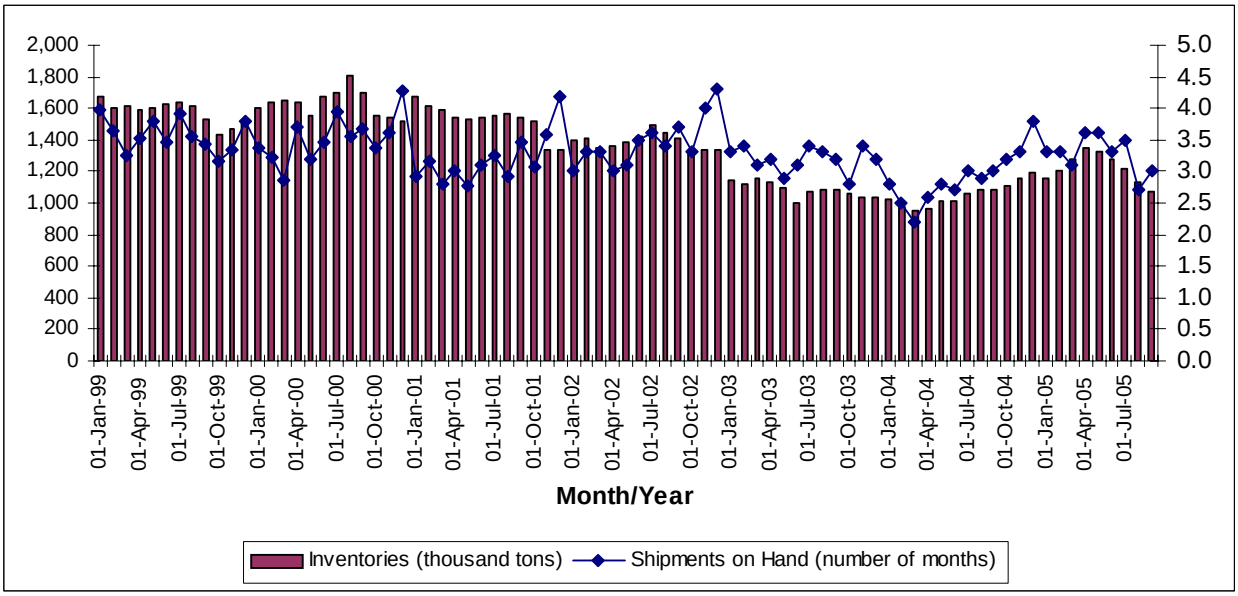
Item	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
Inventories (short tons)	664,872	615,678	542,213	533,524	561,018	554,822	508,081	519,555
Ratio of inventories to production (percent)	9.9	9.4	8.7	7.9	8.2	7.4	6.9	6.8
Ratio of inventories to U.S. shipments (percent)	10.0	9.5	8.7	8.1	8.6	7.9	7.3	7.2
Ratio of inventories to total shipments (percent)	9.8	9.2	8.5	7.9	8.2	7.4	6.8	6.8

Note.–Partial-year ratios are based on annualized data.

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

Figure III-1 illustrates inventories held by U.S. service centers and the number of months of of shipments on hand.

Figure III-1
CTL plate: Inventories[1] held by U.S. service centers, by months, January 1999-September 2005



[1] SSCI data include both CTL and coiled plate. Also, these inventories include plate from both domestic and foreign sources.

Source: *Business Conditions,* Steel Service Center Institute (Cleveland, OH), October 2005.

U.S. PRODUCERS' IMPORTS AND PURCHASES OF SUBJECT MERCHANDISE

Data concerning U.S. producers' direct imports of CTL plate are shown in table III-6. Two U.S. producers reported importing CTL plate from subject countries. ***. *** imported *** plate for ***. At the time, *** was operating at high capacity *** and could not produce enough *** plate internally for the project.[5] The *** plate imported by *** from Japan did not have width or thickness requirements necessitating the external sourcing. In 2001, *** as a trial to test the quality of the plate.[6]

Table III-6
CTL plate: U.S. producers' direct imports, by sources, 1999-2004, January-June 2004, and January-June 2005

* * * * * * *

The Commission asked domestic producers to report purchases, other than direct imports, of CTL plate since 1999. Data concerning U.S. producers' purchases of CTL plate are shown in table III-6. Six domestic producers reported no purchases of CTL plate during the period for which data were collected. Several domestic producers (processors only) reported purchasing CTL plate. Table III-7 summarizes the quantity and value of the producers' purchases, by source.

Table III-7
CTL plate: U.S. producers' purchases, by sources, 1999-2004, and January-June 2005

* * * * * * *

[5] Staff interview with *** on October 18, 2005.

[6] Staff interview with *** on October 18, 2005.

***, a processor, reported purchases of CTL plate from *** in 1999 and 2000 and from *** throughout the period for which data were collected except for 2003.[7] The reasons *** chose these sources for purchasing this product are because of price and availability.

***, a processor, reported purchases of CTL plate from nonsubject source, ***. The reason for the purchases was because these were products outside of ***'s production range. *** also purchased from nonsubject sources, citing price and availability. ***, a processor, reported purchases of CTL plate from U.S. mills and other sources. Domestic sources were used because of quick turnaround and short lead time. Offshore sources of CTL plate for *** are from Mexico, Serbia, and Egypt. *** increasingly purchased CTL plate from these countries from 2002 through the first six months of 2005. Customers of *** insisted on offshore sourcing in 2005 because of the 2004 supply squeeze.

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-8 provides data on U.S. CTL producers' production and related workers. Between 1999 and 2004, there has been a consistent trend of fewer production and related workers, fewer hours worked, and lower wages paid (despite rising hourly wages), offset by substantially higher productivity, leading to an overall reduction in labor costs.[8] These trends were largely reversed, however, in January-June 2005, although productivity remained relatively high and labor costs low compared to earlier periods.

Table III-8
CTL plate: U.S. producers' employment-related indicators, 1999-2004, January-June 2004, and January-June 2005

Item	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
Production and related workers (PRWs)	6,457	6,026	5,670	5,060	4,470	4,125	3,808	4,128
Hours worked by PRWs (1,000 hours)	14,189	13,477	12,586	11,228	9,261	8,728	4,378	4,668
Wages paid to PRWs (1,000 dollars)	311,740	300,213	291,380	264,262	225,159	222,524	103,730	121,897
Hourly wages	$21.97	$22.28	$23.16	$23.54	$24.32	$25.49	$23.69	$26.11
Productivity (short tons produced per 1,000 hours)	445.3	468.7	479.4	574.9	700.4	817.9	798.2	774.9
Unit labor costs (per short ton)	$49.39	$47.57	$48.33	$40.96	$34.74	$31.17	$29.69	$33.70

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

[7] ***.

[8] Comparisons of company-specific productivity data are complicated by the variety of production methods used to manufacture CTL plate, including traditional integrated production; minimill production via electric arc furnaces; production by mills that purchase and roll slab, but do not themselves produce the input; and of course processors that acquire hot-rolled coils in plate thicknesses and then level and shear the product to form CTL plate.

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

Eleven U.S. mills and five processors of CTL plate provided financial data.[9] [10] A small share (approximately *** percent of the aggregate 2004 sales value) of production of CTL plate was internally consumed and transferred to related companies for production of downstream products.[11]

Operations on CTL Plate

The results of the responding U.S. producers' CTL plate are presented in table III-9. Net sales quantity, value, and operating income fluctuated between 1999 and 2003. However, net sales value as well as operating income increased noticeably from 2003 to 2004, due mainly to a substantial increase in per-short-ton selling price (from $364 to $621), while sales quantity for the same period increased moderately. An operating loss in 2003 changed to operating income in 2004 and per-unit profitability increased substantially for the same period. The ratio of the domestic industry's operating income to net sales in 2004 was nearly 22 percent, while its operating loss ratio in 2003 was 7 percent. Per-short-ton net sales values increased in 2004 (by $256) from 2003, while per-unit total costs also increased by $97, resulting in an operating income of $134 per short ton in 2004 compared to an operating loss of $26 in 2003, a net increase of $160 per short ton. The trend between January-June 2004 and January-June 2005 continued the pattern exhibited between 2003 and 2004.

[9] The producers with fiscal year ends other than December 31 are ***. IPSCO reported as both a mill and a processor.

[10] Gulf States and Geneva Steel exited the domestic industry in 2000 and 2001, respectively. Data for Gulf States' 1999 and Geneva Steel's 1999-2000 operations were submitted in Investigations Nos. 731-TA-753-756 (Review). Geneva's data were based on its response for the previous safeguard investigation on steel, Investigation No. TA-201-73. Data from Gulf States were based on Investigations Nos. AA-1921-197, 701-TA-231,319-320, 322, 325-328, 340, 342, 348, 349-350 and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, 614-618 (Review). CSI shutdown its CTL plate production line in October 2004. Ghent started its plate production in May 2002.

[11] *** did not provide financial data. In addition, *** reported no commercial sales of CTL plate and provided no financial data.

Table III-9
CTL plate: Results of operations of U.S. mills and processors, fiscal years 1999-2004, January-June 2004, and January-June 2005

Item	Fiscal year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
	Quantity (*short tons*)							
Net sales[1]	5,054,871	5,031,740	4,898,152	5,271,706	5,459,767	5,846,046	2,936,774	2,928,544
	Value (*$1,000*)							
Net sales[1]	1,922,593	1,910,118	1,749,895	1,867,048	1,989,141	3,628,077	1,527,077	2,259,700
COGS	1,911,940	1,916,104	1,852,996	1,885,569	1,989,204	2,752,869	1,249,822	1,648,435
Gross profit (loss)	10,653	(5,986)	(103,101)	(18,521)	(63)	875,208	277,255	611,265
SG&A expenses	132,658	108,884	104,269	94,815	139,878	92,452	39,726	52,429
Operating income (loss)	(122,005)	(114,870)	(207,370)	(113,336)	(139,941)	782,756	237,529	558,836
Interest expense	70,216	56,024	62,834	45,606	35,088	32,688	16,335	15,068
Other expense	23,056	5,914	17,504	4,874	3,344	293	129	113
CDSOA funds received	0	0	1,180	310	1,977	4,927	0	0
Other income items	4,015	5,872	21,174	20,912	14,305	12,349	622	384
Net income (loss)	(211,262)	(170,936)	(265,354)	(142,594)	(162,091)	767,051	221,687	544,039
Depreciation	134,195	102,079	112,062	114,552	114,903	105,948	51,103	53,894
Cash flow	(77,067)	(68,857)	(153,292)	(28,042)	(47,188)	872,999	272,790	597,933
	Value (*per short ton*)							
Net sales	$380	$380	$357	$354	$364	$621	$520	$772
COGS	378	381	378	358	364	471	426	563
Gross profit (loss)	2	(1)	(21)	(4)	0	150	94	209
SG&A expenses	26	22	21	18	26	16	14	18
Operating income (loss)	(24)	(23)	(42)	(21)	(26)	134	81	191
	Ratio to net sales (*percent*)							
COGS	99.4	100.3	105.9	101.0	100.0	75.9	81.8	72.9
Gross profit (loss)	0.6	(0.3)	(5.9)	(1.0)	0.0	24.1	18.2	27.1
SG&A expenses	6.9	5.7	6.0	5.1	7.0	2.5	2.6	2.3
Operating income (loss)	(6.3)	(6.0)	(11.9)	(6.1)	(7.0)	21.6	15.6	24.7
	Number of firms reporting							
Operating losses	7	8	9	8	8	0	1	0
Data	15	14	13	14	14	14	14	13

[1] Internal consumption/transfers are less than *** percent of the combined companies' net sales value in 2004 and are not shown separately.

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

The results of operations by firm and the aggregate data of processors are presented in table III-10. While a majority of mills reported operating losses between 1999 and 2003, all producers experienced operating income and double digit operating income ratios in 2004.

Table III-10
CTL plate: Results of operations of U.S. mills (by firm) and processors, fiscal years 1999-2004, January-June 2004, and January-June 2005

* * * * * * *

Selected cost data of the producers on their CTL plate operations are presented in table III-11. As indicated in this table, mills and processors exhibited somewhat different patterns of change in unit sales value and profitability.[12] Mills and processors reported lower unit values between 1999 and 2003. Unit sales values for both mills and processors increased markedly from 2003 to 2004 and were substantially higher in January-June 2005 than in January-June 2004.

For processors, rising costs of raw materials between the interim periods were greater than the increase of unit sales values, which effectively decreased operating income and per-unit operating income.[13] Processors were profitable or at least breakeven throughout 1999-2005. However, the increase in unit sales values for mills was greater than the increase in per-unit raw materials cost and total cost during the same period, which resulted in much higher operating income and per-unit operating income in January-June 2005 compared to January-June 2004. For mills, labor costs decreased in 2004 from 2003 due in part to the ***,[14] while selling, general, and administrative (SG&A) expenses increased somewhat from 2002 to 2003. *** reported *** increases in SG&A expenses in 2003, because it included restructuring charges ***[15] and stock appreciation rights that were exercised in 2003.[16] Overall, total unit costs increased substantially for both mills and processors from 2003 to 2004 and from interim 2004 to interim 2005, due primarily to an increase of raw materials cost per short ton. Total SG&A expenses and per-unit SG&A expenses by each producer on their CTL plate operations are presented in table III-12.[17]

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[12] ***.

[13] For all processors, costs of raw materials between the two interim periods increased more than the increase of unit sales values, ***. ***.

[14] ***.

[15] According to GAAP (Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the impairment or disposal of long-lived assets"), restructuring charges and impairment losses on long-lived assets to be held and used shall be reported as components of income from continuing operations, with appropriate footnote disclosure. These charges and losses could have many components, such as severance-related costs and write-down of certain fixed assets and inventories which are usually recorded in cost of sales and/or SG&A, or as separate items above the operating income line. The results of operations of a component that has been disposed of or is classified as held for sale may be reported in discontinued operations if the operations of the component have been eliminated from the ongoing operations of the entity as a result of the disposal and the entity will have no significant continuing involvement in the operations of the component after the disposal transaction (SFAS No. 144, para. 42). Furthermore, SFAS No. 146, "Accounting for costs associated with exit or disposal activities," para. 18 states that costs associated with an exit or disposal activity that does not involve a discontinued operation shall be included in income from continuing operations before income taxes..... Costs associated with an exit or disposal activity that involves a discontinued operation shall be included in the results of discontinued operations.

[16] ***.

[17] ***.

Table III-11
CTL plate: Manufacturing and operating costs and operating margins of U.S. mills and processors, fiscal years 1999-2004, January-June 2004, and January-June 2005

Item	Fiscal year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
U.S. mills	**Value (*per short ton*)**							
Net sales	$385	$384	$363	$358	$367	$626	$516	$781
COGS:								
Raw materials	173	173	173	173	188	283	251	333
Direct labor	63	60	56	46	50	43	36	44
Factory overhead	153	157	159	147	132	140	139	170
Total COGS	388	390	389	366	370	467	427	547
SG&A expenses	28	23	22	18	28	16	14	19
Total cost	416	413	411	384	398	483	440	566
Op. income (loss)	(31)	(28)	(49)	(26)	(31)	143	75	216
U.S. processors	**Value (*per short ton*)**							
Net sales	342	346	320	330	350	585	546	705
COGS:								
Raw materials	279	290	277	277	300	467	394	641
Direct labor	10	11	11	10	8	9	7	8
Factory overhead	14	16	17	18	21	20	19	22
Total COGS	303	317	306	305	328	495	420	671
SG&A expenses	14	13	14	15	13	14	12	13
Total cost	316	330	321	320	342	509	432	684
Op. income (loss)	26	16	(1)	10	8	76	114	20
	Ratio to net sales (*percent*)							
Op. income (loss)								
U.S. mills	(8.0)	(7.4)	(13.4)	(7.3)	(8.5)	22.8	14.6	27.6
U.S. processors	7.7	4.6	(0.2)	3.1	2.3	13.0	20.8	2.9

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

Table III-12
CTL plate: Total and per-unit SG&A expenses of U.S. mills (by firm) and processors, fiscal years 1999-2004, January-June 2004, and January-June 2005

* * * * * * *

A variance analysis showing the effects of prices and volume on the producers' net trade sales of CTL plate, and of costs and volume on their total cost, is shown in table III-13. The analysis is summarized at the bottom of the table. Operating income increased by nearly $905 million between 1999 and 2004. The increase in operating income between 1999 and 2004 resulted mainly from higher average prices ($1.4 billion) which was partially offset by the negative effect of increasing costs/expenses ($481 million).

Table III-13
CTL plate: Variance analysis of operations of U.S. mills and processors, between fiscal years 1999-2004, January-June 2004, and January-June 2005

Item	Between fiscal years						Jan-June
	1999-2004	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
	Value (*$1,000*)						
Net sales:							
Price variance	1,404,565	(3,677)	(109,511)	(16,301)	55,489	1,498,204	736,902
Volume variance	300,919	(8,798)	(50,712)	133,454	66,604	140,732	(4,279)
Total net sales variance	1,705,484	(12,475)	(160,223)	117,153	122,093	1,638,936	732,623
Cost of sales:							
Cost variance	(541,677)	(12,913)	12,237	108,744	(36,370)	(622,929)	(402,115)
Volume variance	(299,252)	8,749	50,871	(141,317)	(67,265)	(140,736)	3,502
Total cost variance	(840,929)	(4,164)	63,108	(32,573)	(103,635)	(763,665)	(398,613)
Gross profit variance	864,555	(16,639)	(97,115)	84,580	18,458	875,271	334,010
SG&A expenses:							
Expense variance	60,969	23,167	1,724	17,406	(41,681)	57,322	(12,814)
Volume variance	(20,763)	607	2,891	(7,952)	(3,382)	(9,896)	111
Total SG&A variance	40,206	23,774	4,615	9,454	(45,063)	47,426	(12,703)
Operating income variance	904,761	7,135	(92,500)	94,034	(26,605)	922,697	321,307
Summarized as:							
Price variance	1,404,565	(3,677)	(109,511)	(16,301)	55,489	1,498,204	736,902
Net cost/expense variance	(480,708)	10,254	13,961	126,150	(78,050)	(565,606)	(414,930)
Net volume variance	(19,096)	558	3,050	(15,815)	(4,043)	(9,901)	(666)

Note.--Unfavorable variances are shown in parentheses; all others are favorable.

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

Capital Expenditures and Research and Development Expenses

The U.S. producers' capital expenditures and research and development (R&D) expenses are presented in table III-14. Capital expenditures increased slightly from 1999 to 2000 and then continuously decreased from 2000 through 2003, then increased very slightly in 2004. R&D expenses increased from 1999 to 2002 and decreased continuously from 2002 to 2004. Capital expenditures by individual firms are presented in table III-15.[18] Five producers[19] made substantial capital investments during the period for which data were collected.

Table III-14
CTL plate: Capital expenditures and R&D expenses by U.S. mills and processors, fiscal years 1999-2004, January-June 2004, and January-June 2005

Item	Fiscal year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
	Value (*$1,000*)							
Capital expenditures	277,433	278,487	135,894	34,403	21,776	30,975	11,262	22,412
R&D expenses	***	***	***	***	***	***	***	***

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

Table III-15
CTL plate: Capital expenditures by U.S. mills (by firm) and processors, fiscal years 1999-2004, January-June 2004, and January-June 2005

* * * * * * *

Assets and Return on Investment

U.S. producers were requested to provide data on their assets used in the production and sale of CTL plate during the period for which data were collected to assess their return on investments (ROI). Although ROI can be computed in different ways, a commonly used method is income earned during the period divided by the total assets utilized for the operations. Therefore, staff calculated ROI as operating income divided by total assets used in the production and sale of CTL plate. Data on the U.S. producers' total assets and their ROI are presented in table III-16.

Total assets utilized by the U.S. producers in their operations, especially the original cost and book value of property, plant, and equipment (PPE) used to produce CTL plate, generally decreased between 2001 and 2004, due mainly to many plant closings/purchases and restructuring.[20] Since the U.S. producers' operating income increased considerably from 2003 to 2004, their ROI increased from a loss ratio of 5.9 percent in 2003 to a positive ratio of 28.9 percent in 2004.

[18] ***.

[19] These firms were ***.

[20] ***. ***.

Table III-16
CTL plate: Value of assets and return on investment of U.S. mills and processors, fiscal years 1999-2004

Item	Fiscal year					
	1999	2000	2001	2002	2003	2004
	Value *($1,000)*					
Current assets:						
A. Cash and equivalents	10,302	20,623	13,868	23,243	30,938	267,189
B. Trade receivables (net)	211,459	224,359	211,017	223,932	256,252	448,233
C. Inventory	299,595	335,700	341,570	338,692	294,697	491,515
D. All other current	34,651	65,045	57,456	52,877	13,141	4,866
Total current	556,007	645,727	623,911	638,744	595,028	1,211,803
Non-current assets:						
A. Productive facilities[1]	2,472,034	3,113,437	3,200,710	2,922,186	2,265,399	2,000,454
B. Productive facilities (net)[2]	1,493,642	2,089,628	2,166,655	2,013,991	1,617,960	1,443,306
C. Other non-current	343,246	418,916	320,801	236,936	139,856	44,674
Total non-current	1,836,888	2,508,544	2,487,456	2,250,927	1,757,816	1,487,980
Total assets	2,392,895	3,154,271	3,111,367	2,889,671	2,352,844	2,699,783
	Value *($1,000)*					
Operating income (loss)[3]	(58,083)	(92,935)	(206,530)	(112,885)	(138,715)	781,427
	Ratio of operating income to total assets *(percent*)					
Return on investment	(2.4)	(2.9)	(6.6)	(3.9)	(5.9)	28.9

[1] Original cost of property, plant, and equipment (PPE).
[2] Net book value of PPE (original cost less accumulated depreciation).
[3] Since total assets of *** were unavailable, total operating income (loss) was adjusted to exclude operating income (loss) of these companies.

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

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

The Commission sent importers' questionnaires to all U.S. plate mills; all U.S. services centers believed to have cut-to-length processing lines; all U.S. firms believed to have imported CTL plate during previous investigations; and firms identified by *** as importers of record for CTL plate between January 1999 and March 2005. Twenty-one firms supplied usable data and four reported small amounts of imports of CTL plate but did not complete questionnaires, while 44 firms indicated that they had not imported CTL plate since 1999.[1] The Commission received responses from firms accounting for a substantial share of imports of CTL plate from France, Italy, and Korea; partial responses with respect to CTL plate from Japan; and limited responses from smaller-volume subject countries. Import data in this report are derived from official Commerce statistics for CTL plate,[2] as adjusted by questionnaire responses to include imports of micro-alloy steel products, TIB imports,[3] and FTZ entries,[4] to the extent that the latter two forms of imports were not subsequently exported.[5]

No importers reported entering or withdrawing CTL plate from bonded warehouses in the United States, although one, ***, entered *** short tons of *** into the United States from a bonded warehouse in Windsor, Canada.[6] One importer, ***, reported temporary importation under bond of CTL plate. All of ***'s imports from *** during the period for which data were collected were re-exported to Mexico.

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[1] Fifty-four firms did not respond to Commission's questionnaire.

[2] The official import statistics that form the core of the data are limited to non-alloy steel plate. While most of this volume is believed to be CTL plate consistent with the scope of these reviews, some of the HTS subheadings included in the scope provide for plate in both coiled and non-coiled form. This has resulted in an overstatement in the volume of subject imports of CTL plate. While Staff believes that this overstatement is minor in aggregate, it can have a noticeable impact on data for certain suppliers in periods where their overall volume is relatively small. *See*, *e.g.*, Appendix 8, Revised Import Statistics, in respondent GTS' posthearing brief.

[3] In general, temporary importation under bond is a procedure whereby merchandise may be temporarily entered into the U.S. customs territory free of duty by posting a bond in an amount equal to double the estimated duties had all the articles covered by the entry been entered under an ordinary consumption entry. 19 C.F.R. §§ 10.31(f). Under the terms of the bond, the importer agrees to export or destroy the merchandise within a specified time or pay liquidated damages, generally equal to twice the normal duty. *See* 19C.F.R. sec. 10.39 (d) (1); Titanium Metals Corp. v. United States, 901 F. Supp. 362, 364 (Ct. Int'l Trade 1995).

[4] In its investigation on coumarin from China, the Commission concluded that "entries into an FTZ (foreign trade zone), with the exception of amounts that are re-exported from the FTZ without entering the customs territory of the United States, are subject imports for purposes of our injury analysis." *Coumarin from the People's Republic of China*, Inv. No. 731-TA-677 (Final), USITC Publication 2852 (February 1995) at I-10.

[5] Staff notes that this method (designated "method A") was employed by three of the five Commissioners voting in the original investigations (Vice Chairman Miller and Commissioners Askey and Hillman). Chairman Bragg and Commissioner Koplan, however, employed a second method (designated "method B"), which included all imports subject to the eventual assessment of duties (including exports to NAFTA partners Canada and Mexico). The respective rationales for selecting either method were explained in the preliminary determinations in the original investigations, USITC Publication 3181 at 13-14 and accompanying notes. Import data based on both method A and method B-type calculations are presented in appendix C, tables C-1A and C-1B.

[6] *** is the exclusive importer into the United States of CTL plate from foreign producer ***. According to the latter's foreign producer questionnaire response, it exported *** short tons of CTL plate to the United States in 2004. The bonded warehouse data supplied by *** accounts for the difference between ***'s response and data from official Commerce statistics.

In 1999, *** were re-exported; in 2000, ***; in 2001, ***; and in 2004, ***. Finally, one importer, ***, reported entries of CTL plate *** into an FTZ, where it transformed the product into ***.

Imports of CTL plate from each of the subject countries and from all nonsubject countries appear in table IV-1. The combined imports from the subject countries fell over the period for which data were collected, reaching their nadir in 2003 at slightly more than 21,000 short tons. Even though imports recovered in 2004 to more than 80,000 short tons, this figure still represents a decline of 81.8 percent from the level of subject imports in 1999.

Table IV-1
CTL plate: U.S. imports, by sources, 1999-2004, January-June 2004, and January-June 2005

Source	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
	Quantity (*short tons*)							
France	***	***	***	***	***	***	***	***
India	6,462	1,485	1,262	20	0	1,585	210	1,722
Indonesia	39,553	0	123	0	0	627	0	2,498
Italy	11,396	2,369	1,130	278	666	29,130	9,214	7,781
Japan	***	***	***	***	***	***	***	***
Korea (excluding POSCO)	***	***	***	***	***	***	***	***
Subtotal	450,990	174,196	158,311	112,443	21,017	82,011	17,813	74,814
Korea (POSCO)	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Nonsubject subtotal	598,355	696,939	977,191	679,724	458,834	648,907	293,483	327,113
Total	1,049,344	871,136	1,135,502	792,166	479,851	730,918	311,296	401,928

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Table IV-1--*Continued*
CTL plate: U.S. imports, by sources, 1999-2004, January-June 2004, and January-June 2005

Value (*1,000 dollars*)								
France	***	***	***	***	***	***	***	***
India	2,057	498	377	12	0	1,731	186	1,837
Indonesia	10,761	0	34	0	0	457	0	1,714
Italy	4,319	1,509	1,427	850	1,164	19,279	4,836	7,120
Japan	***	***	***	***	***	***	***	***
Korea (excluding POSCO)	***	***	***	***	***	***	***	***
Subtotal	172,359	58,092	52,418	41,604	18,634	61,810	13,400	57,842
Korea (POSCO)	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Nonsubject subtotal	221,782	280,019	383,530	281,233	199,499	389,242	149,065	253,688
Total	428,183	338,111	435,948	322,837	218,133	451,051	162,464	311,530
Unit value (*per short ton*)								
France	***	***	***	***	***	***	***	***
India	$318	$336	$298	$584	-	$1,092	$889	$1,067
Indonesia	272	-	273	-	-	728	-	686
Italy	379	637	1,263	3,054	$1,746	662	525	915
Japan	***	***	***	***	***	***	***	***
Korea (excluding POSCO)	***	***	***	***	***	***	***	***
Subtotal	382	333	331	370	887	754	752	773
Korea (POSCO)	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Nonsubject subtotal	428	402	392	414	435	600	508	776
Average	408	388	384	408	455	617	522	775

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Table IV-1--*Continued*
CTL plate: U.S. imports, by sources, 1999-2004, January-June 2004, and January-June 2005

Source	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
Share of quantity (*percent*)								
France	***	***	***	***	***	***	***	***
India	0.6	0.2	0.1	([1])	0.0	0.2	0.1	0.4
Indonesia	3.8	0.0	([1])	0.0	0.0	0.1	0.0	0.6
Italy	1.1	0.3	0.1	([1])	0.1	4.0	3.0	1.9
Japan	***	***	***	***	***	***	***	***
Korea (excluding POSCO)	***	***	***	***	***	***	***	***
Subtotal	43.0	20.0	13.9	14.2	4.4	11.2	5.7	18.6
Korea (POSCO)	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Nonsubject subtotal	53.0	80.0	86.1	85.8	95.6	88.8	94.3	81.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (*percent*)								
France	***	***	***	***	***	***	***	***
India	0.5	0.1	0.1	([1])	0.0	0.4	0.1	0.6
Indonesia	2.5	0.0	([1])	0.0	0.0	0.1	0.0	0.6
Italy	1.0	0.4	0.3	0.3	0.5	4.3	3.0	2.3
Japan	***	***	***	***	***	***	***	***
Korea (excluding POSCO)	***	***	***	***	***	***	***	***
Subtotal	40.3	17.2	12.0	12.9	8.5	13.7	8.2	18.6
Korea (POSCO)	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Nonsubject subtotal	56.3	82.8	88.0	87.1	91.5	86.3	91.8	81.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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Table IV-1--*Continued*
CTL plate: U.S. imports, by sources, 1999-2004, January-June 2004, and January-June 2005

Source	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
	Ratio of import quantity to U.S. production (*percent*)							
France	***	***	***	***	***	***	***	***
India	0.1	([1])	([1])	([1])	0.0	([1])	([1])	0.1
Indonesia	0.8	0.0	([1])	0.0	0.0	([1])	0.0	0.1
Italy	0.2	([1])	([1])	([1])	([1])	0.5	0.3	0.3
Japan	***	***	***	***	***	***	***	***
Korea (excluding POSCO)	***	***	***	***	***	***	***	***
Subtotal	9.1	3.6	3.4	2.2	0.4	1.5	0.7	2.6
Korea (POSCO)	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Nonsubject subtotal	12.1	14.2	20.9	13.3	9.1	11.6	11.0	11.3
Total	***	***	***	***	***	***	***	***

[1] Less than 0.05 percent.

Note: Import data include microalloy product. Commerce made *de minimis* AD and CVD determinations on POSCO.

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

During the period for which data were collected, in addition to the six subject countries, the United States imported CTL plate from 47 other countries (table IV-2).[7] Canada, Romania, and Ukraine were the three largest sources for U.S. imports from nonsubject countries. Since 2001, the United States has consistently imported more than 150,000 short tons of CTL plate from Canada. From 1999 to 2004, U.S. imports from Romania increased from 348 short tons to 112,393 short tons. For the same period, U.S. imports from Ukraine increased by 3,814 short tons to 129,159. Combined, the three countries accounted for 71.3 percent of U.S. imports of nonsubject CTL plate in 2004. None of these countries were subject to the 201 U.S. safeguard measures, but Romania is subject to an outstanding order, and Ukraine to a suspension agreement.

The total quantity of CTL plate imports from all sources decreased from 1999 to 2004 by 6.7 percent. In 2003, CTL plate imports were 46.8 percent less than imports in 1999. As a share of total imports, subject imports declined from 43.0 percent in 1999 to 5.4 percent in 2003. In 2004, a year marked by higher demand for CTL plate, subject imports accounted for 11.8 percent of total imports.

From 2000 to 2003, the average unit value of imports was below that in 1999, but then recovered in 2004. The average unit value reached $600 per short ton in 2004 and rose to $730 per short ton during the first half of 2005. The average unit value varied slightly between subject imports and all sources

[7] The data in this table are based on official import statistics of Commerce for non-alloy steel plate. As such, they do not include microalloy CTL plate.

until 2003, when subject imports' average unit value exceeded all sources' average unit value of imports by $***. This is primarily due to the increase in the average unit values of imports from France and Japan, which rose by *** percent and *** percent, respectively, from their 2002 levels.

The ratio of U.S. imports of CTL plate from the six subject countries to U.S. production of CTL plate declined from 9.1 percent in 1999 to 1.5 percent in 2004. Nonsubject imports' ratio to U.S. production fluctuated throughout the period, but never exceeded its 20.9-percent share in 2001.

One importer, ***, reported arrangements for the importation of CTL plate from *** for delivery after June 30, 2005. Between July 1, 2005 and September 30, 2005 *** imported *** metric tons of CTL plate. The ordered quantity to be imported for the period of October 2005 to January 2006 is *** metric tons.

Table IV-2
CTL plate: U.S. imports by source (nonsubject countries only), 1999-2004, January-June 2004, and January-June 2005

Source	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
Quantity (*short tons*)								
Covered by order since 1993								
Belgium	11,771	18,762	19,798	13,523	9,696	13,097	6,490	3,935
Brazil	3,866	3,969	3,948	1,950	509	355	102	2,132
Finland	668	91	19	0	0	4,556	0	0
Germany	5,221	13,306	3,891	42,651	4,842	26,335	17,863	3,092
Mexico [1]	83,347	6,680	7,144	6,951	6,078	6,850	3,792	2,580
Poland [2]	71	3	386	0	0	45	5	61
Romania [2]	348	6	5,981	44,339	69,552	112,393	30,994	3,014
Spain	418	247	60	124	3	0	0	0
Sweden	5,833	5,282	4,601	5,101	3,048	5,212	2,281	1,955
Taiwan (1979)	408	1,799	1,296	388	115	180	45	8
United Kingdom	5,862	4,740	3,564	2,756	2,395	2,243	878	1,316
Covered by order or suspension agreement since 1997								
China [3]	26,159	151,126	91,510	31,138	6,036	1,393	99	2,158
Russia	17,390	87,898	79,070	34,453	3,742	714	28	90
Ukraine	3,814	28,627	31,316	5,650	4,724	129,159	36,924	64,186
Not covered by order								
Argentina	0	50	0	0	0	0	0	0
Australia	31,589	39,964	42,614	14,350	7,831	3,518	1,998	0
Austria	1,130	2,336	6,967	2,554	759	4,737	1,500	1,042
Bulgaria	9,040	16,642	24,766	36,927	1,096	0	0	1,118
Canada [1]	106,307	115,339	163,587	173,010	182,650	154,902	92,652	88,682

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Table IV-2--*Continued*
CTL plate: U.S. imports by source (nonsubject countries only), 1999-2004, January-June 2004, and January-June 2005

Source	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
Chile [2]	0	0	0	13	49	623	416	27
Cyprus	0	0	0	0	10	0	0	0
Czech Republic [2]	31,116	50,845	17,991	53,883	40,866	36,166	16,183	2,678
Denmark	115	441	0	5	1	0	0	0
Dominican Rep [2]	0	0	31	184	0	0	0	0
Egypt [2]	0	0	102	392	251	3,370	3,027	11
Estonia [2]	0	0	0	0	0	146	0	0
Guatemala [2]	0	0	3	0	0	0	0	0
Greece	10,815	10,520	7,208	1,052	0	0	0	0
Hong Kong	51	5	26	0	14	0	0	0
Hungary [2]	6,462	5,685	4,021	7,400	3,977	3,547	3,354	2,380
Israel [1]	0	1	0	0	0	0	0	22
Kazakhstan	351	1,679	399	0	0	0	0	0
Latvia [2]	0	0	0	0	0	3	0	0
Luxembourg	41	151	0	0	0	0	0	0
Macedonia [2]	16,793	6,276	8,917	0	0	0	0	0
Malaysia	0	0	0	0	0	7,789	0	44,466
Malta	0	11	0	0	0	0	0	0
Netherlands	735	52	16	191	0	121	42	0
New Zealand	39	0	57	0	0	50	35	263
Norway	542	350	490	1,020	1,209	681	474	561
Singapore	0	0	0	0	0	9	9	0
Slovak Republic [2]	2,804	3,898	1,586	3,147	1,871	1,051	1,051	2,224
South Africa [2]	10,561	5,771	10,992	11,889	16,086	17,646	9,897	13,345
Switzerland	122	69	76	24	59	0	0	0
Thailand [2]	16,343	44,717	25,207	17,397	2,646	17,038	157	74,333
Turkey [2]	496	2	2,800	4,595	203	2,122	33	1,059
Venezuela	302	969	9	44	118	0	0	8

[1] Member of free trade agreement, 201 safeguard measures not applied.
[2] Country not subject to 201 safeguard measures.
[3] Suspension agreement continued following first review effective September 17, 2003; agreement subsequently terminated and antidumping duty order imposed effective November 3, 2003.

Note: Highlighted years indicate the period of time during which increased tariffs were in effect pursuant to the U.S. safeguard measure on steel.

Source: Compiled from official Commerce statistics.

U.S. IMPORTERS' INVENTORIES

Data relating to U.S. importers' inventories of subject imports and all CTL plate imports are presented in table IV-3.

Table IV-3
CTL plate: U.S. importers' end-of-period inventories of imports, by source, 1999-2004, January-June 2004, and January-June 2005

Item	Calendar year						January-June	
	1999	2000	2001	2002	2003	2004	2004	2005
Imports from subject sources[1]								
Inventories (short tons)	***	***	***	***	***	***	***	***
Ratio to imports (percent)	***	***	***	***	***	***	***	***
Ratio to shipments of imports (percent)	***	***	***	***	***	***	***	***
Imports from all other sources								
Inventories (short tons)	***	***	***	***	***	***	***	***
Ratio to imports (percent)	***	***	***	***	***	***	***	***
Ratio to shipments of imports (percent)	***	***	***	***	***	***	***	***
Total imports								
Inventories (short tons)	25,962	19,212	10,620	8,441	2,186	37,673	22,799	25,139
Ratio to imports (percent)	4.8	5.3	2.1	2.2	0.9	10.2	7.5	6.0
Ratio to shipments of imports (percent)	6.3	5.1	2.1	2.2	0.9	11.4	8.7	6.8

[1] All subject inventories are imports from ***.
[2] Not applicable.

Note–Partial-year ratios are based on annualized data.

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

CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographic markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market.[8] Fungibility considerations and channels of distribution are discussed in Part II of this report; additional information regarding fungibility, geographic markets, and presence in the market are discussed below.

[8] In the original investigations, the Commission majority cumulated U.S. imports from all six subject sources. *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea Invs. Nos. 701-TA-387-391 and 731-TA-816-821 (Final)*, USITC Publication 3202, June 1999.

Fungibility

Tables IV-4 and IV-5 present U.S. commercial shipments of CTL plate by U.S. producers and U.S. importers by the types of plate and the thickness of plate. In 2004, importers reported no imports of subject merchandise from France, India, and Indonesia. Imports from Italy, via ***, were for *** structural steel plate. *** percent of ***'s imports were for plate four inches thick or greater. *** also reported that less than *** percent of its imports were for CTL plate less than *** inches thick. *** claims to have imported plate from Italy because no U.S. producer, except for Mittal, can produce thick plate. Steel Business Briefing has stated that "no domestic mini-mills make plate above 3in (sic) thick."[9] In 2004, U.S. producers made 90,737 short tons of plate greater than four inches thick (table IV-5). *** accounted for *** percent of the thick plate production. In 2004, U.S. producers accounted for *** percent of four-inch or greater thick plate shipments while Italian imports accounted for *** percent.

Most (71.0 percent) of U.S. commercial shipments are carbon structural steel plate. Pressure vessel plate had the next highest share with 11.9 percent, followed by "all other" plate with 8.5 percent.

Table IV-4
CTL Plate: U.S. producers' and importers' U.S. shipments, by source and type of plate, 2004

Item	U.S.	France	India	Indonesia	Italy	Japan	Korea[1]	All others[2]
				Quantity (*short tons*)				
Carbon structural steel plate	4,814,957	0	0	0	***	***	***	178,235
Pressure vessel plate	678,752	0	0	0	***	***	***	33,726
Floor plate	***	0	0	0	***	***	***	***
Oil-drilling platform plate	***	0	0	0	***	***	***	***
Shipbuilding plate	260,205	0	0	0	***	***	***	7,355
X-70 (or higher) plate for line pipe	104,453	0	0	0	***	***	***	***
Other plate for line pipe	137,193	0	0	0	***	***	***	***
All other CTL plate	483,269	0	0	0	***	***	***	264,543
Total	6,527,896	0	0	0	***	***	***	484,738

Continued on next page.

[9] ***, submitted in correspondence from ***.

Table IV-4--*Continued*
CTL Plate: U.S. producers' and importers' U.S. shipments, by source and type of plate, 2004

Item	U.S.	France	India	Indonesia	Italy	Japan	Korea[1]	All others[2]
Unit value (*per short ton*)								
Carbon structural steel plate	$623	([3])	([3])	([3])	***	***	***	$1,129
Pressure vessel plate	628	([3])	([3])	([3])	***	***	***	615
Floor plate	***	([3])	([3])	([3])	***	***	***	***
Oil-drilling platform plate	***	([3])	([3])	([3])	***	***	***	***
Shipbuilding plate	597	([3])	([3])	([3])	***	***	***	865
X-70 (or higher) plate for line pipe	797	([3])	([3])	([3])	***	***	***	***
Other plate for line pipe	403	([3])	([3])	([3])	***	***	***	***
All other CTL plate	621	([3])	([3])	([3])	***	***	***	601
Average	622	([3])	([3])	([3])	***	***	***	1,130
Share of quantity (*percent*)								
Carbon structural steel plate	71.0	([3])	([3])	([3])	***	***	***	36.8
Pressure vessel plate	11.9	([3])	([3])	([3])	***	***	***	7.0
Floor plate	***	([3])	([3])	([3])	***	***	***	***
Oil-drilling platform plate	***	([3])	([3])	([3])	***	***	***	***
Shipbuilding plate	4.6	([3])	([3])	([3])	***	***	***	1.5
X-70 (or higher) plate for line pipe	1.8	([3])	([3])	([3])	***	***	***	***
Other plate for line pipe	1.2	([3])	([3])	([3])	***	***	***	***
All other CTL plate	8.5	([3])	([3])	([3])	***	***	***	54.6

[1] Excluding POSCO.
[2] Including POSCO.
[3] Not applicable.

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

Table IV-5
CTL plate: U.S. producers' and importers' U.S. shipments, by source and thickness of plate, 2004

Item	U.S.	France	India	Indonesia	Italy	Japan	Korea[1]	All others[2]
	Quantity (*short tons*)							
< 1.00"	4,985,777	([3])	([3])	([3])	***	***	***	416,013
≥ 1.00" but < 4.00"	1,451,382	([3])	([3])	([3])	***	***	***	59,648
≥ 4.00"	90,737	([3])	([3])	([3])	***	***	***	9,077
Average unit value (*per short ton*)								
< 1.00"	$619	([3])	([3])	([3])	***	***	***	$589
≥ 1.00" but < 4.00"	622	([3])	([3])	([3])	***	***	***	671
≥ 4.00"	810	([3])	([3])	([3])	***	***	***	676
	Share of quantity (*percent*)							
< 1.00"	76.4	([3])	([3])	([3])	***	***	***	85.8
≥ 1.00" but < 4.00"	22.2	([3])	([3])	([3])	***	***	***	12.3
≥ 4.00"	1.4	([3])	([3])	([3])	***	***	***	1.9

[1] Excluding POSCO.
[2] Including POSCO.
[3] Not applicable.

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

Geographic Markets

As noted previously, CTL plate production occurs throughout the United States, and CTL plate is shipped nationwide. Information summarizing national and regional markets and the shipment of CTL plate is presented in Part II. Of the CTL plate imported into the United States from the subject countries from 1999 to 2004, the top ten Customs port districts accounted for 87.0 percent of the product, and as illustrated in table IV-6,[10] represent the geographic diversity of U.S. imports of CTL plate. The Los Angeles port district had the largest share with 13.9 percent.

Table IV-6
CTL plate: U.S. imports from subject countries, by port district, 1999-2004

Port district	France	India	Indonesia	Italy	Japan	Korea	Total	Share of total
Los Angeles, CA	1,189	373	6,417	1	4,715	106,995	119,690	13.9
New Orleans, LA	3,611	275	25,629	1,743	12,091	72,789	116,138	13.4
Houston-Galveston, TX	10,516	5,802	5,617	9,578	8,734	61,275	101,521	11.7
San Francisco, CA	0	0	0	0	52,668	40,043	92,711	10.7
Savannah, GA	736	641	0	655	9,110	78,288	89,430	10.3
Detroit, MI	4,193	924	0	21,745	433	60,081	87,376	10.1
Chicago, IL	0	124	0	1,079	7,310	50,796	59,310	6.9
Philadelphia, PA	1,452	0	634	3,790	1,847	35,102	42,824	5.0
Seattle, WA	3,880	1,252	699	0	8,470	9,703	24,004	2.8
Tampa, FL	0	0	1,210	0	0	21,285	22,495	2.6
Top 10 port districts	**25,576**	**9,391**	**40,205**	**38,592**	**105,378**	**536,356**	**755,497**	**87.0**
All others	3,812	1,424	98	6,378	6,455	90,516	108,683	13.0
Total	**29,388**	**10,815**	**40,303**	**44,970**	**111,833**	**626,872**	**864,180**	**100.0**

Source: Compiled from official statistics from Commerce.

[10] The data in this table are based on official import statistics of Commerce for non-alloy steel plate. As such, they do not include microalloy CTL plate.

Presence in the Market

Tables IV-7 and IV-8 present monthly and quarterly data on the quantity of U.S. imports of CTL plate entering the United States, by source, during the period for which data were collected.[11] CTL plate produced in the countries subject to these reviews was present virtually throughout the period for which data were collected from Japan, Korea, and Italy and to a lesser extent France, while India and Indonesia, particularly in the later years, had a small presence. Based on Commerce statistics, imports of CTL plate from all six of the subject countries entered the United States in each month of the first half of 2005. Quarterly data suggest, however, that the actual volumes of subject imports fluctuated over the period for which data were collected.

Table IV-7
CTL plate: U.S. imports, monthly entries into the United States, by source, 1999-2004 and January-June 2005

Source	Calendar year						Jan.-June
	1999	2000	2001	2002	2003	2004	2005
France	12	12	12	7	9	11	6
India	9	7	6	1	0	7	6
Indonesia	8	0	1	0	0	2	6
Italy	12	12	12	10	12	12	6
Japan	12	12	12	12	12	12	6
Korea	12	12	12	11	12	12	6
All others	12	12	12	12	12	12	6

Source: Compiled from official statistics of Commerce.

[11] The data in this table are based on official import statistics of Commerce for non-alloy steel plate. As such, they do not include microalloy CTL plate.

Table IV-8
CTL plate: U.S. imports, quarterly, by sources, January 1999-June 2005

Quantity (*short tons*)

Year and source:	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Total
1999:					
France	14,728	4,218	1,743	2,088	22,777
India	5,854	499	98	11	6,462
Indonesia	37,531	1,982	39	0	39,553
Italy	4,219	6,855	117	205	11,396
Japan	36,401	4,540	668	1,091	42,700
Korea	53,508	53,447	47,524	41,052	195,531
2000:					
France	1,071	1,365	662	769	3,867
India	0	35	763	687	1,485
Indonesia	0	0	0	0	0
Italy	1,619	579	15	156	2,369
Japan	1,250	1,211	1,534	1,244	5,240
Korea	56,447	40,043	40,255	24,492	161,236
2001:					
France	333	249	148	173	904
India	950	313	0	0	1,262
Indonesia	123	0	0	0	123
Italy	422	262	298	148	1,130
Japan	972	1,492	899	1,981	5,343
Korea	10,799	33,423	60,890	44,437	149,549
2002:					
France	472	65	2	22	560
India	0	0	20	0	20
Indonesia	0	0	0	0	0
Italy	101	111	3	63	278
Japan	19,664	608	18,207	943	39,421
Korea	45,765	42	10,954	15,403	72,164

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Table IV-8--*Continued*
CTL plate: U.S. imports, quarterly, by sources, January 1999-December 2004

Quantity (*short tons*)

Source	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Total
2003:					
France	187	79	14	39	318
India	0	0	0	0	0
Indonesia	0	0	0	0	0
Italy	541	38	39	48	666
Japan	2,302	1,891	2,317	1,452	7,962
Korea	2,760	1,869	7,278	163	12,070
2004:					
France	589	189	35	150	963
India	0	210	664	712	1,585
Indonesia	0	0	0	627	627
Italy	1,762	7,451	5,094	14,822	29,130
Japan	2,881	1,736	3,040	3,509	11,167
Korea	236	2,847	4,276	28,963	36,323
Jan.-June 2005					
France	2,264	1,955	([1])	([1])	4,219
India	943	779	([1])	([1])	1,722
Indonesia	1,799	699	([1])	([1])	2,498
Italy	2,848	4,933	([1])	([1])	7,781
Japan	4,404	3,867	([1])	([1])	8,271
Korea	29,960	20,365	([1])	([1])	50,325

[1] Not applicable.

Source: Compiled from official statistics from Commerce.

THE INDUSTRY IN FRANCE

The Commission requested data from two producers of CTL plate in France, both of which provided the Commission with a response.[12] Accordingly, the data presented in table IV-9 are for GTS and Industeel. Coverage for the French CTL plate production is considered to be complete. French respondents' subject plate production in 2004 accounted for *** percent of French plate production reported by ***. In 2004, French respondents' production of all plate (see table IV-11), slightly exceeds plate production reported by ***.[13] Confidential data, as reported by ***,[14] show that France had in 2003 *** tons of CTL plate capacity. The respondent French industry's broader plate capacity accounts for *** percent of French plate capacity reported by ***.

Industeel France has experienced ***. Industeel produces CTL plate ***. Other products produced on the same equipment and machinery include ***. Less than *** percent of Industeel's capacity is dedicated to carbon quality CTL plate, which accounted for *** percent of its total sales in 2004. Industeel considers itself a high value niche producer of products that are not available from domestic or foreign producers. Because of this, it has less incentive to deal with production constraints stemming from ingot casting, heat treating, and melting.

***.

The other responding French producer, GTS Industries S.A., reported changes to its operations due to ***. ***. As it has throughout the period for which data were collected, GTS produces CTL plate on ***. More than *** percent of GTS' sales in 2004 were CTL plate.

In GTS' response to the notice of institution of these reviews, it contended that the increase in world prices has not only bolstered the U.S. domestic CTL plate industry, but because of additional high freight costs, has also shielded the domestic industry from more imports.[15] The disincentive to ship to the United States was because U.S. steel prices were declining, meeting the global prices. Recent U.S. steel prices' decline reduced this spread; shipping to the United States adds extra costs, making the sales less appealing to foreign producers if they can sell the steel locally at a comparable price. GTS has increased sales in the ***.

Neither producer reported its exports of CTL plate being subject to tariff or non-tariff barriers to trade in any countries other than the United States.

Table IV-9
CTL plate: France's capacity, production, inventories, and shipments, 1999-2004, January-June 2004, and January-June 2005

* * * * * * *

[12] The two responding producers are: (1) GTS Industries S.A. ("GTS") and (2) Industeel France ("Industeel"), a subsidiary of Arcelor.

[13] ***.

[14] ***.

[15] Response to notice of institution, citing Steel Business Briefing, Wednesday, February 16, 2005.

***.

Table IV-10
CTL plate: French shipment destinations, 1999-2004, January-June 2004, and January-June 2005

* * * * * * *

The Commission collected data on products produced on the same equipment used to manufacture CTL plate. Table IV-11 presents French producers' production of CTL plate and the alternative products they produce, based on the data reported by ***.

Table IV-11
CTL plate: French producers' capacity, production, and capacity utilization of alternative products, by products, 1999-2004

* * * * * * *

Table IV-12
CTL plate: Production of specified products and thickness in France, 2004

* * * * * * *

For France, *** compiles steel plate production and consumption data. As presented in the tabulations below, production and consumption fluctuated since 1999. Consumption has remained below the level in 1999 (in metric tons):[16]

Item	1999	2000	2001	2002	2003	2004
Production	***	***	***	***	***	***
Consumption	***	***	***	***	***	***

In addition, *** compiles forecasts of steel plate production and consumption. As presented in the tabulation below, production and consumption are forecast to fluctuate in an overall downward trend (in metric tons):[17]

Item	2004	2005	2006	2007	2008	2009
Production	***	***	***	***	***	***
Consumption	***	***	***	***	***	***

[16] Production: *** as submitted in Nucor's prehearing report, exhibit 4. Consumption: *** as submitted by Mittal's prehearing report, confidential exhibit 1.

[17] Production: *** as submitted in Nucor's prehearing report, exhibit 4. Consumption: *** as submitted by Mittal's prehearing report, confidential exhibit 1.

THE INDUSTRY IN INDIA

The Commission requested data from five producers of CTL plate in India, one of which responded to the Commission, but without usable data.[18] U.S. producers claim that the expansion of India's new and imminently available steel-making capacity is a cause of major concern.[19] India's largest steel producer, the government-owned SAIL, plans to increase its hot metal production from 13 million tons annually to 20 million tons by 2012. Hot-rolled production in India increased by 9 percent from 12.07 million tons to 13.15 million tons from 2003 to 2004. According to U.S. producers, hot-rolled production needs to be considered in light of the Commission's statement that "{h}ot rolled sheet, strip, and coiled plate are produced on the same equipment used to produce CTL plate."[20] U.S. producers continue with the argument that hot-rolled production is an indicator of potential CTL plate production capability, observing that the Indian Steel Alliance members' hot-rolled production increased to 13.2 million tons in 2004.[21]

After the imposition of the antidumping and countervailing duty orders on India, U.S. imports of CTL plate from India shrunk more than threefold from 1999 to 2000. In 2003, there were no imports of CTL plate into the United States from India. The highest level of imports during the period for which data were collected occurred in the first half of 2005 with imports of 1,647 short tons.

Expansion plans in India include the Indian Steel Alliance's (ISA)[22] goal of reaching 100 million tons of production by 2020.[23] The proposed plan includes calls for the government to open new mines, improve the transportation network, and better manage ports. According to Tata's 2003-04 annual report, its Jamshedpur facility was undergoing a capacity increase of 1 million tons per year. It did not, however, note the variety of steel products the facility will actually produce.[24]

Mittal Steel Co. is working towards signing "a memorandum of understanding with the Jharkhand State of India" to build a steel plant. The plan calls for 12 million metric tons of production capacity, coming online in two phases. The time frame for completion of the facility and product mix are not available.[25]

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[18] Steel Authority of India Limited ("SAIL") supplied the Commission with a letter which states its decision "to waive our right to participate in the Sunset Review by US Authorities including the USITC." The non-responding producers are: (1) Essar Steel Ltd, (2) Jindal Vijayanagar Steel Ltd., (3) The Tata Iron & Steel Co. Ltd, and (4) Lloyds Steel Industries Ltd. SAIL supplied the Commission with an additional letter in regards to Commerce's "Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Cut-to-Length Carbon-Quality Steel Plates from India" and contested DOC's net countervailable subsidy of 12.82 percent.

[19] Nucor's prehearing brief, p.17.

[20] Ibid., citing USITC Publication No. 3273.

[21] Ibid., p. 17.

[22] Tata Steel, Steel Authority of India, Ltd., Jindal Vjayanagar Steel Ltd., Essar Steel, and Ispat Industries, Ltd.

[23] Candida Moraes, *Indian Steel Alliance Blueprint For 100 MT Output by 2020*, exhibit 3 from domestic producers' response to the notice of institution.

[24] Tata Steel, 97th Annual Report, 2003-2004, exhibit 4 from domestic producers' response to the notice of institution.

[25] "Mittal Steel Sets Sights on Asia for Expansion", *Wall Street Journal Online*, October 4, 2005, retrieved October 5, 2005.

For India, *** compiles steel plate consumption and production data. As presented in the tabulation below, production and consumption have fluctuated slightly, but are on an upward trend, typically increasing from the previous year (in metric tons):[26]

Item	1999	2000	2001	2002	2003	2004
Production	***	***	***	***	***	***
Consumption	***	***	***	***	***	***

In addition, *** compiles forecasts of steel plate production and consumption. As presented in the tabulation below, increases in production and consumption are forecasted (in metric tons):[27]

Item	2004	2005	2006	2007	2008	2009
Production	***	***	***	***	***	***
Consumption	***	***	***	***	***	***

In addition, published trade reports also suggest ongoing increases in India's CTL plate capacity, Reportedly, plans in India to expand plate capacity include Essar Steel's 1.4 million tons-per-year plate mill due to be completed at the end of 2005.[28] Indian Cold Roller Steel Plant (RSP), a subsidiary of SAIL, is looking to complement its existing 340,000 tons-per-year plate mill with an additional 1 million tons-per-year.[29] The tender calls for the product mix from the mill to supply special, high tensile, and structural steels along with shipbuilding, boilers, pipe, and API-grade pipe. Date of expected completion of the new facility was not supplied. SAIL reportedly will install a new slab caster designed to produce 1 million tons-per-year at its Bhilai works.[30] The additional caster is intended to augment Bhilai's production of high grade plate. Part of a $590 million expansion plan from Jindal calls for a 1 million tons-per-year plate mill.[31] The plans call for completing the project in 36 months, but the planned product mix was not announced.

[26] Production: ***, as submitted in Nucor's prehearing brief, exhibit 4. Consumption: ***, as submitted in Mittal's prehearing brief, confidential exhibit 1.

[27] Ibid.

[28] Metal Bulletin, March 8, 2005, as submitted by Nucor's prehearing brief, exhibit 3.

[29] Metal Bulletin, March 22, 2005, as submitted by Nucor's prehearing brief, exhibit 3.

[30] *Sail places order for new slab caster*, Iron and Steel Works of the World, 2005 Ed., p. 87, as submitted by Nucor's prehearing brief, exhibit 3.

[31] *Jindal Steel Mulls $590m Expansion*, SteelDay, January 11, 2005, as submitted by Nucor's prehearing brief, exhibit 3.

THE INDUSTRY IN INDONESIA

The Commission requested data from four producers of CTL plate in Indonesia, none of which provided the Commission with a response.[32] U.S. producers contend that the largest steelmaker in Indonesia, PT Krakatau Steel, expanded its production by 29 percent from 2002 to 2003, and that its production can switch from its primary products (flat products) to CTL plate.

After the imposition of the antidumping and countervailing duty orders on CTL plate from Indonesia, U.S. imports from Indonesia dropped to zero for three of the five years in the period for which data were collected. Imports in the first half of 2005 were the highest amount of any of these periods.

THE INDUSTRY IN ITALY

The Commission requested data from four producers of CTL plate in Italy, one of which, Palini e Bertoli, SPA, provided the Commission with usable data. A second respondent, Ferriere Nord, SpA., indicated that it did not produce CTL plate during the period for which data were collected. Accordingly, the data presented in table IV-13 are for Palini e Bertoli, SPA.

Table IV-13
CTL plate: Palini's capacity, production, inventories, and shipments, 1999-2004, January-June 2004, and January-June 2005

* * * * * * *

After the imposition of the antidumping and countervailing duty orders on CTL plate from Italy, U.S. imports from Italy dropped by 79.3 percent from 1999 to 2000. During the period for which data were collected, imports remained at reduced levels until 2004, when imports reached 29,130 short tons (more than 2.6 times greater than they were in 1999).

Coverage for the Italian CTL plate industry is considered to be partial. Palini's 2003 reported CTL place production capacity accounts for *** percent of Italian capacity reported by ***.[33] Palini's 2003 production accounted for *** percent of Italian production reported by ***.[34] During the period examined in the original investigations, Palini's share of Italian exports of CTL plate to the United States increased. At that time, the only other Italian respondent, ILVA, consumed internally about *** of its CTL plate production. During the original investigations, ILVA's exports in 1998 to the United States declined to *** the amount they were in 1996.

Palini *** produces CTL plate. Palini has a general partnership with ***. Palini has experienced ownership changes since 1999, when it was owned ***. In 2003, company ownership switched to two different shareholders, ***. Palini responded that it ***. This includes no ***. Palini has made *** to its production methods during the period for which data were collected. Palini produces CTL plate by ***. ***. Palini reported that exports of its CTL plate were not subject to tariff or non-tariff barriers to trade in any countries other than the United States.

***.

Table IV-14
CTL plate: Palini shipment destinations, 1999-2004, January-June 2004, and January-June 2005

* * * * * * *

[32] These producers are: (1) PT Gunawan Dianjaya Steel, (2) PT Gunung Garuda, (3) PT Krakatau Steel, and (4) PT Steel Pipe Industry of Indonesia ("Spindo").

[33] ***.

[34] ***.

As shown in table IV-15, Palini only produces ***. In 2004, *** percent of Palini's production was four-inch thick or thicker plate. Palini produces a relatively large volume of thicker gauge plate. Palini alone produced the equivalent of *** percent of U.S. production of plate four inches or greater in thickness in 2004.

Table IV-15
CTL plate: Production of specified products and thickness in Italy, 2004

* * * * * * *

For Italy, *** compiles steel plate production and consumption. As presented in the tabulation below, production has risen in recent years, but consumption remains below the level in 1999 (in metric tons):[35]

Item	1999	2000	2001	2002	2003	2004
Production	***	***	***	***	***	***
Consumption	***	***	***	***	***	***

In addition, *** compiles forecasts of steel plate production and consumption. As presented in the tabulation below, increases in production and consumption are forecasted (in metric tons):[36]

Item	2004	2005	2006	2007	2008	2009
Production	***	***	***	***	***	***
Consumption	***	***	***	***	***	***

THE INDUSTRY IN JAPAN

The Commission requested data from 11 producers of CTL plate in Japan, none of which provided the Commission with a response.[37, 38] U.S. producers argue that Japanese production of steel plate has increased during the period for which data were collected, notably a 12-percent rise in 2003 over 2002. They also contend that steady demand will lead to an increase in production in the medium-to-long term.

Published data support the characterization of increasing production in Japan. According to ***, steel plate production in Japan increased from *** metric tons in 1999 to *** metric tons in 2004.

[35] Production: *** as submitted in Nucor's prehearing report, exhibit 4. Consumption: *** as submitted by Mittal's prehearing report, confidential exhibit 1.

[36] Ibid.

[37] These producers are: (1) Chubu Steel Plate Co. Ltd., (2) JFE Steel Corp., (3) Kobe Steel Ltd., (4) JFE Metal Products & Engineering Inc., (5) Nakayama Steel Works, Ltd., (6) Nippon Steel Corp., (7) Nisshin A & C Co. Ltd., (8) Nissin Steel Co. Ltd., (9) Sumitomo Metal Industries Ltd., (10) Toho Sheet & Frame Co. Ltd., and (11) Tokyo Steel Manufacturing Co. Ltd.

[38] The Japan Iron and Steel Federation ("JISF") did, however, submit non-party comments after the Commission's hearing. The JISF are Kobe Steel, Ltd., JFE Steel Corporation, Nippon Steel Corporation, Sumitomo Metal Industries, Nisshin Steel Co., Ltd., Nakayama Steel Works, Ltd., and Chubu Steel Plate Co., Ltd.

Production is projected to remain relatively stable in 2005 and 2006, but will ultimately reach *** metric tons by 2009.[39]

After imposition of the antidumping duty order on CTL plate from Japan, U.S. imports from Japan decreased noticeably. Imports during the period for which data were collected fluctuated, from *** short tons in 1999, to *** in 2000, the lowest volume in the period for which data were collected. Moreover, subject imports from Japan are not always of basic plate. In 2002, subject imports from Japan increased noticeably to meet the needs of *** for *** plate. Non-party comments submitted by JISF argue that the 2002 increase in imports were for a specific project, using product not available in the United States[40]. *** imported the *** plate for the ***. At the time, *** was operating at high capacity *** percent and could not produce enough *** plate internally for the project.[41] The *** plate imported by *** from Japan did not have width or thickness requirements necessitating the external sourcing.

JISF also profits that the CTL plate imported from Japan over the course of the order was specialized CTL plate.[42] Certain types of abrasion-resistant plate from Japan were excluded from the order (see discussion, Commerce's Changed Circumstances Review, in part I of this report). JISF proceeds to argue that "a significant amount of volume from Japan recorded in U.S. import statistics is excluded product or product that is entered, despite the antidumping duties, because of limited or no availability from U.S. producers."[43] However, the comments do not supply data specific to these products indicating the extent to which nonsubject products are included in official Commerce statistics. Furthermore, without participation of any foreign Japanese producer, staff cannot adequately substantiate the claim that Japanese exports of CTL plate to the United States are excluded product.

Table IV-16 presents Japanese production, shipments, and inventories. For 2003 and 2004, production increased from the previous year. Total shipments have risen for each year from the previous year, except for 2002. Exports, as a share of total shipments, have risen from 14 percent in 1999 to 22 percent in 2004.

[39] ***.

[40] Comments of the Japan Iron & Steel Federation, October 6, 2005.

[41] Staff telephone interview with *** on October 18, 2005.

[42] Comments of the Japan Iron & Steel Federation, October 6, 2005, p. 6.

[43] Ibid.

Table IV-16
CTL plate: Japan's production, and shipments, 1999-2004, January-June 2004, and January-June 2005

Item	Calendar year						Jan.-June	
	1999[1]	2000	2001	2002	2003	2004	2004	2005
	Quantity (*metric tons*)							
Production	7,282,000	8,147,000	8,868,000	8,666,000	9,741,000	10,860,000	5,294,000	5,746,000
Inventory	362,000	379,000	431,000	377,000	380,000	428,000	402,000	399,000
Shipments:								
Home market	6,237,000	6,847,000	7,443,000	6,981,000	7,796,000	8,409,000	4,114,000	4,540,000
Exports	1,032,000	1,217,000	1,378,000	1,765,000	1,919,000	2,376,000	1,161,000	1,207,000
Total shipments	7,269,000	8,065,000	8,821,000	8,746,000	9,715,000	10,786,000	5,275,000	5,747,000

[1] Reported on fiscal year, April-March.

Source: JISF.

According to data supplied by JISF, Japanese exports of heavy plate are concentrated in Asia. The top-five countries destinations in 2004 were in Asia, two of which, Korea and Indonesia, are subject countries. As shown in table IV-17, exports to the United States as a share of total exports from Japan were 1.8 percent in 1999, remained below that level, except for 2002 (1.5 percent), and were 0.07 percent in 2004.

Table IV-17
CTL plate: Japanese exports of heavy plate

2004 rank	Country	1999	2000	2001	2002	2003	2004
		Quantity (*metric tons*)					
1	South Korea	389,888	627,123	663,457	733,832	977,897	1,592,108
2	China	97,899	170,886	284,936	424,072	466,297	521,293
3	Indonesia	47,273	57,767	63,557	81,949	76,224	99,323
4	Philippines	43,934	49,020	79,811	73,042	77,203	88,183
5	Thailand	40,628	53,121	54,622	69,553	67,550	73,538
21	U.S.	18,409	188	668	29,103	742	1,690
Total exports		1,048,095	1,292,427	1,479,835	1,966,348	2,078,337	2,587,146

Source: Japanese Customs Export Statistics, tracking HS export codes: 720840110, 720851100, 720852110, as reported in: Comments of the Japan Iron & Steel Federation, October 6, 2005, p. 14.

After a decline in Japanese plate orders from 2001 to 2002, orders increased since 2002 from 7.1 million metric tons to 8.7 million metric tons in 2004 (table IV-18).

Table IV-18
CTL plate: Japanese production, orders, and exports of heavy plate, 2001-2004

Item	2001	2002	2003	2004
		Quantity (*metric tons*)		
Production[1]	([2])	8,854,000	9,916,000	11,128,000
Order booked[3]	7,382,000	7,121,000	7,899,000	8,683,000
Exports[4]	1,480,000	1,966,000	2,078,000	2,587,000

[1] Hot-rolled sheet & plate, heavy plate.
[2] Unavailable.
[3] Plates.
[4] Heavy plate.

Source: Japan Iron & Steel Federation, retrieved October 18, 2005 from http://www.jisf.or.jp/en/index.html.

For Japan, *** compiles steel plate production and consumption. As presented in the tabulation below, consumption and production have both risen since 1999 (in metric tons):[44]

Item	1999	2000	2001	2002	2003	2004
Production	***	***	***	***	***	***
Consumption	***	***	***	***	***	***

In addition, *** compiles forecasts of steel production and consumption. As presented in the tabulation below, increases in production and consumption are forecasted (in metric tons):[45]

Item	2004	2005	2006	2007	2008	2009
Production	***	***	***	***	***	***
Consumption	***	***	***	***	***	***

There are several published reports on plans for additional capacity it Japan. Tokyo Steel Manufacturing, in response to high demand from shipbuilders and heavy machinery makers, is planning to install a 600,000 tons-per-year heavy plate mill.[46] This facility will replace aging sections of its Kitakyushu works, that operates at about 10,000 tons per month. Nippon steel plans to have a new continuous slab casting line for heavy plate production, with a capacity of 160,000 tons per month, completed in November 2008.[47]

[44] Production: ***, as submitted by Nucor's prehearing brief, exhibit 4. Consumption: ***, as submitted by Mittal's prehearing brief, confidential exhibit 1.

[45] Ibid.

[46] *Tokyo Steel to Move into Heavy Plates*, Metal Bulletin, January 27, 2005.

[47] *Nippon steel to build new $226m slab caster at Kimitsu*, Metal Bulletin, August 19, 2005, as submitted by Nucor's prehearing brief, exhibit 3.

THE INDUSTRY IN KOREA

The Commission requested data from three producers of CTL plate in Korea, none of which provided the Commission with a response.[48] U.S. producers claim that overall steel production increases, more specifically POSCO's, would lead to a significant volume of imports of CTL plate into the United States. The increase in Korean steel production had been driven in part by foreign demand for steel.[49]

Published data support the characterization of increasing production in Korea. According to ***, steel plate production in Korea increased from *** metric tons in 1999 to *** metric tons in 2004. Production is projected to increase through 2007, when it will level off at *** metric tons.[50]

After imposition of the antidumping and countervailing duty orders on CTL plate from Korea, U.S. imports from subject Korean firms initially dropped by *** percent from 1999 to 2000, and were down again in 2001. Imports were reduced in 2002 to less than *** of 1999 import levels. The lowest volume was in 2003. In 2004, imports rose again and were higher in the first half of 2005 than in the first half of 2004.

POSCO completed a 400,000 tons-per-year expansion to its No. 2 plate mill at Pohang. The upgrade allows POSCO to produce thicker plate, primarily for shipbuilding needs.[51] Hyundai INI also reportedly has plans for a new integrated plant that will have plate production capacity of 1.5 million tons-per-year by 2011.[52]

For Korea, *** compiles steel plate production and consumption. As presented in the tabulation below, consumption and production have both risen since 1999 (in metric tons):[53]

Item	1999	2000	2001	2002	2003	2004
Production	***	***	***	***	***	***
Consumption	***	***	***	***	***	***

In addition, *** compiles forecasts of steel production and consumption. As presented in the tabulation below, increases in production and consumption are forecasted (in metric tons):[54]

Item	2004	2005	2006	2007	2008	2009
Production	***	***	***	***	***	***
Consumption	***	***	***	***	***	***

[48] These producers are: (1) Dongkuk Steel Mill Co. Ltd., (2) Korea Iron & Steel Co. Ltd., and (3) Pohang Iron & Steel Co. Ltd. ("POSCO") .

[49] Domestic producers' response to notice of institution, p. 18. As discussed in Part I, POSCO's dumping and subsidy margins were *de minimis*.

[50] ***.

[51] *Posco's No. 2 plate mill completes upgrade,* Steel Business Briefing, August 3, 2005, as submitted by Nucor's prehearing brief, exhibit 3.

[52] *INI Steel outlines plans for a new integrated works,* Steel Business Briefing, August 31, 2005, as submitted by Nucor's prehearing brief, exhibit 3.

[53] Production: ***, as submitted by Nucor's prehearing brief, exhibit 4. Consumption: ***, as submitted by Mittal's prehearing brief, confidential exhibit 1.

[54] Ibid.

GLOBAL MARKET

Production

Global production of steel plate has grown markedly in recent years. According to one published source, global production of steel plate increased by *** between 1999 and 2004, after a period of decline between 1997 and 1999. Data compiled by *** on global production of steel plate are tabulated below (in metric tons):[55]

Item	1999	2000	2001	2002	2003	2004
Production						
China	***	***	***	***	***	***
All others	***	***	***	***	***	***
World	***	***	***	***	***	***
World reversing mill plate	***	***	***	***	***	***

In addition, *** compiles forecasts of steel plate production. As presented in the tabulation below, slower but continuous growth in production is forecasted for the coming years:[56]

Item	2004	2005	2006	2007	2008	2009
Production						
China	***	***	***	***	***	***
All others	***	***	***	***	***	***
World	***	***	***	***	***	***
World reversing mill plate	***	***	***	***	***	***

Most of the recent and proposed changes in plate capacity tracked by *** are in China, but among the exceptions are proposed increases in Japan by *** and a proposed increase in Korea by ***.[57]

[55] Production: ***, as submitted by Nucor, exhibit 4.

[56] Ibid.

[57] ***. These figures are for capacity additions for reversing mills and Steckel mills only, and do not include additions to hot strip mill capacity (which is believed to be used primarily for sheet gauge products). *See* Ibid., note 1.

Consumption

Worldwide, total CTL plate consumption, including nonsubject plate,[58] has grown since 1999.[59] The tabulation below illustrates that during 1999-2004, consumption in China generated much of the growth (measured in metric tons) and constituted an increasing share of world consumption.[60]

Item	1999	2000	2001	2002	2003	2004
Consumption						
China	***	***	***	***	***	***
All others	***	***	***	***	***	***
World	***	***	***	***	***	***
World reversing mill plate	***	***	***	***	***	***

Published sources indicate that demand for CTL plate may continue to grow in the coming years. An important factor in the rate of growth is the growth rate in China. Data compiled by *** on forecasted apparent consumption of CTL plate (in metric tons) are tabulated below:[61]

Item	2004	2005	2006	2007	2008	2009
Consumption						
China	***	***	***	***	***	***
All others	***	***	***	***	***	***
World	***	***	***	***	***	***
World reversing mill plate	***	***	***	***	***	***

[58] Staff believes that the majority of consumption consists of plate within the scope of these reviews.

[59] World consumption of plate was lower in 1999 than in 1998 or 1997. ***, Nucor's prehearing brief, exhibit 4. These data are consistent with more general descriptions of the Asian financial crisis, which began with the depreciation of the Thai baht in mid-1997, and was followed by rapid depreciations in the currencies of the Philippines, Indonesia, Malaysia, and Korea. These events, characterized by the U.S. Department of Commerce as "the worst economic downturn in the region in thirty years," resulted in a marked decline in regional steel demand between 1997 and 1999. *See, e.g., Global Steel Trade: Structural Problems and Future Solutions*, U.S. Department of Commerce, July 2000 (chapter 2: The U.S. Steel Import Crisis); *Steel*, Investigation No. TA-201-73, USITC Publication 3479, December 2001 (Overview-17 and 18, "The Asia Financial Crisis"); and *Iron and Steel*, U.S. Geological Survey, 1998 (chapter 39) and 1999 (chapter 39).

[60] ***, as submitted by Mittal's prehearing brief, confidential exhibit 1.

[61] Ibid.

Prices

As presented in table IV-19, CTL plate prices increased sharply over the course of 2004. A major factor in the price increases was the steep increase in demand in China since 2002 resulting in tight supply for plate worldwide.[62]

Table IV-20 presents transaction prices for CTL plate in select subject markets during January-September 2005. Plate prices have decreased in 2005 because of current excess supply caused partially by softening demand in China and previous overbuying resulting in excess inventory.

Table IV-19
CTL plate: Base prices plus raw material surcharges, by market and by month, January 2004-September 2005

Month	CTL plate price summary (*dollars per ton*)		
	United States	Western Europe	China
2004:			
January	385	431	272
February	440	431	272
March	480	454	(1)
April	650	454	(1)
May	675	454	(1)
June	700	580	(1)
July	703	590	(1)
August	766	590	(1)
September	773	570	(1)
October	773	570	590
November	789	570	590
December	792	570	590

Continued on next page.

[62] According to published sources, world hot-rolled plate prices increased gradually over the course of 2003, rising from $327 per metric ton in January to $367 per metric ton in December, with most of the increase occurring after September 2003. In 2004, however, world hot-rolled plate prices rose sharply from $400 per metric ton in January to $750 per metric ton in December. World plate prices decreased modestly between January and April 2005, falling from $756 per metric ton to $744, then decreased to $729 and $696 per metric ton in May and June 2005, respectively. Data derived from MEPS' *International Steel Review*, found in public form at http://www.steelonthenet.com/prices.html and retrieved on September 7, 2005.

Table IV-19–*Continued*
CTL plate: Base prices plus raw material surcharges, by market and by month, January 2004-September 2005

Month	CTL plate price summary (*dollars per ton*)		
	United States	Western Europe	China
2005:			
January	802	570	590
February	787	570	599
March	784	([1])	599
April	780	([1])	599
May	775	([1])	599
June	770	([1])	399
July	760	([1])	399
August	765	([1])	399
September	785	([1])	399

[1] Data are unavailable.

Note.–U.S. prices are domestic prices, Western Europe prices are export prices, and China prices are import prices.

Source: Purchasing Magazine for U.S. prices, Metal Bulletin for all other prices. Prices from Metal Bulletin were converted from U.S. dollars per metric ton for the latest price available in the month.

Table IV-20
CTL plate: Transaction prices (including raw material surcharges) for the United States, China, and subject countries, by month, January-October 2005

* * * * * * *

Additional Global Supply and Demand Factors[63]

According to published reports, demand in the United States is still strong and prices have remained relatively stable during much of 2005, despite periods of relatively high service center inventories (which reportedly have diminished in recent months). In addition, raw material surcharges have been reinstated, as reflected in October 2005 pricing. Domestic demand in China decreased relative to supply during this period, leading to reports of a weaker market and growing inventories. Demand by the shipbuilding and construction machinery sectors reportedly remains strong in Japan and the mills are focusing on supplying these sectors with high quality plate. Japanese suppliers, however, have seen weakening construction-sector demand and increasing imports of commodity grade plate, especially from China. Although the European Union began 2005 with tight supplies, by October commodity-grade plate was plentiful and prices were weaker due to periodic high levels of imports. Prices remained strong, however, for plate produced to higher specifications. In Korea, the strong demand in the shipbuilding sector along with the major repair work on one of Posco's plate mills resulted in tight

[63] MEPS (International) LTD, "International Steel Review: North American Edition," January - October 2005 issues; American Metal Market, "Tokyo Steel to move into heavy plates," January 27, 2005; American Metal Market, "Japanese steel output reaches record high," January 19, 2005; and World Steel Dynamics (WSD), Inside Track #52, "China Steel in Crisis," October 7, 2005 (the primary focus of which is hot-rolled steel).

supplies of high quality plate. Demand for commodity-grade plate has fallen off as demand from the construction sector weakened. Imports of commodity-grade plate increased during most of the period, decreasing at the end of the period due to excess inventories. In India, details of the government's National Steel Plan are unconfirmed, but reportedly the plan emphasizes increased production, stresses improved access to raw materials, promotes foreign investment, strengthens distribution channels, and calls for the development of new steels, while attempting to promote the use of steel in India.

Subject country producers of CTL plate have been subject to antidumping duty orders through 2004.[64] During this period, Australia had a 17 percent antidumping duty order on imports of steel plate from Indonesia, antidumping duties in place on hot-rolled steel plate and other steel products from Korea, and antidumping orders on steel plate from Japan. The EU has antidumping duty undertakings in place covering hot-rolled coils and hot-rolled plates from India. Thailand had antidumping duties in place covering imports from India and Indonesia of hot-rolled steel in coils and hot-rolled steel not in coils, antidumping orders on steel plate from Japan, and antidumping duties in force on hot-rolled steel products from Korea. Canada had an antidumping duty on hot-rolled carbon steel plate from India. Antidumping duties were also imposed on Indonesian imports of hot-rolled carbon steel plate. However, Canada let the orders against these two countries expire in 2005.[65] Canada also terminated antidumping orders on steel plate from Italy and Korea in 2004.

[64] Domestic producers' response to notice of institution, pp. 26-28. Domestic producers' source for outstanding orders was the WTO Semi-Annual Report Under Article 16.4 of the Agreement, for the period January1, 2004 through June 30, 2004.

[65] Hearing transcript, p. 31 (Tulloch).

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Materials

Raw material costs are an important component of the total cost of producing CTL plate. Iron ore, coal, and steel scrap comprise most of the raw material cost. Public data show that prices of iron ore and coal rose modestly over the January 1999 to June 2005 period, with the increase for iron ore occurring primarily in 2005 (figure V-1). During that period, the price of iron and steel scrap has increased markedly, although the price has fallen in 2005 from its peak in late 2004.

Energy costs are another important factor in the production of CTL plate. Both natural gas prices and electricity prices were higher in 2005 than in any of the full years between 1999 and 2004, as shown in the following tabulation:[1]

Item	1999	2000	2001	2002	2003	2004	2005[3]
U.S. natural gas industrial price[1]	$3.12	$4.45	$5.24	$4.02	$5.81	$6.41	$7.09
Electricity industrial price[2]	4.43	4.64	5.04	4.88	5.13	5.11	5.27

[1] In dollars per thousand cubic feet.
[2] In cents per kilowatt-hour.
[3] Monthly average for January through June.

Sources: U.S. Energy Information Administration, http://www.eia.doe.gov.

Producers and importers were asked to what extent changes in the prices of raw materials affected the selling price of CTL plate since 1999. Eleven producers reported that raw material prices, including the prices of coke, ore, scrap, slabs, and energy-related products, increased substantially in late 2003 and early 2004. The domestic mills implemented raw material surcharges[2] beginning in January 2004. *** reported that raw material prices are still high in 2005, but *** reported that as raw material prices have decreased in 2005, the surcharges have been adjusted.[3] Most importers reported that raw material price increases had a dramatic affect on CTL plate prices since 1999. However, *** reported that supply and demand also play large roles in CTL prices. In addition, *** reported that prices of line pipe made from CTL plate could be impacted by scrap costs, but it has not seen any evidence in sales of line pipe produced from imported CTL plate.

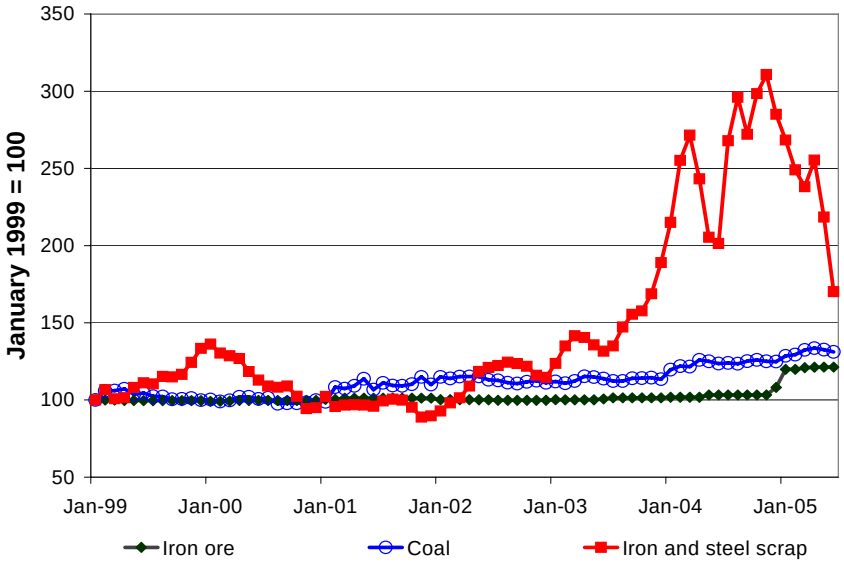
---

[1] IPSCO reported using financial tools to hedge some natural gas and electricity price increases. Hearing transcript, p. 80 (Tulloch).

[2] Many importers discussed raw materials price increases in their questionnaire responses, but none reported implementing surcharges.

[3] Nucor and IPSCO have again implemented raw material surcharges. "Scrap surcharges back from summer vacation." American Metal Market, August 11, 2005. Mittal has imposed raw material surcharges ***. Mittal's posthearing brief, confidential exhibit 2, p. 3. However, domestic CTL plate mills reported not collecting the full amount of the announced surcharges since first quarter 2005. Hearing transcript, p. 165 (McFadden), p. 166 (Montross), and pp. 166-167 (Insetta).

Figure V-1
Material costs: Producer price indexes (January 1999=100) of iron ore, coal, and iron and steel scrap by months, January 1999-June 2005



Source: U.S. Bureau of Labor Statistics, October 11, 2005.

Transportation Costs to the United States

Transportation costs for shipping CTL plate to the United States (excluding U.S. inland costs) from the six subject countries are estimated for 2004 in the tabulation that follows. These estimates are derived from official import data for the HTS numbers for the subject product in 2004 and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with a customs value basis.[4]

Country	Estimated shipping cost in 2004 (in percent)
France	5.3
India	20.0
Indonesia	0.1
Italy	10.1
Japan	11.1
Korea	10.4

[4] These estimates are based on a weighted average of HTS subheadings 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.

U.S. Inland Transportation Costs

U.S. inland transportation costs for delivery of CTL plate vary widely. All 12 responding producers estimated that U.S. inland transportation costs ranged from 3 to 7 percent of their costs of CTL plate. Importers reported that U.S. inland transportation costs generally ranged from 1 to 15 percent of their costs of CTL plate.[5]

Twelve of the 14 responding producers reported that they arranged delivery and shipped the vast majority of their CTL plate between 101 and 1,000 miles. Among importers, 8 of the 16 responding firms reported that the purchaser arranged delivery, 7 reported that they arranged delivery, and 1 reported that both producer and purchaser arranged delivery. While 7 of the 13 responding importers shipped 70 percent or more of their CTL plate less than 100 miles, 3 importers shipped at least half of their CTL plate between 101 and 1,000 miles, and 2 shipped at least half more than 1,000 miles.

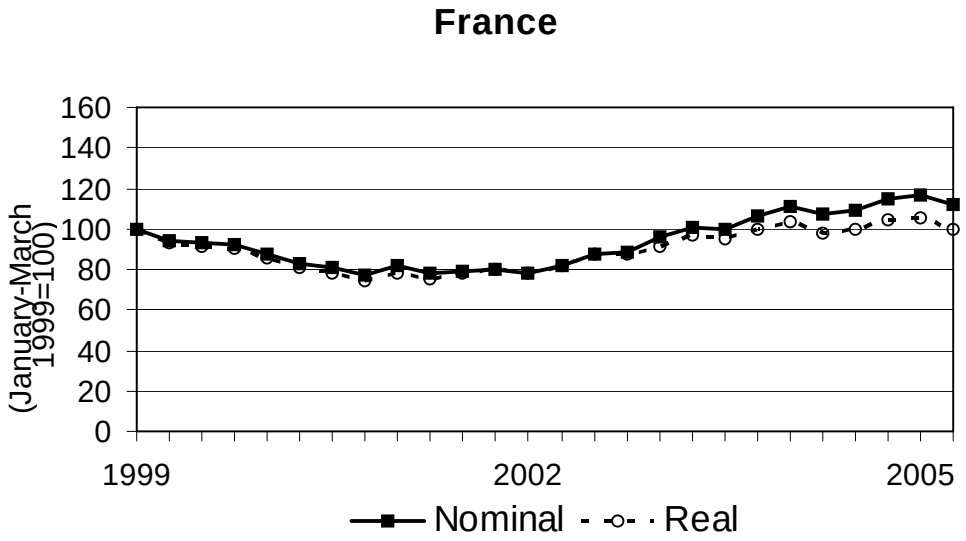
Exchange Rates

Quarterly data reported by the International Monetary Fund indicate that the real and nominal values of the euro (France and Italy) first depreciated and then appreciated relative to the U.S. dollar during the period of review (figure V-2). Both the nominal and real values of the Indian rupee remained relatively constant, as did the nominal and real values of the Korean won. The nominal value of the Indonesian rupiah fluctuated but was approximately the same in 2005 as it was in early 1999, while the real value of the currency appreciated relative to the U.S. dollar. The nominal value of the Japanese yen appreciated during the period, but the real value depreciated relative to the U.S. dollar.[6]

[5] However, *** reported an inland transportation cost of 30 percent and *** reported an inland transportation cost of 0 percent.

[6] IPSCO reported that the swings in absolute price changes of CTL plate are much larger than changes in exchange rates. Hearing transcript, p. 159 (Tulloch).

Figure V-2
Exchange rates: Indices of the nominal and real exchange rates of the French, Indian, Indonesian, Italian, Japanese, and Korean currencies relative to the U.S. dollar, by quarters, January 1999-June 2005



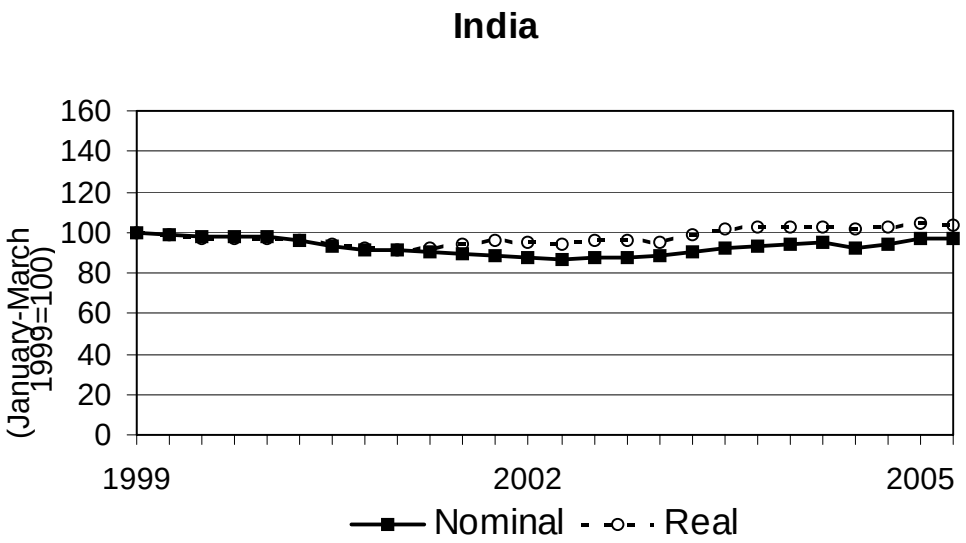


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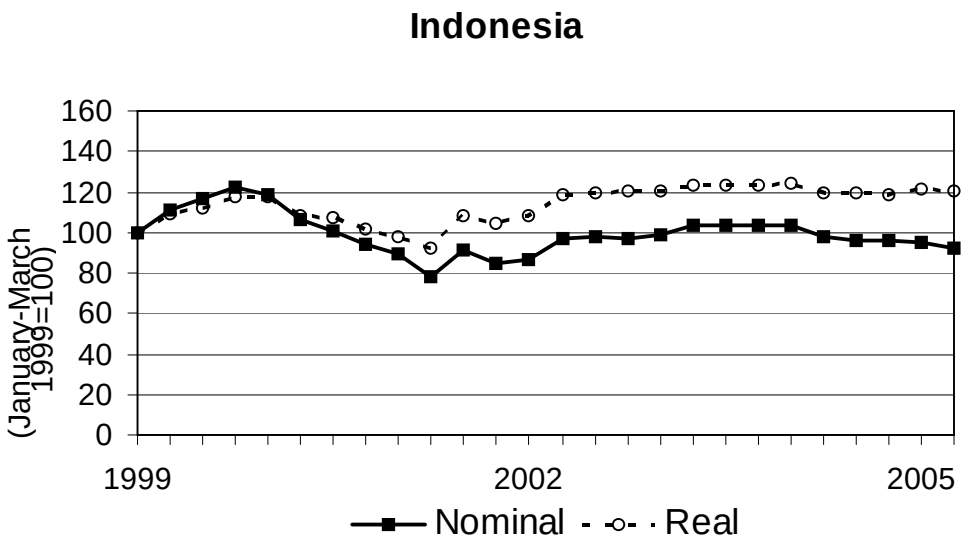
Figure V-2--*Continued*
Exchange rates: Indices of the nominal and real exchange rates of the French, Indian, Indonesian, Italian, Japanese, and Korean currencies relative to the U.S. dollar, by quarters, January 1999-June 2005



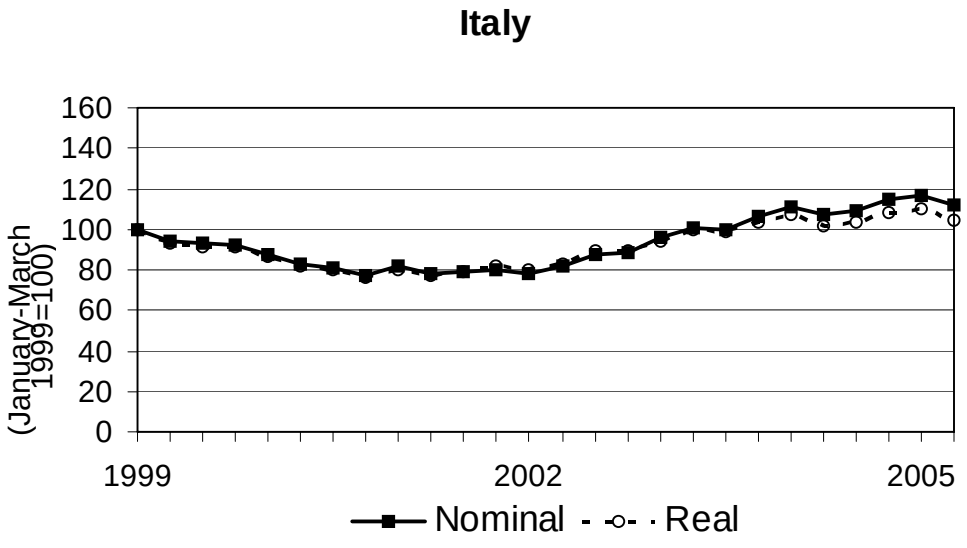
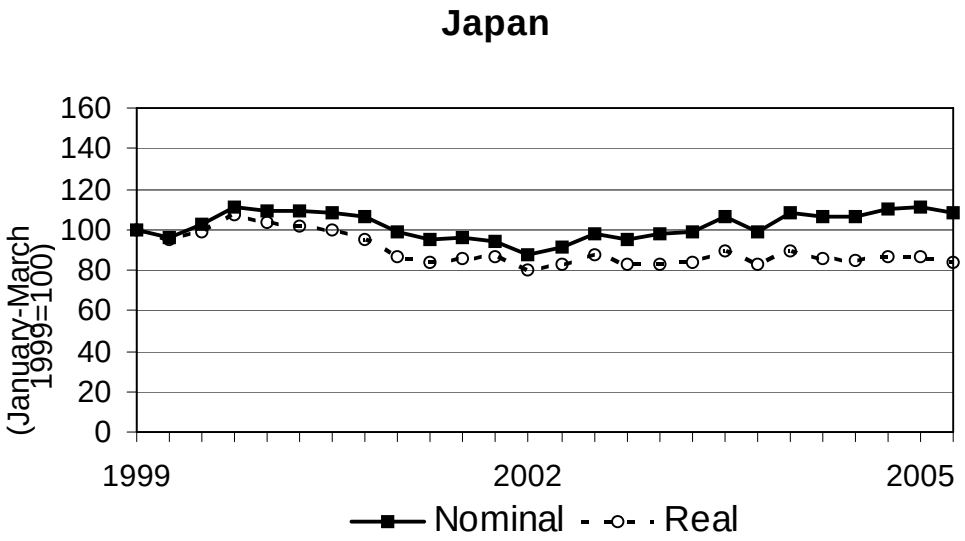
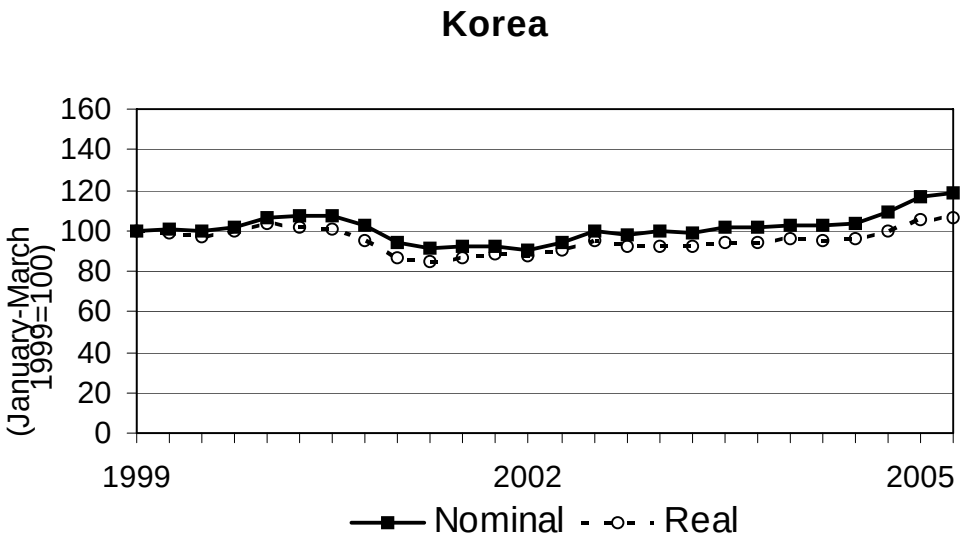


Figure continued on next page.

Figure V-2--*Continued*
Exchange rates: Indices of the nominal and real exchange rates of the French, Indian, Indonesian, Italian, Japanese, and Korean currencies relative to the U.S. dollar, by quarters, January 1999-June 2005





Source: International Monetary Fund, *International Financial Statistics*, retrieved from http://ifs.apdi.net/imf/about.asp on October 11, 2005.

PRICING PRACTICES

Pricing Methods

Producers generally reported determining prices on a transaction-by-transaction basis, based on market conditions, raw material costs, and customer specifications. Five of 13 responding producers reported having contracts for multiple shipments. Only *** reported using price lists. Importers also reported determining prices on a transaction-by-transaction basis based on market conditions.[7] Only two importers reported contract pricing, and only one, ***, reported using price lists.

Most purchasers reported contacting between two and four suppliers before making a purchase. Seventeen of the 22 responding purchasers reported that purchases of CTL plate usually involve negotiations between supplier and purchaser, with some explaining that prices are market driven, but availability, quality, delivery, and compliance with specifications are part of the negotiations. *** reported sending annual negotiation packages to qualified mills, and *** reported having a set contract price for a specific time frame, usually quarterly. Eight purchasers reported varying their purchases from a given supplier based on the price offered for a specified period, with the time period being monthly or quarterly.

IPSCO, ISG/Mittal, Nucor, and U.S. Steel were named by several purchasers as price leaders in the CTL plate market since 1999, with many citing their published price changes, competitive pricing, reaction to market changes, and initiation of base prices and raw material surcharges in 2004.

Sales Terms and Discounts

Nine producers and seven importers reported that they normally quote f.o.b. prices, two producers and three importers commonly quote on a delivered basis, and three producers and two importers reported doing both.[8] Producers' sales terms are generally 0.5/10 net 30 days, and importers are generally net 30 days.[9] Six of 13 producers reported that all of their sales are on a spot basis, with the another five reporting that at least 75 percent of their sales are on a spot basis. *** reported that 60 percent of its sales are on a long-term contract basis, *** reported that just over one-half of its sales are on a short-term contract basis, and *** reported that approximately one-quarter of their sales are on a short-term contract basis. *** reported that the percentage of contract sales compared to spot sales had increased since 1999. Among importers, six of the eight responding reported that all of their sales are on a spot basis, and one reported that all of its sales are on a short-term contract basis. The other importer reported that 60 percent of its sales are on a spot basis and 40 percent are on a short-term contract basis.

Eight of the 18 responding purchasers bought all of their domestic, subject, and nonsubject CTL plate on a spot sales basis. Five purchasers reported buying at least 75 percent of their CTL plate on a short-term contract basis, and the other five purchasers reported buying half or more of on a short-term contract basis. *** reported purchasing 10 percent of domestic CTL plate on a long-term contract basis, but no other purchaser reported buying CTL plate on a long-term contract basis.

Producers generally reported that long-term contracts are from one to two years,[10] with both price and quantity fixed, renegotiations possible, and no meet-or-release provisions. Short-term contracts are generally from three months to one year, with both price and quantity fixed and no meet-or-release

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[7] *** reported marking up the product's price 6 to 8 percent, excluding freight and tax.

[8] *** reported quoting ex-dock duty paid, and *** reported quoting c.i.f. port of entry.

[9] One importer, ***, reported sales terms of 0.5/10 net 30, and two importers, ***, reported sales terms of net 90 days.

[10] *** reported that some long-term contracts are for six months.

provisions.[11] Six producers reported that short-term contracts could be renegotiated, and three producers reported that they could not be renegotiated. Generally, importers reported that short-term contracts are usually three to six months in duration, with both price and contract fixed, no renegotiations, and no meet-or-release provisions.

Six of the 13 responding producers reported having a discount policy; three reporting volume discounts, one reporting discounts for early payment, and two reporting both volume discounts and discounts for early payment. Three of the 14 responding importers reported offering discounts for early payment, and one reported its discount policy varied by customer. Only one producer, ***, reported offering financing to U.S. purchasers of CTL plate, and one importer, ***, reported that it may offer extended terms up to 90 days on a rare occasion.

PRICE DATA

The Commission requested U.S. producers and importers of CTL plate to provide quarterly data for the total quantity and f.o.b. value of CTL plate that was shipped to unrelated customers in the U.S. market. Data were requested for the period January 1999 to June 2005. The products for which pricing data were requested are as follows:

> ***Product 1*.–Hot-rolled carbon-quality plate, ASTM A36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72 inches through 96 inches in width, 0.50 inches through 0.99 inches in thickness;**
>
> ***Product 2*.–Hot-rolled carbon-quality plate, ASTM A36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72 inches through 96 inches in width, 1.00 inch through 2.00 inches in thickness;**
>
> ***Product 3*.–Hot-rolled carbon-quality plate, ASTM A36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72 inches through 96 inches in width, 4.00 inches through 6.00 inches in thickness;**
>
> ***Product 4*.–Hot-rolled carbon-quality plate, API-2H Grade 50, normalized, sheared edge, not cleaned or oiled, in cut lengths, over 72 inches through 150 inches in width, 0.375 inches through 3.00 inches in thickness; and**
>
> ***Product 5*.–Hot-rolled carbon-quality plate, ASTM A-516 Grade 70, normalized, sheared edge, not cleaned or oiled, in cut lengths, over 48 inches in width, 0.50 inches through 3.00 inches in thickness.**

Nine U.S. producers and ten importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Pricing data reported by these firms, shown in tables V-1 to V-5 and figures V-3 to V-7, accounted for 7.6 percent of U.S. producers' U.S. shipments of CTL plate, *** percent of U.S. imports from Italy, *** percent of U.S. imports from Japan, and *** percent of U.S. imports from Korea in 2004.[12]

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[11] *** reported that only price is fixed and there is a meet or release provision for short-term contracts.

[12] Official import statistics show 0 imports of CTL plate from Indonesia in 2000 (see table I-1), but U.S. importers reported selling *** short tons of products 1 and 2 imported from Indonesia in 2000. U.S. importers reported no imports of the five pricing products from France in 2004.

Price Trends

Among Commission pricing products, U.S. prices of CTL plate showed relatively little change from 1999 through 2003. Dramatic price increases for all five products began in the first quarter 2004,[13] with some leveling off or small decreases in early 2005, with the exception of product 4, which showed additional price increases in 2005. Prices of imports of products 1, 2, 3, and 5 from Korea followed the general U.S. price trend, although generally at lower levels. There was too little data reported by importers to comment on price trends of imports from France, Indonesia, Italy, and Japan. Importers responding to Commission questionnaires did not report data for imports from India.

Producers and importers were asked to compare market prices of CTL plate in the U.S. and non-U.S. markets. Olympic Steel reported that there is a significant price spread between the U.S. market and other markets, which it attributed to the antidumping orders.[14] *** reported that prices mirror each other closely, *** reported that prices in the U.S. and Canadian markets were approximately the same, *** reported that prices in China were less than in the United States, and *** reported that prices in the U.S. market are low compared with non-U.S. markets.[15]

Purchasers were asked if there had been a change in the price of CTL plate since 1999 and, if so, how the price of domestic CTL plate changed relative to the price of CTL plate produced in the various subject countries. One purchaser reported that there has been no change in price, and six purchasers reported that prices have changed by the same amount. The responses for how U.S. prices reportedly changed relative to the various subject countries is reported in the following tabulation:

Country	Price of U.S. product is now relatively higher than price of subject country product	Price of U.S. product is now relatively lower than price of subject country product
France	3	1
India	4	0
Indonesia	4	0
Italy	3	1
Japan	3	1
Korea	4	0

[13] News and industry reports have attributed the 2004 steel price increases to various factors, including increased demand in China, raw material price increases, increased demand in end-use markets, and changes within the U.S. industry that caused tight supply. "Plate makers see strength, kick tags up another notch," American Metal Market, December 26, 2003; "Brisk demand for plate serves up price hikes," American Metal Market, August 27, 2004; and "Careful, plate's hot," Metal Center News, August 2004.

[14] Hearing transcript, p. 60 (Ruane).

[15] *** included quarterly pricing data for 2004 from CRU International, which showed that U.S. prices were higher than prices in the German, "European Export," and South China markets.

Fifteen of the 19 responding purchasers reported that the price of CTL plate changes monthly, citing market conditions, mill pricing, and the implementation of raw material surcharges beginning in 2004 as reasons for frequent price changes.

Price Comparisons

France

Imports from France oversold all five U.S. products in seven of eight quarters where comparisons were possible, with margins ranging from 3.7 to 69.4 percent (tables V-1 through V-5). In the one quarter of underselling, the margin was *** percent (table V-4).

Indonesia

In the two quarters where data were reported for imports from Indonesia, imports undersold the U.S. product in both quarters. The margin of underselling for product 1 was *** percent (table V-1), and the margin of underselling for product 2 was *** percent (table V-2).

Italy

Imports from Italy undersold U.S. product 2 in both quarters where comparisons were possible, with margins of underselling of *** percent and *** percent (table V-2). Imports from Italy undersold U.S. product 3 in six of eight quarters where comparisons were possible, with margins of underselling ranging from 2.9 to 27.1 percent (table V-3). In two quarters, imports from Italy oversold U.S. product 3 by *** and *** percent.

Japan

Imports from Japan undersold U.S. product 1 in one of two quarters where comparisons were possible, with a margin of underselling of *** percent (table V-1). In the other quarter, imports from Japan oversold U.S. product 1 by *** percent. Importers reported only one quarter of data for imports of products 2, 3, 4, and 5. Imports from Japan oversold the U.S. product in each comparison, with margins ranging from to 23.7 to 105.9 percent (tables V-2 through V-5).[16]

Korea[17]

Imports from Korea undersold U.S. product 1 in 12 of 15 quarters where comparisons were possible, with margins of underselling ranging from 0.2 to 16.3 percent (table V-1). For product 2, imports from Korea undersold the U.S. product in 12 of 17 quarters where comparisons were possible, with margins ranging from 1.2 to 18.0 percent (table V-2). Imports from Korea undersold U.S. products 3 and 5 in all 20 quarters where comparisons were possible, with margins of underselling ranging from 2.8 to 39.2 percent (tables V-3 and V-5).

[16] *** could not provide additional details regarding the reported pricing data. Staff telephone interview with ***.

[17] Reported pricing data did not include any sales of imported products from POSCO. *** could not report data for 1999 or 2000.

Table V-1
CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 1, and margins of underselling/(overselling), by quarters, January 1999-June 2005

	U.S. producers[1]		Imports from France			Imports from Indonesia		
	Quantity	Price	Quantity	Price	Margin	Quantity	Price	Margin
Period	*Short tons*	*Per short ton*	*Short tons*	*Per short ton*	*Percent*	*Short tons*	*Per short ton*	*Percent*
1999:								
Jan.-Mar.	26,859	$367.67	--	--	--	--	--	--
Apr.-June	29,605	346.67	***	***	***	--	--	--
July-Sept.	35,816	330.45	--	--	--	--	--	--
Oct.-Dec.	35,090	327.41	--	--	--	--	--	--
2000:								
Jan.-Mar.	99,218	338.26	--	--	--	--	--	--
Apr.-June	94,607	358.00	--	--	--	--	--	--
July-Sept.	71,611	366.08	--	--	--	--	--	--
Oct.-Dec.	63,359	357.89	--	--	--	***	***	***
2001:								
Jan.-Mar.	70,132	340.64	--	--	--	--	--	--
Apr.-June	69,167	334.19	--	--	--	--	--	--
July-Sept.	51,908	350.12	--	--	--	--	--	--
Oct.-Dec.	42,795	343.07	--	--	--	--	--	--
2002:								
Jan.-Mar.	48,456	341.80	--	--	--	--	--	--
Apr.-June	58,285	351.59	--	--	--	--	--	--
July-Sept.	48,003	364.29	--	--	--	--	--	--
Oct.-Dec.	39,576	384.47	--	--	--	--	--	--
2003:								
Jan.-Mar.	45,208	369.57	--	--	--	--	--	--
Apr.-June	44,648	358.74	--	--	--	--	--	--
July-Sept.	55,873	352.09	--	--	--	--	--	--
Oct.-Dec.	59,344	363.33	--	--	--	--	--	--
2004:								
Jan.-Mar.	57,415	466.74	--	--	--	--	--	--
Apr.-June	51,411	657.36	--	--	--	--	--	--
July-Sept.	50,241	726.57	--	--	--	--	--	--
Oct.-Dec.	42,662	808.93	--	--	--	--	--	--
2005:								
Jan.-Mar.	30,067	823.60	--	--	--	--	--	--
Apr.-June	28,445	779.85	--	--	--	--	--	--

Table continued on next page.

Table V-1--*Continued*
CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 1, and margins of underselling/(overselling), by quarters, January 1999-June 2005

	Imports from Japan			Imports from Korea[2]		
	Quantity	Price	Margin	Quantity	Price	Margin
Period	*Short tons*	*Per short ton*	*Percent*	*Short tons*	*Per short ton*	*Percent*
1999:						
Jan.-Mar.	***	***	***	--	--	--
Apr.-June	--	--	--	***	***	***
July-Sept.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2000:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-June	--	--	--	--	--	--
July-Sept.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2001:						
Jan.-Mar.	--	--	--	***	***	***
Apr.-June	--	--	--	***	***	***
July-Sept.	--	--	--	***	***	***
Oct.-Dec.	--	--	--	***	***	***
2002:						
Jan.-Mar.	--	--	--	***	***	***
Apr.-June	--	--	--	--	--	--
July-Sept.	--	--	--	***	***	***
Oct.-Dec.	--	--	--	***	***	***
2003:						
Jan.-Mar.	--	--	--	***	***	***
Apr.-June	--	--	--	***	***	***
July-Sept.	--	--	--	***	***	***
Oct.-Dec.	--	--	--	--	--	--
2004:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-June	***	***	***	--	--	--
July-Sept.	--	--	--	***	***	***
Oct.-Dec.	--	--	--	***	***	***
2005:					***	***
Jan.-Mar.	--	--	--	***	***	***
Apr.-June	--	--	--	***	***	***

[1] *** could not report data for 1999.
[2] *** could only provide estimates.

Product 1.–Hot-rolled carbon-quality plate, ASTM A36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72 inches through 96 inches in width, 0.50 inches through 0.99 inches in thickness.

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

Table V-2
CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 2, and margins of underselling/(overselling), by quarters, January 1999-June 2005

	U.S. producers[1]		Imports from France			Imports from Indonesia		
	Quantity	Price	Quantity	Price	Margin	Quantity	Price	Margin
Period	*Short tons*	*Per short ton*	*Short tons*	*Per short ton*	*Percent*	*Short tons*	*Per short ton*	*Percent*
1999:								
Jan.-Mar.	51,001	$340.12	--	--	--	--	--	--
Apr.-June	63,275	325.67	***	***	***	--	--	--
July-Sept.	68,097	307.65	--	--	--	--	--	--
Oct.-Dec.	65,244	306.45	--	--	--	--	--	--
2000:								
Jan.-Mar.	104,600	328.65	--	--	--	--	--	--
Apr.-June	99,241	345.78	--	--	--	--	--	--
July-Sept.	87,132	350.38	--	--	--	--	--	--
Oct.-Dec.	71,909	341.55	--	--	--	***	***	***
2001:								
Jan.-Mar.	69,152	327.84	--	--	--	--	--	--
Apr.-June	64,569	330.94	--	--	--	--	--	--
July-Sept.	38,038	351.31	--	--	--	--	--	--
Oct.-Dec.	32,678	342.81	--	--	--	--	--	--
2002:								
Jan.-Mar.	37,092	334.86	--	--	--	--	--	--
Apr.-June	37,978	351.84	--	--	--	--	--	--
July-Sept.	33,580	367.06	--	--	--	--	--	--
Oct.-Dec.	29,598	372.41	--	--	--	--	--	--
2003:								
Jan.-Mar.	41,025	365.83	--	--	--	--	--	--
Apr.-June	45,646	358.61	--	--	--	--	--	--
July-Sept.	50,057	350.65	--	--	--	--	--	--
Oct.-Dec.	44,098	374.53	--	--	--	--	--	--
2004:								
Jan.-Mar.	53,371	495.52	--	--	--	--	--	--
Apr.-June	53,206	632.44	--	--	--	--	--	--
July-Sept.	61,181	736.18	--	--	--	--	--	--
Oct.-Dec.	49,286	825.52	--	--	--	--	--	--
2005:								
Jan.-Mar.	46,323	830.48	--	--	--	--	--	--
Apr.-June	39,705	789.50	--	--	--	--	--	--

Table continued on next page.

Table V-2--*Continued*
CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 2, and margins of underselling/(overselling), by quarters, January 1999-June 2005

	Imports from Italy			Imports from Japan			Imports from Korea[2]		
	Quantity	Price	Margin	Quantity	Price	Margin	Quantity	Price	Margin
Period	*Short tons*	*Per sh. ton*	*Percent*	*Short tons*	*Per sh. ton*	*Percent*	*Short tons*	*Per sh. ton*	*Percent*
1999:									
Jan.-Mar.	***	***	***	***	***	***	--	--	--
Apr.-June	--	--	--	--	--	--	***	***	***
July-Sept.	--	--	--	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--	--	--	--
2000:									
Jan.-Mar.	--	--	--	--	--	--	--	--	--
Apr.-June	--	--	--	--	--	--	--	--	--
July-Sept.	--	--	--	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--	--	--	--
2001:									
Jan.-Mar.	--	--	--	--	--	--	***	***	***
Apr.-June	--	--	--	--	--	--	***	***	***
July-Sept.	--	--	--	--	--	--	***	***	***
Oct.-Dec.	--	--	--	--	--	--	***	***	***
2002:									
Jan.-Mar.	--	--	--	--	--	--	***	***	***
Apr.-June	--	--	--	--	--	--	***	***	***
July-Sept.	--	--	--	--	--	--	***	***	***
Oct.-Dec.	--	--	--	--	--	--	***	***	***
2003:									
Jan.-Mar.	--	--	--	--	--	--	***	***	***
Apr.-June	--	--	--	--	--	--	***	***	***
July-Sept.	--	--	--	--	--	--	***	***	***
Oct.-Dec.	--	--	--	--	--	--	***	***	***
2004:									
Jan.-Mar.	--	--	--	--	--	--	--	--	--
Apr.-June	--	--	--	--	--	--	--	--	--
July-Sept.	--	--	--	--	--	--	***	***	***
Oct.-Dec.	***	***	***	--	--	--	***	***	***
2005:									
Jan.-Mar.	--	--	--	--	--	--	***	***	***
Apr.-June	--	--	--	--	--	--	***	***	***

[1] *** could not report data for 1999.
[2] *** could only provide estimates.

Product 2.–Hot-rolled carbon-quality plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72 inches through 96 inches in width, 1 inch through 2 inches in thickness.

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

Table V-3
CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 3, and margins of underselling/(overselling), by quarters, January 1999-June 2005

	U.S. producers[1]		Imports from France			Imports from Italy		
	Quantity	Price	Quantity	Price	Margin	Quantity	Price	Margin
Period	*Short tons*	*Per short ton*	*Short tons*	*Per short ton*	*Percent*	*Short tons*	*Per short ton*	*Percent*
1999:								
Jan.-Mar.	2,358	$432.01	--	--	--	***	***	***
Apr.-June	2,310	413.39	***	***	***	***	***	***
July-Sept.	3,302	393.81	--	--	--	***	***	***
Oct.-Dec.	2,872	381.81	--	--	--	--	--	--
2000:								
Jan.-Mar.	15,233	475.72	--	--	--	--	--	--
Apr.-June	11,083	516.03	--	--	--	--	--	--
July-Sept.	9,489	499.32	--	--	--	--	--	--
Oct.-Dec.	5,890	478.36	--	--	--	--	--	--
2001:								
Jan.-Mar.	8,497	476.39	--	--	--	--	--	--
Apr.-June	8,154	464.77	--	--	--	--	--	--
July-Sept.	8,439	502.47	--	--	--	--	--	--
Oct.-Dec.	6,292	486.03	--	--	--	--	--	--
2002:								
Jan.-Mar.	5,592	540.63	--	--	--	--	--	--
Apr.-June	6,452	574.87	--	--	--	--	--	--
July-Sept.	7,277	482.73	--	--	--	--	--	--
Oct.-Dec.	6,309	499.61	--	--	--	--	--	--
2003:								
Jan.-Mar.	7,994	466.41	--	--	--	--	--	--
Apr.-June	7,832	472.69	--	--	--	--	--	--
July-Sept.	9,916	457.22	--	--	--	--	--	--
Oct.-Dec.	8,390	472.67	--	--	--	--	--	--
2004:								
Jan.-Mar.	13,843	579.71	--	--	--	--	--	--
Apr.-June	11,935	712.45	--	--	--	***	***	***
July-Sept.	12,004	832.77	--	--	--	***	***	***
Oct.-Dec.	11,495	907.74	--	--	--	***	***	***
2005:								
Jan.-Mar.	11,430	917.18	--	--	--	***	***	***
Apr.-June	11,119	913.96	--	--	--	***	***	***

Table continued on next page.

Table V-3--*Continued*
CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 3, and margins of underselling/(overselling), by quarters, January 1999-June 2005

	Imports from Japan			Imports from Korea[2]		
	Quantity	Price	Margin	Quantity	Price	Margin
Period	*Short tons*	*Per short ton*	*Percent*	*Short tons*	*Per short ton*	*Percent*
1999:						
Jan.-Mar.	***	***	***	--	--	--
Apr.-June	--	--	--	***	***	***
July-Sept.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2000:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-June	--	--	--	--	--	--
July-Sept.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2001:						
Jan.-Mar.	--	--	--	***	***	***
Apr.-June	--	--	--	***	***	***
July-Sept.	--	--	--	***	***	***
Oct.-Dec.	--	--	--	***	***	***
2002:						
Jan.-Mar.	--	--	--	***	***	***
Apr.-June	--	--	--	***	***	***
July-Sept.	--	--	--	***	***	***
Oct.-Dec.	--	--	--	***	***	***
2003:						
Jan.-Mar.	--	--	--	***	***	***
Apr.-June	--	--	--	***	***	***
July-Sept.	--	--	--	***	***	***
Oct.-Dec.	--	--	--	***	***	***
2004:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-June	--	--	--	--	--	--
July-Sept.	--	--	--	***	***	***
Oct.-Dec.	--	--	--	***	***	***
2005:						
Jan.-Mar.	--	--	--	***	***	***
Apr.-June	--	--	--	***	***	***

[1] *** could not report data for 1999.
[2] *** could only provide estimates.

Product 3.–Hot-rolled carbon-quality plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72 inches through 96 inches in width, 4 inches through 6 inches in thickness.

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

Table V-4
CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 4, and margins of underselling/(overselling), by quarters, January 1999-June 2005

* * * * * * *

Table V-5
CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers[1] and importers of product 5, and margins of underselling/(overselling), by quarters, January 1999-June 2005

	U.S. producers[1]		Imports from France		
	Quantity	Price	Quantity	Price	Margin
Period	*Short tons*	*Per short ton*	*Short tons*	*Per short ton*	*Percent*
1999:					
Jan.-Mar.	2,779	$380.42	***	***	***
Apr.-June	3,441	369.60	***	***	***
July-Sept.	3,350	364.96	***	***	***
Oct.-Dec.	3,706	350.51	--	--	--
2000:					
Jan.-Mar.	21,943	428.66	--	--	--
Apr.-June	20,132	447.36	--	--	--
July-Sept.	21,351	460.03	--	--	--
Oct.-Dec.	17,377	454.37	--	--	--
2001:					
Jan.-Mar.	20,357	439.64	--	--	--
Apr.-June	21,272	452.56	--	--	--
July-Sept.	17,498	475.82	--	--	--
Oct.-Dec.	15,574	475.94	--	--	--
2002:					
Jan.-Mar.	12,097	480.82	--	--	--
Apr.-June	12,781	477.66	--	--	--
July-Sept.	10,708	491.62	--	--	--
Oct.-Dec.	13,342	497.32	--	--	--
2003:					
Jan.-Mar.	9,663	483.31	--	--	--
Apr.-June	8,457	473.36	--	--	--
July-Sept.	10,548	466.41	--	--	--
Oct.-Dec.	11,488	477.11	--	--	--
2004:					
Jan.-Mar.	14,259	554.97	--	--	--
Apr.-June	13,737	714.22	--	--	--
July-Sept.	13,931	795.83	--	--	--
Oct.-Dec.	12,124	931.41	--	--	--
2005:					
Jan.-Mar.	14,554	943.47	--	--	--
Apr.-June	11,420	961.66	--	--	--

Table continued on next page.

Table V-5--*Continued*
CTL plate: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers[1] and importers of product 5, and margins of underselling/(overselling), by quarters, January 1999-June 2005

	Imports from Japan			Imports from Korea		
	Quantity	Price	Margin	Quantity	Price	Margin
Period	*Short tons*	*Per short ton*	*Percent*	*Short tons*	*Per short ton*	*Percent*
1999:						
Jan.-Mar.	***			--	--	--
Apr.-June	--	--	--	--	--	--
July-Sept.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2000:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-June	--	--	--	--	--	--
July-Sept.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2001:						
Jan.-Mar.	--	--	--	***	***	***
Apr.-June	--	--	--	--	--	--
July-Sept.	--	--	--	***	***	***
Oct.-Dec.	--	--	--	--	--	--
2002:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-June	--	--	--	--	--	--
July-Sept.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2003:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-June	--	--	--	--	--	--
July-Sept.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2004:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-June	--	--	--	--	--	--
July-Sept.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2005:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-June	--	--	--	***	***	***

[1] *** could not report data for 1999.

Product 5.–Hot-rolled carbon-quality plate, ASTM A-516 Grade 70, normalized, sheared edge, not cleaned or oiled, in cut lengths, over 48 inches in width, 0.50 inches through 3 inches in thickness.

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

Table V-6
CTL plate: Summary of underselling/overselling for products 1-5, by country,[1] 1999-2005[2]

Country/period	Number of quarters of underselling	Total import quantity of underselling (*short tons*)	Number of quarters of overselling	Total import quantity of overselling (*short tons*)
France:				
1999	1	***	7	***
2000	0	0	0	0
2001	0	0	0	0
2002	0	0	0	0
2003	0	0	0	0
2004	0	0	0	0
2005[3]	0	0	0	0
TOTAL	1	***	7	***
Indonesia:				
1999	0	0	0	0
2000	2	***	0	0
2001	0	0	0	0
2002	0	0	0	0
2003	0	0	0	0
2004	0	0	0	0
2005[3]	0	0	0	0
TOTAL	2	***	0	0
Italy:				
1999	4	***	0	0
2000	0	0	0	0
2001	0	0	0	0
2002	0	0	0	0
2003	0	0	0	0
2004	4	***	0	0
2005[3]	0	0	2	***
TOTAL	8	***	2	***

Table continued on next page.

Table V-6--*Continued*
CTL plate: Summary of underselling/overselling for products 1-5, by country,[1] 1999-2005[2]

Country/period	Number of quarters of underselling	Total import quantity of underselling (*short tons*)	Number of quarters of overselling	Total import quantity of overselling (*short tons*)
Japan:				
1999	0	0	5	***
2000	0	0	0	0
2001	0	0	0	0
2002	0	0	0	0
2003	0	0	0	0
2004	1	***	0	0
2005[3]	0	0	0	0
TOTAL	1	***	5	***
Korea:				
1999	3	***	0	0
2000	0	0	0	0
2001	13	***	1	***
2002	10	***	1	***
2003	5	***	6	***
2004	6	***	0	0
2005[3]	7	***	0	0
TOTAL	44	***	8	***

[1] Importers responding to Commission questionnaires did not report data for imports from India.
[2] In the original investigations, there were 228 possible price comparisons. In 143 of those, subject imports undersold the domestic product; in the remaining 85 instances, subject product oversold the domestic product. For France, there were 15 instances of underselling and 32 instances of overselling, with an average margin of underselling of 4.8 percent. For India, there were 24 instances of underselling and 2 instances of overselling, with an average margin of underselling of 9.5 percent. For Indonesia, there were 39 instances of underselling and 0 instances of overselling, with an average margin of underselling of 13.1 percent. For Italy, there were 27 instances of underselling and 8 instances of overselling, with an average margin of underselling of 16.0 percent. For Japan, there were 15 instances of underselling and 25 instances of overselling, with an average margin of underselling of 7.9 percent. For Korea, there were 23 instances of underselling and 18 instances of overselling, with an average margin of underselling of 10.5 percent.
[3] Data for 2005 includes only the first two quarters of the year.

Source: Compiled from data submitted in response to Commission questionnaires and *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea*, Inv. Nos. 701-TA-387-391 and 731-TA-816-821(Final), USITC Publication No. 3273 (January 2000).

Figure V-3
CTL plate: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 1, by quarters, January 1999-June 2005

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Figure V-4
CTL plate: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 2, by quarters, January 1999-June 2005

* * * * * * *

Figure V-5
CTL plate: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 3, by quarters, January 1999-June 2005

* * * * * * *

Figure V-6
CTL plate: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 4, by quarters, January 1999-June 2005

* * * * * * *

Figure V-7
CTL plate: Weighted-average f.o.b. selling prices per short ton as reported by U.S. producers and importers of product 5, by quarters, January 1999-June 2005

* * * * * * *

APPENDIX A

FEDERAL REGISTER NOTICES AND STATEMENT ON ADEQUACY

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–388–391 and 731–TA–816–821 (Review)]

Cut-to-Length Carbon Steel Plate From France, India, Indonesia, Italy, Japan, and Korea

AGENCY: International Trade Commission.

ACTION: Institution of five-year reviews concerning the countervailing duty orders on cut-to-length (''CTL'') carbon steel plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on CTL carbon steel plate from France, India, Indonesia, Italy, Japan, and Korea.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the countervailing duty orders on CTL carbon steel plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on CTL carbon steel plate from France, India, Indonesia, Italy, Japan, and Korea would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; [1] to be assured of consideration, the deadline for responses is February 22, 2005. Comments on the adequacy of responses may be filed with the Commission by March 18, 2005. For further information concerning the conduct of these reviews 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, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: January 3, 2005.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), 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–

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 05–5–106, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background. On February 10, 2000, the Department of Commerce issued countervailing duty orders on imports of CTL carbon steel plate from India, Indonesia, Italy, and Korea (65 FR 6587) and antidumping duty orders on imports of CTL carbon steel plate from France, India, Indonesia, Italy, Japan, and Korea (65 FR 6585). The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions. The following definitions apply to these reviews:

(1) Subject Merchandise is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The Subject Countries in these reviews are France, India, Indonesia, Italy, Japan, and Korea.

(3) The Domestic Like Product is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise.* In its original determinations, the Commission defined the *Domestic Like Product* as all domestically produced CTL steel plate that corresponds to Commerce's scope description, including grade X–70 plate, micro-alloy steel plate, and plate cut from coils.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product,* or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined the *Domestic Industry* as all producers of CTL steel plate, whether toll producers, integrated producers, or processors.

(5) The *Order Date* is the date that the countervailing duty and antidumping duty orders under review became effective. In these reviews, the *Order Date* is February 10, 2000.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the reviews and public service list. Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission's designated agency ethics official has advised that a five-year review is the ''same particular matter'' as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was ''personal and substantial.'' However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. § 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification. Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions. Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is February 22, 2005. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is March 18, 2005. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information. Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information To Be Provided in Response to This Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country;* or produce *Subject Merchandise* in more than one *Subject Country,* you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country.* As used below, the term ''firm'' includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product,* a U.S. union or worker group, a U.S. importer of the *Subject Merchandise,* a foreign producer or exporter of the *Subject Merchandise,* a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the countervailing duty and antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry.*

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product.* Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries since the *Order Date.*

(7) If you are a U.S. producer of the *Domestic Like Product,* provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country(ies),* provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country;* and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country.*

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country(ies),* provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country(ies)* since the *Order Date*, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country*, and such merchandise from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions,

please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: December 20, 2004.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–28727 Filed 12–30–04; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–388–391 and 731–TA–816–821 (Review)]

Cut-to-Length Carbon Steel Plate From France, India, Indonesia, Italy, Japan, and Korea

AGENCY: International Trade Commission.

ACTION: Notice of Commission determinations to conduct full five-year reviews concerning the countervailing duty orders on cut-to-length carbon steel plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on cut-to-length carbon steel plate from France, India, Indonesia, Italy, Japan, and Korea.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the countervailing duty orders on cut-to-length carbon steel plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on cut-to-length carbon steel plate from France, India, Indonesia, Italy, Japan, and Korea would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further information concerning the conduct of these reviews 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, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: April 8, 2005.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION: On April 8, 2005, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group response to its notice of institution (70 FR 110, January 3, 2005) was adequate, and that the respondent interested party group response with respect to France was adequate, but found that the respondent interested party group responses with respect to India, Indonesia, Italy, Japan, and Korea were inadequate. However, the Commission determined to conduct full reviews concerning subject imports from India, Indonesia, Italy, Japan, and Korea to promote administrative efficiency in light of its decision to conduct a full review with respect to subject imports from France. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: April 13, 2005.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–7717 Filed 4–15–05; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–388–391 and 731–TA–816–821 (Review)]

Cut-to-Length Carbon-Quality Steel Plate From France, Indonesia, India, Italy, Japan, and Korea

AGENCY: United States International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the countervailing duty orders on cut-to-length carbon-quality steel plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on cut-to-length carbon-quality steel plate from France, India, Indonesia, Italy, Japan, and Korea.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5))

(the Act) to determine whether revocation of the countervailing duty orders on cut-to-length carbon-quality steel plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on cut-to-length carbon-quality steel plate from France, India, Indonesia, Italy, Japan, and Korea would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews 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, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: May 4, 2005

FOR FURTHER INFORMATION CONTACT: Michael Szustakowski (202–205–3188), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION:

Background.—On April 8, 2005, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (70 FR 20173, April 18, 2005). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the reviews and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

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 reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the reviews will be placed in the nonpublic record on September 7, 2005, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on September 27, 2005, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before September 16, 2005. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on September 21, 2005, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written submissions.—Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is September 16, 2005. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is October 6, 2005; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before October 6, 2005. On October 28, 2005, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before November 1, 2005, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002).[1]

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (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 reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

[1] Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68173 (November 8, 2002).

Issued: May 10, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–9573 Filed 5–12–05; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

(A–427–816, A–533–817, A–560–805, A–475–826, A–588–847, A–580–836)

Certain Cut–To-Length Carbon–Quality Steel Plate from France, India, Indonesia, Italy, Japan, and the Republic of Korea; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders

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

SUMMARY: On January 3, 2005, the Department of Commerce (''the Department'') initiated sunset reviews of the antidumping duty orders (''AD Orders'') on Certain Cut–To-Length Carbon–Quality Steel Plate (''CTL Plate'') from France, India, Indonesia, Italy, Japan, and the Republic of Korea

pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). *See Initiation of Five-year (Sunset) Reviews*, 70 FR 75 (January 3, 2005). On the basis of notices of intent to participate and adequate substantive responses filed on behalf of the domestic interested parties and inadequate responses from respondent interested parties, the Department conducted expedited sunset reviews of the AD Orders pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations. As a result of these sunset reviews, the Department finds that revocation of the AD Orders would likely lead to continuation or recurrence of dumping at the levels indicated in the ''Final Results of Reviews,'' section of this notice.

EFFECTIVE DATE: August 8, 2005.

FOR FURTHER INFORMATION CONTACT: Roberto Facundus or David Goldberger, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–3464 or (202) 482–4136, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2005, the Department initiated sunset reviews of the AD Orders on CTL Plate from France, India, Indonesia, Italy, Japan, and the Republic of Korea pursuant to section 751(c) of the Act. *See Initiation of Five-year (Sunset) Reviews*, 70 FR 75 (January 3, 2005). The Department received notices of intent to participate from the following domestic parties within the deadline specified in 19 CFR 351.218(d)(1)(i): Mittal Steel USA ISG Inc.[1], IPSCO Steel Inc., Nucor Corporation, and United States Steel Corp. These four parties claimed interested party status under section 771(9)(C) of the Act and 19 CFR 351.102(b), as domestic manufacturers and producers of the domestic like product. The Department received a collective substantive response from Mittal Steel USA ISG Inc., IPSCO Steel Inc., and Nucor Corporation (collectively ''the domestic interested parties'') within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). The Department received no substantive responses from any of the respondent interested parties to these proceedings.[2] As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited sunset reviews of these AD Orders.

On May 3, 2005, the Department extended the time limit for the final results of these sunset reviews to on or about August 1, 2005. *See Certain Cut–To-Length Carbon–Quality Steel Plate from France, India, Indonesia, Italy, Japan and Korea; Extension of Final Results of Expedited Sunset Reviews of the Antidumping and Countervailing Duty Orders*, 70 FR 22843 (May 3, 2005).

Scope of the Orders

The products covered by the AD Orders are certain hot–rolled carbon–quality steel: (1) 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 nominal or actual thickness of not less than 4 mm, which are cut–to-length (not in coils) and without patterns in relief), of iron or non–alloy-quality steel; and (2) flat–rolled products, hot–rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut–to-length (not in coils). Steel products to be included in the scope of these orders are of rectangular, square, circular or other shape and of rectangular or non–rectangular cross-section where such non–rectangular cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been ''worked after rolling'')--for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non–metallic substances are included within this scope. Also, specifically included in the scope of these orders are high strength, low alloy (''HSLA'') steels. HSLA steels are recognized as steels with micro–alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Steel products to be included in this scope, regardless of Harmonized Tariff Schedule of the United States (''HTSUS'') definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of these orders unless otherwise specifically excluded. The following products are specifically excluded from these orders: (1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non–metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion–resistant steels (*i.e.*, USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.

Regarding the scope of the order for Japan, the following additional exclusions apply with respect to abrasion–resistant steels: NK–EH–360 (NK Everhard 360) and NK–EH–500 (NK Everhard 500). NK–EH–360 has the following specifications: (a) Physical Properties: Thickness ranging from 6–50 mm, Brinell Hardness: 361 min.; (b) Heat Treatment: controlled heat treatment; and (c) Chemical

[1] Bethlehem Steel Corporation was one of the original petitioners in the investigation. International Steel Group Inc. was the successor company to Bethlehem Steel Corporation. *See* Letters from Nucor Corporation, International Steel Group Inc. (Mittal Steel USA ISG Inc.), and IPSCO Steel Inc. to the Secretary of Commerce re: Five-year (sunset'') review(s) pursuant to Section 751(c) of the Tariff Act of 1930 of the Antidumping Duty Order(s) on Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and the Republic of Korea - Substantive Response(s) to Notice of Initiation (February 1, 2005) (separate letters were simultaneously submitted for each country). International Steel Group Inc. was later acquired and its name changed to Mittal Steel USA ISG Inc. *See* Letters from Mittal Steel USA ISG Inc. to the Secretary of Commerce re: Sunset Review(s) of Certain Cut-To-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and the Republic of Korea: Notice of Change in International Steel Group Inc.'s Name (April 20, 2005) (separate letters were simultaneously submitted for each country), and Letters from Mittal Steel USA ISG Inc. to the Secretary of Commerce re: Antidumping Duty Sunset Review(s) of Certain Cut-To-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and the Republic of Korea: Clarification of Mittal Steel USA ISG's name (May 6, 2005) (separate letters were simultaneously submitted for each country).

[2] GTS Industries S.A., a French producer of subject merchandise, submitted a waiver of participation in the sunset review of CTL Plate from France. *See* Letter to Gary S. Taverman re: Antidumping Duty Sunset Review of Certain Cut-to-Length Carbon-Quality Steel Plate from France; Statement of Waiver (February 2, 2005).

Composition (percent weight): C: 0.20 max., Si: 0.55 max., Mn: 1.60 max., P: 0.030 max., S: 0.030 max., Cr: 0.40 max., Ti: 0.005–0.020, B: 0.004 max. NK–EH–500 has the following specifications: (a) Physical Properties: Thickness ranging from 6–50 mm, Brinell Hardness: 477 min.; (b) Heat Treatment: Controlled heat treatment; and (c) Chemical Composition (percent weight): C: 0.35 max., Si: 0.55 max., Mn: 1.60 max., P: 0.030 max., S: 0.030 max., Cr: 0.80 max., Ti: 0.005–0.020, B: 0.004 max.

The merchandise subject to these orders is currently classifiable in the HTSUS under subheadings: 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, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by these orders is dispositive.

Analysis of Comments Received

All issues raised in these reviews are addressed in the Issues and Decision Memorandum from Barbara E. Tillman, Acting Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated August 1, 2005. (''Decision Memorandum''), which is hereby adopted by this notice. The issues discussed in the accompanying Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B–099, of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at http://ia.ita.doc.gov/frn, under the heading ''August 2005.'' The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Sunset Reviews

The Department determines that revocation of the AD Orders on CTL Plate from France, India, Indonesia, Italy, Japan, and the Republic of Korea would likely lead to continuation or recurrence of dumping at the rates listed below:

Exporter/Manufacturer	Margin Percentage
France.	
Usinor, S.A.	10.41
All Others	10.41
India.	
Steel Authority of India, Ltd.	42.39
All Others	42.39
Indonesia.	
PT Gunawan Dianjaya/ PT Jaya Pari Steel Corporation	50.80
PT Krakatau Steel	52.42
All Others	50.80
Italy.	
Palini and Bertoli S.p.A	7.85
All Others	7.85
Japan.	
Kawasaki Steel Corporation	10.78
Kobe Steel, Ltd.	59.12
Nippon Steel Corporation	59.12
NKK Corporation	59.12
Sumitomo Metal Industries, Ltd.	59.12
All Others	10.78
Republic of Korea.	
Dongkuk Steel Mill Co., Ltd.	2.98
All Others	2.98

Notification regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective order (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 1, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5–4249 Filed 8–5–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C–580–837]

Final Results of Expedited Sunset Review of the Countervailing Duty Order: Certain Cut–To-Length Carbon–Quality Steel Plate From Korea

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

SUMMARY: On January 3, 2005, the Department of Commerce (''the Department''') initiated a sunset review of the countervailing duty (''CVD'') order on certain cut–to-length carbon–quality steel plate from Korea pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act'''). *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 75 (January 3, 2005). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties, as well as inadequate response from respondent interested parties, the Department conducted an expedited sunset review pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B). As a result of this sunset review, the Department finds that revocation of the CVD order would be likely to lead to continuation or recurrence of countervailable subsidies

at the levels indicated in the ''Final Results of Review'' section of this notice.

EFFECTIVE DATE: August 8, 2005.

FOR FURTHER INFORMATION CONTACT: Tipten Troidl or David Goldberger, AD/CVD Operations, Office 3, Import Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW, Washington, DC 20230; telephone: 202–482–1767 or 202–482–4136, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2005, the Department initiated a sunset review of the countervailing duty order on certain cut–to-length carbon–quality steel plate from Korea pursuant to section 751(c) of the Act. *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 75 (January 3, 2005). On January 6, 2005, the Department received a notice of intent to participate on behalf of Nucor Corporation (''Nucor''), and on January 14, 2005, we received a notice of intent to participate on behalf of International Steel Group Inc. (''ISG''), within the deadline specified in 19 CFR 351.218(d)(1)(i). On January 19, 2005, the Department received requests for a one-day extension of the deadline and notices of intent to participate on behalf of United States Steel Corporation (''U.S. Steel'') and IPSCO Steel Inc. (''IPSCO''). Due to circumstances beyond their control, IPSCO and U.S. Steel were prevented from delivering and filing their notice of intent to participate with the Department within the 15-day deadline. Therefore, the Department determined it appropriate to grant their extension request. Each of the domestic interested parties claimed interested party status under section 771(9)(C) of the Act as domestic producers of a domestic like product. The Department received a complete substantive response on behalf of ISG,[1] IPSCO and Nucor (collectively, ''domestic interested parties'') within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). The Department did not receive a substantive response from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited sunset review of this CVD order.

The Department determined, pursuant to section 751(c)(5)©) of the Act, that the sunset review of the CVD order on certain cut–to-length carbon–quality steel plate from Korea is extraordinarily complicated. Therefore, on April 25, 2005, the Department extended the time limit for completion of the final results of this review until not later than August 1, 2005.[2]

Scope of the Order

The merchandises covered by the CVD order is certain hot–rolled carbon–quality steel: (1) 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 nominal or actual thickness of not less than 4 mm, which are cut–to-length (not in coils) and without patterns in relief), of iron or non–alloy-quality steel; and (2) flat–rolled products, hot–rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut–to-length (not in coils). Steel products to be included in the scope of this order are of rectangular, square, circular or other shape and of rectangular or non–rectangular cross-section where such non–rectangular cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been ''worked after rolling'')--for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non–metallic substances are included within this scope. Also, specifically included in the scope of this order are high strength, low alloy (''HSLA'') steels. HSLA steels are recognized as steels with micro–alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Steel products to be included in this scope, regardless of Harmonized Tariff Schedule of the United States (''HTSUS'') definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is two percent or less, by weight; and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of this order unless otherwise specifically excluded. The following products are specifically excluded from this order: (1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non- metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion–resistant steels (*i.e.*, USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel. The merchandise subject to this order is currently classifiable in the HTSUS under subheadings: 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, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by this order is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the ''Issues and Decision Memorandum'' (''Decision Memorandum'') from Barbara E. Tillman, Acting Deputy Assistant Secretary for Import Administration to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated August 1, 2005, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the Central Records Unit, room B–099 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at http://

[1] On April 20, and May 6, 2005, ISG notified the Department that as a result of a name change, ISG's official name is now Mittal Steel USA ISG Inc.

[2] *See Certain Cut-To-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan and Korea; Extension of Final Results of the Expedited Sunset Reviews of the Antidumping and Countervailing Duty Orders*, 70 FR 22843 (May 3, 2005).

ia.ita.doc.gov/frn. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

The Department determines that revocation of the CVD order on certain cut–to-length carbon–quality steel plate from Korea would be likely to lead to continuation or recurrence of a countervailable subsidy at the rate listed below:

Manufacturer/exporters	Net Countervailable Subsidy (percent)
Dongkuk Steel Mill, Ltd.	2.36
All others[3]	2.36

[3] Pohang Iron & Steel Co., Ltd. (''POSCO'') was excluded from the order on the basis of a *de minimis* net subsidy rate of 0.82 percent. *See Notice of Amended Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plated From India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-to-Length Carbon-Quality Steel Plate From France, India, Indonesia, Italy, and the Republic of Korea*, 65 FR 6587 (February 10, 2000).

Notification Regarding Administrative Protective Order:

This notice also serves as the only reminder to parties subject to administrative protective order (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 1, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5–4253 Filed 8–5–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C–533–818]

Final Results of Expedited Sunset Review of the Countervailing Duty Order: Certain Cut–To-Length Carbon–Quality Steel Plate From India

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

SUMMARY: On January 3, 2005, the Department of Commerce (''the Department≥') initiated a sunset review of the countervailing duty (''CVD'') order on certain cut–to-length carbon–quality steel plate from India pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 75 (January 3, 2005). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties, as well as inadequate response from respondent interested parties, the Department conducted an expedited sunset review pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B). As a result of this sunset review, the Department finds that revocation of the CVD order would be likely to lead to continuation or recurrence of countervailable subsidies at the level indicated in the ''Final Results of Review'' section of this notice.

EFFECTIVE DATE: August 8, 2005.

FOR FURTHER INFORMATION CONTACT: Tipten Troidl or David Goldberger, AD/CVD Operations, Office 3, Import Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW, Washington, DC 20230; telephone: 202–482–1767 or 202–482–4136, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2005, the Department initiated a sunset review of the CVD order on certain cut–to-length carbon–quality steel plate from India pursuant to section 751(c) of the Act. *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 75 (January 3, 2005). On January 6, 2005, the Department received a notice of intent to participate on behalf of Nucor Corporation (''Nucor''), and on January 14, 2005, we received a notice of intent to participate on behalf of International Steel Group Inc. (''ISG''), within the deadline specified in 19 CFR 351.218(d)(1)(i). On January 19, 2005, the Department received requests for a one-day extension of the deadline and notices of intent to participate on behalf of United States Steel Corporation (''U.S. Steel'') and IPSCO Steel Inc. (''IPSCO''). Due to circumstances beyond their control, IPSCO and U.S. Steel were prevented from delivering and filing their notice of intent to participate with the Department within the 15-day deadline. Therefore, the Department determined it appropriate to grant their extension request. Each of the domestic interested parties claimed interested party status under section 771(9)(C) of the Act as domestic producers of a domestic like product. The Department received a complete substantive response on behalf of ISG,[1] IPSCO and Nucor (collectively, ''domestic interested parties'') within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). On February 25, 2005, subsequent to the Department granting an extension to the Government of India (''GOI''),[2] the Department received a substantive response on behalf of the GOI. The Department did not receive a substantive response from any other respondent interested parties. On March 7, 2005, the Department received rebuttal comments from the domestic interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited sunset review of this CVD order.

The Department determined, pursuant to section 751(c)(5)(C) of the Act, that the sunset review of the CVD order on certain cut–to-length carbon–quality steel plate from India is extraordinarily complicated. Therefore, on April 25, 2005, the Department extended the time limit for completion of the final results of this review until not later than August 1, 2005.[3]

Scope of the Order

The merchandise covered by the CVD order is certain hot–rolled carbon–quality steel: (1) 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 nominal or actual thickness of not less than 4 mm, which are cut–to-length (not in coils) and without patterns in relief), of iron or non–alloy-quality steel; and (2) flat–rolled products, hot–rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut–to-length (not in coils). Steel products to be included in the scope of this order are of rectangular, square, circular or other shape and of rectangular or non–rectangular cross-section where such non–rectangular cross- section is achieved subsequent to the rolling

[1] On April 20, and May 6, 2005, ISG notified the Department that as a result of a name change, ISG's official name is now Mittal Steel USA ISG Inc.

[2] *See* Letter from Kelly Parkhill, Director Industry and Support Analysis, to Mr. V.S. Seshadri, Minister Counselor, Embassy of India, February 14, 2005.

[3] *See Certain Cut-To-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan and Korea; Extension of Final Results of the Expedited Sunset Reviews of the Antidumping and Countervailing Duty Orders*, 70 FR 22843 (May 3, 2005).

process (*i.e.*, products which have been ''worked after rolling'')--for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non–metallic substances are included within the scope of this order. Also, specifically included in the scope of this order are high strength, low alloy (''HSLA'') steels. HSLA steels are recognized as steels with micro–alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Steel products to be included in this scope, regardless of Harmonized Tariff Schedule of the United States (''HTSUS'') definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is two percent or less, by weight; and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of this order unless otherwise specifically excluded. The following products are specifically excluded from this order: (1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non- metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion–resistant steels (*i.e.*, USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel. The merchandise subject to this order is currently classifiable in the HTSUS under subheadings: 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, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by this order is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the ''Issues and Decision Memorandum'' (''Decision Memorandum'') from Barbara E. Tillman, Acting Deputy Assistant Secretary for Import Administration to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated August 1, 2005, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the Central Records Unit room B–099, of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at http://ia.ita.doc.gov/frn. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

The Department determines that revocation of the CVD order on certain cut–to-length carbon–quality steel plate from India would be likely to lead to continuation or recurrence of a countervailable subsidy at the rate listed below:

Manufacturer/exporters	Net Countervailable Subsidy (percent)
Steel Authority of India (''SAIL'')	12.82
All other producers/ manufacturers/exporters	12.82

Notification Regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective order (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 1, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5–4257 Filed 8–5–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C–560–806]

Certain Cut–to-Length Carbon–Quality Steel Plate from Indonesia: Final Results of Expedited Sunset Review

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

SUMMARY: On January 3, 2005, the Department of Commerce (''the Department'') initiated a sunset review of the countervailing duty order (''CVD'') on certain cut–to-length carbon–quality steel plate from Indonesia (70 FR 75) pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 75 (January 3, 2005). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties and inadequate response from respondent interested parties (in this case, no response), the Department conducted an expedited sunset review of this CVD order pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B). As a result of this sunset review, the Department finds that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the ''Final Results of Review'' section of this notice.

EFFECTIVE DATE: August 8, 2005.

FOR FURTHER INFORMATION CONTACT: Tipten Troidl or David Goldberger, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–1767 or (202) 482–4136, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2005, the Department initiated a sunset review of the CVD order on certain cut–to-length carbon–quality steel plate from Indonesia pursuant to section 751(c) of the Act. *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 75 (January 3, 2005). The Department received a Notice of Intent to Participate from the following domestic interested parties: Nucor Corporation (''Nucor''), International Steel Group Inc. (''ISG''), IPSCO Steel Inc. (''IPSCO''), and United States Steel Corporation (''U.S. Steel'') (collectively, ''domestic interested parties'') within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested parties claimed interested party status under section 771(9)(C) of the Act.

The Department received a complete substantive response collectively from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(I). However, the Department did not receive a substantive response from any government or respondent interested party to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited review of this CVD order.

On May 3, 2005, the Department published in the **Federal Register** an *Extension of Final Results*, extending the final results until August 1, 2005. *See Certain Cut–to-Length Carbon–Quality Steel Plate from France, India, Indonesia, Italy, Japan and Korea; Extension of Final Results of Expedited Sunset Reviews of the Antidumping and Countervailing Duty Order,* May 3, 2005 (70 FR 22843) (''*Extension of Final Results*'').

Scope of the Order

The products covered by the countervailing duty order are certain hot–rolled carbon- quality steel: (1) 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 nominal or actual thickness of not less than 4 mm, which are cut–to-length (not in coils) and without patterns in relief), of iron or non–alloy-quality steel; and (2) flat- rolled products, hot–rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut–to-length (not in coils).

Steel products to be included in this scope are of rectangular, square, circular or other shape and of rectangular or non–rectangular cross-section where such non–rectangular cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been ''worked after rolling'')--for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non–metallic substances are included within this scope. Also, specifically included in this scope are high strength, low alloy (HSLA) steels. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Steel products to be included in this scope, regardless of Harmonized Tariff Schedule of the United States (''HTSUS'') definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of these investigations unless otherwise specifically excluded. The following products are specifically excluded from these investigations: (1) products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non–metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion- resistant steels (*i.e.*, USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel. The merchandise subject to the order is currently classifiable in the HTSUS under subheadings: 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, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this order is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum (''Decision Memorandum'') from Barbara E. Tillman, Acting Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated August 1, 2005, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the Central Records Unit, room B–099 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at *http://ia.ita.doc.gov/frn*. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

The Department determines that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

Producers/Exporters	Net Countervailable Subsidy (percent)
P.T. Krakatau Steel	47.72
All Others	15.90

Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing the results and notice in accordance with

sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 1, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5–4258 Filed 8–5–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C–475–827]

Certain Cut–to-Length Carbon–Quality Steel Plate from Italy: Final Results of Expedited Sunset Review

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

SUMMARY: On January 3, 2005, the Department of Commerce (''the Department'') initiated a sunset review of the countervailing duty (''CVD'') order on certain cut–to-length carbon–quality steel plate from Italy pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 75 (January 3, 2005) . On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties, as well as inadequate response from respondent interested parties, the Department conducted an expedited sunset review pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B). As a result of this sunset review, the Department finds that revocation of the CVD order would be likely to lead to continuation or recurrence of countervailable subsidies at the levels indicated in the ''Final Results of Review'' section of this notice.

EFFECTIVE DATE: August 8, 2005.

FOR FURTHER INFORMATION CONTACT: Tipten Troidl or David Goldberger, AD/CVD Enforcement, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482–1767 or (202) 482–4136, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2005, the Department initiated a sunset review of the CVD order on certain cut–to-length carbon–quality steel plate from Italy pursuant to section 751(c) of the Act. *See Initiation of Five-year (''Sunset'') Reviews*, 70 FR 75 (January 3, 2005). The Department received a Notice of Intent to Participate from the following domestic interested parties: Nucor Corporation (''Nucor''), Mittal Steel USA ISG Inc. (''Mittal'') (formerly International Steel Group Inc.), IPSCO Steel Inc. (''IPSCO''), and United States Steel Corporation (''U.S. Steel'') (collectively, ''domestic interested parties'') within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested parties claimed interested party status under section 771(9)(C) of the Act. Moreover, the Department received one complete collective substantive response from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).

The Department also received responses from: ILVA S.p.A. (''ILVA''), the European Commission (''EC''), and the Government of Italy (''GOI'') (collectively, ''respondent interested parties''). The Department found that ILVA's imports did not fulfill the 50–percent threshold that the Department considers to be an adequate response under 19 CFR 351.218(e)(1)(ii)(A). Therefore, on March 23, 2005, the Department issued a memorandum finding the respondent's response inadequate. *See* March 23, 2005, Memorandum for Ronald K. Lorentzen through Kelly Parkhill from Hilary E. Sadler, Subject: Carbon–Quality Steel Plate from Italy: Determination of Adequacy of Response (''Adequacy Response Memorandum''). Because the Department found that the respondent interested parties' responses were inadequate, the Department conducted an expedited review of this CVD order, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2).

The Department determined, pursuant to section 751(c)(5)(C) of the Act, that the sunset review of the CVD order on certain cut–to-length carbon–quality steel plate from Italy is extraordinarily complicated. Therefore, on April 25, 2005, the Department extended the time limit for completion of the final results of this review until not later than August 1, 2005.[1]

Scope of the Order

The merchandise covered by the CVD order is certain hot–rolled carbon-quality steel: (1) 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 nominal or actual thickness of not less than 4 mm, which are cut–to-length (not in coils) and without patterns in relief), of iron or non–alloy-quality steel; and (2) flat-rolled products, hot–rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut–to-length (not in coils). Steel products to be included in the scope of this order are of rectangular, square, circular or other shape and of rectangular or non–rectangular cross-section where such non–rectangular cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been ''worked after rolling'')--for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non–metallic substances are included within this scope. Also, specifically included in this scope are high strength, low alloy (''HSLA'') steels. HSLA steels are recognized as steels with micro–alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Steel products to be included in this scope, regardless of Harmonized Tariff Schedule of the United States (''HTSUS'') definitions, are products in which: (1) iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of these investigations unless otherwise specifically excluded. The following products are specifically excluded from these investigations: (1) products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non–metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion- resistant steels

[1] *See Certain Cut-To-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan and Korea; Extension of Final Results of the Expedited Sunset Reviews of the Antidumping and Countervailing Duty Orders*, 70 FR 22843 (May 3, 2005).

(i.e., USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel. The merchandise subject to the order is currently classifiable in the HTSUS under subheadings: 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, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this order.

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum (''Decision Memorandum'') from Barbara E. Tillman, Acting Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated August 1, 2005, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the Central Records Unit, room B–099 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at *http://ia.ita.doc.gov/frn*. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

The Department determines that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

Producers/Exporters	Net Countervailable Subsidy (percent)
ILVA S.p.A.	2.38
Palini & Bertoli	*De minimis*
All Others	2.38

Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation. We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 1, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5–4259 Filed 8–5–05; 8:45 am]

BILLING CODE 3510–DS–S

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY
in
Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea,
Inv. Nos. 701-TA-387-391 and 731-TA-816-821 (Review)

On April 8, 2005, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

With regard to each review, the Commission determined that the domestic producer responses, filed jointly by Nucor Corporation, International Steel Group, Inc., IPSCO Inc., and Oregon Steel Mills, Inc., were individually adequate. Because these four producers account for a significant share of domestic production of cut-to-length steel plate (CTL plate), the Commission further determined that the domestic interested party group response was adequate for each review.

In the review concerning subject imports from France, the Commission also received a response to its notice of initiation from the French producer GTS Industries S.A. (GTS). The Commission determined that this response was individually adequate, and that it constituted an adequate respondent interested party group response because GTS accounts for a significant share of the production of CTL plate in France. Accordingly, the Commission determined to proceed to a full review in *Certain Cut-to-Length Steel Plate from France.*

The Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from India, Indonesia, Italy, Japan, or Korea and, therefore, determined that the respondent interested party group responses for these countries were not adequate. However, the Commission determined to conduct full reviews concerning subject imports from India, Indonesia, Italy, Japan, and Korea to promote administrative efficiency in light of its decision to conduct a full review in *Certain Cut-to-Length Steel Plate from France*. Moreover, changes in conditions of competition – such as apparently significant modifications to the composition of the domestic industry – also supported conducting full reviews.

A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (http://www.usitc.gov).

APPENDIX B

HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

Subject:	Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea
Inv. Nos.:	701-TA-388-391 and 731-TA-816-821 (Review)
Date and Time:	September 27, 2005 - 9:30 a.m.

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

CONGRESSIONAL APPEARANCES:

The Honorable Richard Burr, United States Senator, North Carolina

The Honorable Peter J. Visclosky, U.S. Congressman, 1st District, Indiana

The Honorable Jo Bonner, U.S. Congressman, 1st District, Alabama

The Honorable George "G.K." Butterfield, U.S. Congressman, 1st District, North Carolina

In Support of Continuation of Antidumping and Countervailing Duty Orders:

Wiley Rein & Fielding LLP
Washington, D.C.
on behalf of

Nucor Corporation
Patrick J. McFadden, National Sales and Marketing Manger Plate Products

Olympic Steel, Inc.
Frank Ruane, Director, Corporate Purchasing Steel, Inc.

Seth Kaplan, Vice President, Charles River Associates

Alan H. Price) – OF COUNSEL

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

Mittal Steel USA ISG, Inc.
Robert W. Insetta, Director, Plate Products
Lawrence Fabina, Senior Division Manager, Plate Operations
Matthew Habenicht, Plate Products Area Manager

Kenilworth Steel Company
Robert Heltzel Jr., President

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC
William J. Klinefelter, Legislative and Political Director

Terence P. Stewart)
Eric P. Salonen) – OF COUNSEL
Sarah V. Stewart)

In Support of Continuation of Antidumping and Countervailing Duty Orders (continued):

Schagrin Associates
Washington, D.C.
on behalf of

IPSCO Steel, Inc.
John Tulloch, Senior Vice President and Chief Commercial Officer
Glenn Gilmore, Trade Supervisor

Oregon Steel Mills
Scott Montross, Vice President, Sales and Marketing

O'Neal Steel, Inc.
Tom Ballou, Director, Flat Rolled Products

Robert Scott, Economist, Schagrin Associates and Economic Policy Institute

Roger B. Schagrin) – OF COUNSEL

In Opposition to Continuation of Antidumping and Countervailing Duty Orders:

deKieffer & Horgan
Washington, D.C.
on behalf of

GTS Industries S.A.
David J. Delie, President and Chief Executive Officer, Berg Steel Pipe Corp.

Bruce Malashevich, President, Economic Consulting Services LLC
Jim Dougan, Economist, Economic Consulting Services LLC

Marc E. Montalbine) – OF COUNSEL

Steptoe & Johnson LLP
Washington, D.C.
on behalf of

Corus International America Houston and Corus America Inc.
Jeffrey Hoye, Director

Bruce Malashevich, President, Economic Consulting Services LLC
Jim Dougan, Economist, Economic Consulting Services LLC

Richard O. Cunningham)
Tina Potuto Kimble) – OF COUNSEL

APPENDIX C

SUMMARY DATA

Table C-1A

CTL steel plate: Summary data concerning the U.S. market, 1999-2004, January-June 2004, and January-June 2005

(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						
							January-June								Jan.-June
Item	1999	2000	2001	2002	2003	2004	2004	2005	1999-2004	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-05
U.S. consumption quantity:															
Amount	7,683,631	7,351,192	7,396,843	7,392,172	6,987,726	7,759,428	3,808,857	4,028,898	1.0	-4.3	0.6	-0.1	-5.5	11.0	5.8
Producers' share (1)	86.3	88.1	84.6	89.3	93.1	90.6	91.8	90.0	4.2	1.8	-3.5	4.6	3.8	-2.6	-1.8
Importers' share (1):															
France	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
India	0.1	(4)	(4)	(4)	0.0	(4)	(4)	(4)	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Indonesia	0.5	0.0	(4)	0.0	0.0	(4)	0.0	0.1	-0.5	-0.5	0.0	0.0	0.0	0.0	0.1
Italy	0.1	(4)	(4)	(4)	(4)	0.4	0.2	0.2	0.2	-0.1	0.0	0.0	0.0	0.4	-0.0
Japan	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Korea (excluding POSCO)	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Subtotal	5.9	2.4	2.1	1.5	0.3	1.1	0.5	1.9	-4.8	-3.5	-0.2	-0.6	-1.2	0.8	1.4
Korea (POSCO)	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
All other sources	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Total imports	13.7	11.9	15.4	10.7	6.9	9.4	8.2	10.0	-4.2	-1.8	3.5	-4.6	-3.8	2.6	1.8
U.S. consumption value:															
Amount	2,903,084	2,778,571	2,651,656	2,667,997	2,595,553	4,907,140	2,051,913	3,036,845	69.0	-4.3	-4.6	0.6	-2.7	89.1	48.0
Producers' share (1)	85.3	87.8	83.6	87.9	91.6	90.8	92.1	89.7	5.6	2.6	-4.3	4.3	3.7	-0.8	-2.3
Importers' share (1):															
France	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
India	0.1	(4)	(4)	(4)	0.0	(4)	(4)	0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.1
Indonesia	0.4	0.0	(4)	0.0	0.0	(4)	0.0	0.1	-0.4	-0.4	0.0	0.0	0.0	0.0	0.1
Italy	0.1	0.1	0.1	(4)	(4)	0.4	0.2	0.2	0.2	-0.1	-0.0	-0.1	0.0	0.4	-0.0
Japan	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Korea (excluding POSCO)	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Subtotal	5.9	2.1	2.0	1.6	0.7	1.3	0.7	1.9	-4.7	-3.8	-0.1	-0.4	-0.8	0.5	1.3
Korea (POSCO)	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
All other sources	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Total imports	14.7	12.2	16.4	12.1	8.4	9.2	7.9	10.3	-5.6	-2.6	4.3	-4.3	-3.7	0.8	2.3
U.S. imports from:															
France:															
Quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Unit value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Ending inventory quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
India:															
Quantity	6,462	1,485	1,262	20	0	1,585	210	1,722	-75.5	-77.0	-15.0	-98.4	-100.0	(3)	721.7
Value	2,057	498	377	12	0	1,731	186	1,837	-15.8	-75.8	-24.4	-96.9	-100.0	(3)	886.0
Unit value	$318	$336	$298	$584	(3)	$1,092	$889	$1,067	243.1	5.4	-11.1	95.7	-100.0	(3)	20.0
Ending inventory quantity	0	0	0	0	0	0	0	0	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Indonesia:															
Quantity	39,553	0	123	0	0	627	0	2,498	-98.4	-100.0	(3)	-100.0	(3)	(3)	(3)
Value	10,761	0	34	0	0	457	0	1,714	-95.8	-100.0	(3)	-100.0	(3)	(3)	(3)
Unit value	$272	(3)	$273	(3)	(3)	$728	(3)	$686	167.8	(3)	(3)	-100.0	(3)	(3)	(3)
Ending inventory quantity	0	0	0	0	0	0	0	0	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Italy:															
Quantity	11,396	2,369	1,130	278	666	29,130	9,214	7,781	155.6	-79.2	-52.3	-75.4	139.4	4,270.9	-15.6
Value	4,319	1,509	1,427	850	1,164	19,279	4,836	7,120	346.3	-65.1	-5.5	-40.4	36.9	1,556.8	47.2
Unit value	$379	$637	$1,263	$3,054	$1,746	$662	$525	$915	74.6	68.1	98.1	141.9	-42.8	-62.1	74.3
Ending inventory quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Japan:															
Quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Unit value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Ending inventory quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Korea (excluding POSCO):															
Quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Unit value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Ending inventory quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Subtotal:															
Quantity	450,990	174,196	158,311	112,443	21,017	82,011	17,813	74,814	-81.8	-61.4	-9.1	-29.0	-81.3	290.2	320.0
Value	172,359	58,092	52,418	41,604	18,634	61,810	13,400	57,842	-64.1	-66.3	-9.8	-20.6	-55.2	231.7	331.7
Unit value	$382	$333	$331	$370	$887	$754	$752	$773	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Ending inventory quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Korea (POSCO):															
Quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Unit value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Ending inventory quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
All other sources:															
Quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Unit value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Ending inventory quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
All sources:															
Quantity	1,049,344	871,136	1,135,502	792,166	479,851	730,918	311,296	401,928	-30.3	-17.0	30.3	-30.2	-39.4	52.3	29.1
Value	428,183	338,111	435,948	322,837	218,133	451,051	162,464	311,530	5.3	-21.0	28.9	-25.9	-32.4	106.8	91.8
Unit value	$408	$388	$384	$408	$455	$617	$522	$775	51.2	-4.9	-1.1	6.1	11.5	35.8	48.5
Ending inventory quantity	25,962	19,212	10,620	8,441	2,186	37,673	22,799	25,139	45.1	-26.0	-44.7	-20.5	-74.1	1623.4	10.3

Table continued on next page.

Table C-1A--continued

CTL steel plate: Summary data concerning the U.S. market, 1999-2004, January-June 2004, and January-June 2005

(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						
							January-June								Jan.-June
Item	1999	2000	2001	2002	2003	2004	2004	2005	1999-2004	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-05
U.S. producers' (2):															
Average capacity quantity	10,923,834	10,622,180	11,026,162	11,445,322	11,636,348	11,041,815	5,690,166	5,822,155	1.1	-2.8	3.8	3.8	1.7	-5.1	2.3
Production quantity	6,706,626	6,668,398	6,357,791	6,764,974	6,812,140	7,520,671	3,673,872	3,819,356	12.1	-0.6	-4.7	6.4	0.7	10.4	4.0
Capacity utilization (1)	61.4	62.8	57.7	59.1	58.5	68.1	64.6	65.6	6.7	1.4	-5.1	1.4	-0.6	9.6	1.0
U.S. shipments:															
Quantity	6,634,287	6,480,056	6,261,341	6,600,006	6,507,875	7,028,510	3,497,561	3,626,970	5.9	-2.3	-3.4	5.4	-1.4	8.0	3.7
Value	2,474,901	2,440,460	2,215,708	2,345,160	2,377,420	4,456,089	1,889,449	2,725,315	80.1	-1.4	-9.2	5.8	1.4	87.4	44.2
Unit value	$374	$378	$354	$355	$365	$634	$540	$751	69.5	0.9	-6.3	0.4	2.8	73.5	39.1
Export shipments:															
Quantity	161,153	236,598	144,677	195,180	305,067	438,759	219,209	183,249	172.3	46.8	-38.9	34.9	56.3	43.8	-16.4
Value	62,059	88,523	51,238	66,271	107,616	282,506	114,421	144,204	355.2	42.6	-42.1	29.3	62.4	162.5	26.0
Unit value	$385	$374	$354	$340	$353	$666	$534	$788	72.9	-2.8	-5.3	-4.1	3.9	88.8	47.5
Ending inventory quantity	664,872	615,678	542,213	533,524	561,018	554,822	508,081	519,555	-16.6	-7.4	-11.9	-1.6	5.2	-1.1	2.3
Inventories/total shipments (1)	9.8	9.2	8.5	7.9	8.2	7.4	6.8	6.8	-2.4	-0.6	-0.7	-0.6	0.4	-0.8	-0.0
Production workers	6,457	6,026	5,670	5,060	4,470	4,125	3,808	4,128	-36.1	-6.7	-5.9	-10.8	-11.7	-7.7	8.4
Hours worked (1,000s)	14,189	13,477	12,586	11,228	9,261	8,728	4,378	4,668	-38.5	-5.0	-6.6	-10.8	-17.5	-5.8	6.6
Wages paid ($1,000s)	311,741	300,213	291,380	264,262	225,159	222,524	103,730	121,897	-28.6	-3.7	-2.9	-9.3	-14.8	-1.2	17.5
Hourly wages	$21.97	$22.28	$23.16	$23.54	$24.32	$25.49	$23.69	$26.11	16.0	1.4	3.9	1.7	3.3	4.8	10.2
Productivity (tons/1,000 hours)	445.3	468.7	479.4	574.9	700.4	817.9	798.2	774.9	83.7	5.2	2.3	19.9	21.8	16.8	-2.9
Unit labor costs	$49.39	$47.57	$48.33	$40.96	$34.74	$31.17	$29.69	$33.70	-36.9	-3.7	1.6	-15.3	-15.2	-10.3	13.5
Net sales:															
Quantity	5,054,871	5,031,740	4,898,152	5,271,706	5,459,767	5,846,046	2,936,774	2,928,544	15.7	-0.5	-2.7	7.6	3.6	7.1	-0.3
Value	1,922,593	1,910,118	1,749,895	1,867,048	1,989,141	3,628,077	1,527,077	2,259,700	88.7	-0.6	-8.4	6.7	6.5	82.4	48.0
Unit value	$380	$380	$357	$354	$364	$621	$520	$772	63.2	-0.2	-5.9	-0.9	2.9	70.3	48.4
Cost of goods sold (COGS)	1,911,940	1,916,104	1,852,996	1,885,569	1,989,204	2,752,869	1,249,822	1,648,435	44.0	0.2	-3.3	1.8	5.5	38.4	31.9
Gross profit or (loss)	10,653	(5,986)	(103,101)	(18,521)	(63)	875,208	277,255	611,265	8,115.6	(3)	-1622.4	82.0	99.7	(3)	(3)
SG&A expenses	132,658	108,884	104,269	94,815	139,878	92,452	39,726	52,429	-30.3	-17.9	-4.2	-9.1	47.5	-33.9	32.0
Operating income or (loss)	(122,005)	(114,870)	(207,370)	(113,336)	(139,941)	782,756	237,529	558,836	-741.6	(3)	-80.5	45.3	-23.5	(3)	135.3
Capital expenditures	277,433	278,487	135,894	34,403	21,776	30,975	11,262	22,412	-88.8	0.4	-51.2	-74.7	-36.7	42.2	99.0
Unit COGS	$378	$381	$378	$358	$364	$471	$426	$563	24.5	0.7	-0.7	-5.5	1.9	29.2	32.3
Unit SG&A expenses	$26	$22	$21	$18	$26	$16	$14	$18	-39.7	-17.5	-1.6	-15.5	42.4	-38.3	32.3
Unit operating income or (loss)	($24)	($23)	($42)	($21)	($26)	$134	$81	$191	-654.7	(3)	-85.4	49.2	-19.2	(3)	135.9
COGS/sales (1)	99.4	100.3	105.9	101.0	100.0	75.9	81.8	72.9	-23.6	0.9	5.6	-4.9	-1.0	-24.1	-8.9
Operating income or (loss)/ sales (1)	-6.3	-6.0	-11.9	-6.1	-7.0	21.6	15.6	24.7	27.9	0.3	-5.8	5.8	-1.0	28.6	9.2

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) U.S. mills + U.S. processors.

(3) Undefined.

(4) Value less than 0.05

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

Table C-1B

CTL steel plate: Summary data concerning the U.S. market, 1999-2004, January-June 2004, and January-June 2005

(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						
							January-June								Jan.-June
Item	1999	2000	2001	2002	2003	2004	2004	2005	1999-2004	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-05
U.S. consumption quantity:															
				*	*	*	*	*	*	*					
U.S. consumption value:															
				*	*	*	*	*	*	*					
U.S. imports from:															
				*	*	*	*	*	*	*					
U.S. producers' (2):															
Average capacity quantity	10,923,834	10,622,180	11,026,162	11,445,322	11,636,348	11,041,815	5,690,166	5,822,155	1.1	-2.8	3.8	3.8	1.7	-5.1	2.3
Production quantity	6,706,626	6,668,398	6,357,791	6,764,974	6,812,140	7,520,671	3,673,872	3,819,356	12.1	-0.6	-4.7	6.4	0.7	10.4	4.0
Capacity utilization (1)	61.4	62.8	57.7	59.1	58.5	68.1	64.6	65.6	6.7	1.4	-5.1	1.4	-0.6	9.6	1.0
U.S. shipments:															
Quantity	6,634,287	6,480,056	6,261,341	6,600,006	6,507,875	7,028,510	3,497,561	3,626,970	5.9	-2.3	-3.4	5.4	-1.4	8.0	3.7
Value	2,474,901	2,440,460	2,215,708	2,345,160	2,377,420	4,456,089	1,889,449	2,725,315	80.1	-1.4	-9.2	5.8	1.4	87.4	44.2
Unit value	$374	$378	$354	$355	$365	$634	$540	$751	69.5	0.9	-6.3	0.4	2.8	73.5	39.1
Export shipments:															
Quantity	161,153	236,598	144,677	195,180	305,067	438,759	219,209	183,249	172.3	46.8	-38.9	34.9	56.3	43.8	-16.4
Value	62,059	88,523	51,238	66,271	107,616	282,506	114,421	144,204	355.2	42.6	-42.1	29.3	62.4	162.5	26.0
Unit value	$385	$374	$354	$340	$353	$666	$534	$788	72.9	-2.8	-5.3	-4.1	3.9	88.8	47.5
Ending inventory quantity	664,872	615,678	542,213	533,524	561,018	554,822	508,081	519,555	-16.6	-7.4	-11.9	-1.6	5.2	-1.1	2.3
Inventories/total shipments (1)	9.8	9.2	8.5	7.9	8.2	7.4	6.8	6.8	-2.4	-0.6	-0.7	-0.6	0.4	-0.8	-0.0
Production workers	6,457	6,026	5,670	5,060	4,470	4,125	3,808	4,128	-36.1	-6.7	-5.9	-10.8	-11.7	-7.7	8.4
Hours worked (1,000s)	14,189	13,477	12,586	11,228	9,261	8,728	4,378	4,668	-38.5	-5.0	-6.6	-10.8	-17.5	-5.8	6.6
Wages paid ($1,000s)	311,741	300,213	291,380	264,262	225,159	222,524	103,730	121,897	-28.6	-3.7	-2.9	-9.3	-14.8	-1.2	17.5
Hourly wages	$21.97	$22.28	$23.16	$23.54	$24.32	$25.49	$23.69	$26.11	16.0	1.4	3.9	1.7	3.3	4.8	10.2
Productivity (tons/1,000 hours)	445.3	468.7	479.4	574.9	700.4	817.9	798.2	774.9	83.7	5.2	2.3	19.9	21.8	16.8	-2.9
Unit labor costs	$49.39	$47.57	$48.33	$40.96	$34.74	$31.17	$29.69	$33.70	-36.9	-3.7	1.6	-15.3	-15.2	-10.3	13.5
Net sales:															
Quantity	5,054,871	5,031,740	4,898,152	5,271,706	5,459,767	5,846,046	2,936,774	2,928,544	15.7	-0.5	-2.7	7.6	3.6	7.1	-0.3
Value	1,922,593	1,910,118	1,749,895	1,867,048	1,989,141	3,628,077	1,527,077	2,259,700	88.7	-0.6	-8.4	6.7	6.5	82.4	48.0
Unit value	$380	$380	$357	$354	$364	$621	$520	$772	63.2	-0.2	-5.9	-0.9	2.9	70.3	48.4
Cost of goods sold (COGS)	1,911,940	1,916,104	1,852,996	1,885,569	1,989,204	2,752,869	1,249,822	1,648,435	44.0	0.2	-3.3	1.8	5.5	38.4	31.9
Gross profit or (loss)	10,653	(5,986)	(103,101)	(18,521)	(63)	875,208	277,255	611,265	8,115.6	(3)	-1622.4	82.0	99.7	(3)	(3)
SG&A expenses	132,658	108,884	104,269	94,815	139,878	92,452	39,726	52,429	-30.3	-17.9	-4.2	-9.1	47.5	-33.9	32.0
Operating income or (loss)	(122,005)	(114,870)	(207,370)	(113,336)	(139,941)	782,756	237,529	558,836	-741.6	(3)	-80.5	45.3	-23.5	(3)	135.3
Capital expenditures	277,433	278,487	135,894	34,403	21,776	30,975	11,262	22,412	-88.8	0.4	-51.2	-74.7	-36.7	42.2	99.0
Unit COGS	$378	$381	$378	$358	$364	$471	$426	$563	24.5	0.7	-0.7	-5.5	1.9	29.2	32.3
Unit SG&A expenses	$26	$22	$21	$18	$26	$16	$14	$18	-39.7	-17.5	-1.6	-15.5	42.4	-38.3	32.3
Unit operating income or (loss)	($24)	($23)	($42)	($21)	($26)	$134	$81	$191	-654.7	(3)	-85.4	49.2	-19.2	(3)	135.9
COGS/sales (1)	99.4	100.3	105.9	101.0	100.0	75.9	81.8	72.9	-23.6	0.9	5.6	-4.9	-1.0	-24.1	-8.9
Operating income or (loss)/ sales (1)	-6.3	-6.0	-11.9	-6.1	-7.0	21.6	15.6	24.7	27.9	0.3	-5.8	5.8	-1.0	28.6	9.2

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) U.S. mills + U.S. processors.

(3) Undefined.

(4) Value less than 0.05

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

Table C-2
CTL steel plate: Summary data concerning U.S. mills, 1999-2004, January-June 2004, and January-June 2005

(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						
							January-June								Jan.-June
Item	1999	2000	2001	2002	2003	2004	2004	2005	1999-2004	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-05
U.S. mills':															
Average capacity quantity	6,369,110	5,526,019	5,670,500	6,188,000	6,764,000	6,156,000	3,078,000	3,185,000	-3.3	-13.2	2.6	9.1	9.3	-9.0	3.5
Production quantity	4,328,379	4,355,751	4,255,207	4,550,672	4,708,710	4,999,976	2,448,268	2,568,067	15.5	0.6	-2.3	6.9	3.5	6.2	4.9
Capacity utilization (1)	68.0	78.8	75.0	73.5	69.6	81.2	79.5	80.6	13.3	10.9	-3.8	-1.5	-3.9	11.6	1.1
U.S. shipments:															
Quantity	4,279,058	4,157,073	4,106,937	4,380,235	4,425,320	4,669,861	2,308,802	2,408,999	9.1	-2.9	-1.2	6.7	1.0	5.5	4.3
Value	1,635,582	1,596,073	1,488,537	1,575,312	1,625,724	2,908,307	1,187,566	1,865,496	77.8	-2.4	-6.7	5.8	3.2	78.9	57.1
Unit value	$384	$386	$362	$360	$367	$623	$514	$774	62.2	0.4	-6.0	-0.8	2.1	69.5	50.6
Export shipments:															
Quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Unit value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Ending inventory quantity	263,229	234,871	220,716	195,777	212,584	169,565	159,711	192,917	-35.6	-10.8	-6.0	-11.3	8.6	-20.2	20.8
Inventories/total shipments (1)	6.0	5.4	5.2	4.3	4.5	3.4	3.2	3.8	-2.6	-0.6	-0.2	-0.9	0.2	-1.2	0.6
Production workers	5,228	4,760	4,516	3,920	3,332	2,632	2,508	2,688	-49.7	-9.0	-5.1	-13.2	-15.0	-21.0	7.2
Hours worked (1,000s)	11,617	10,812	10,098	8,850	7,172	6,048	3,195	3,231	-47.9	-6.9	-6.6	-12.4	-19.0	-15.7	1.1
Wages paid ($1,000s)	271,056	256,836	251,356	225,588	187,828	179,277	85,026	98,809	-33.9	-5.2	-2.1	-10.3	-16.7	-4.6	16.2
Hourly wages	$23.33	$23.75	$24.89	$25.49	$26.19	$29.64	$26.61	$30.58	27.0	1.8	4.8	2.4	2.7	13.2	14.9
Productivity (tons/1,000 hours)	372.6	402.9	421.4	514.2	656.5	826.7	766.3	794.8	121.9	8.1	4.6	22.0	27.7	25.9	3.7
Unit labor costs	$62.62	$58.96	$59.07	$49.57	$39.89	$35.86	$34.73	$38.48	-42.7	-5.8	0.2	-16.1	-19.5	-10.1	10.8
Net sales:															
Quantity	4,415,891	4,378,696	4,248,307	4,579,491	4,695,539	5,159,373	2,498,291	2,547,476	16.8	-0.8	-3.0	7.8	2.5	9.9	2.0
Value	1,709,595	1,681,590	1,538,595	1,635,932	1,720,277	3,155,221	1,287,208	1,988,720	84.6	-1.6	-8.5	6.3	5.2	83.4	54.5
Unit value	$387	$384	$362	$357	$366	$612	$515	$781	58.0	-0.8	-5.7	-1.4	2.6	66.9	51.5
Cost of goods sold (COGS)	1,723,064	1,707,143	1,650,624	1,672,041	1,735,947	2,352,881	1,064,415	1,390,786	36.6	-0.9	-3.3	1.3	3.8	35.5	30.7
Gross profit or (loss)	(13,469)	(25,553)	(112,029)	(36,109)	(15,670)	802,340	222,793	597,934	(3)	-89.7	-338.4	67.8	56.6	(3)	168.4
SG&A expenses	124,052	100,021	94,737	84,045	129,594	81,381	34,354	47,315	-34.4	-19.4	-5.3	-11.3	54.2	-37.2	37.7
Operating income or (loss)	(137,521)	(125,574)	(206,766)	(120,154)	(145,264)	720,959	188,439	550,619	(3)	8.7	-64.7	41.9	-20.9	(3)	192.2
Capital expenditures	277,078	278,097	135,750	29,974	20,588	30,737	11,192	22,388	-88.9	0.4	-51.2	-77.9	-31.3	49.3	100.0
Unit COGS	$390	$390	$389	$365	$370	$456	$426	$546	16.9	-0.1	-0.3	-6.0	1.3	23.4	28.1
Unit SG&A expenses	$28	$23	$22	$18	$28	$16	$14	$19	-43.9	-18.7	-2.4	-17.7	50.4	-42.8	35.1
Unit operating income or (loss)	($31)	($29)	($49)	($26)	($31)	$140	$75	$216	(3)	7.9	-69.7	46.1	-17.9	(3)	186.6
COGS/sales (1)	100.8	101.5	107.3	102.2	100.9	74.6	82.7	69.9	-26.2	0.7	5.8	-5.1	-1.3	-26.3	-12.8
Operating income or (loss)/ sales (1)	-8.0	-7.5	-13.4	-7.3	-8.4	22.8	14.6	27.7	30.9	0.6	-6.0	6.1	-1.1	31.3	13.0

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown.
Unit values and shares are calculated from the unrounded figures.

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

Table C-3
CTL steel plate: Summary data concerning U.S. processors, 1999-2004, January-June 2004, and January-June 2005

(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						
							January-June								Jan.-June
	1999	2000	2001	2002	2003	2004	2004	2005	1999-2004	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-05
U.S. processors':															
Average capacity quantity	1,702,734	1,966,921	2,040,922	2,002,082	2,001,108	1,914,575	1,156,546	1,181,535	12.4	15.5	3.8	-1.9	-0.0	-4.3	2.2
Production quantity	803,261	775,512	754,312	776,278	938,152	986,871	514,198	474,932	22.9	-3.5	-2.7	2.9	20.9	5.2	-7.6
Capacity utilization (1)	47.2	39.4	37.0	38.8	46.9	51.5	44.5	40.2	4.4	-7.7	-2.5	1.8	8.1	4.7	-4.3
U.S. shipments:															
Quantity	827,092	805,400	804,880	835,273	890,905	924,798	492,986	444,623	11.8	-2.6	-0.1	3.8	6.7	3.8	-9.8
Value	299,853	298,042	277,742	300,594	320,694	594,035	280,793	312,051	98.1	-0.6	-6.8	8.2	6.7	85.2	11.1
Unit value	$363	$370	$345	$360	$360	$642	$570	$702	77.2	2.1	-6.8	4.3	0.0	78.4	23.2
Export shipments:															
Quantity	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Unit value	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Ending inventory quantity	120,171	117,742	114,930	124,590	127,808	151,339	150,934	145,617	25.9	-2.0	-2.4	8.4	2.6	18.4	-3.5
Inventories/total shipments (1)	14.5	14.6	14.3	14.9	14.3	16.3	15.1	16.4	1.8	0.1	-0.3	0.6	-0.6	2.0	1.2
Production workers	484	483	469	458	560	676	671	689	39.7	-0.2	-2.9	-2.3	22.3	20.7	2.7
Hours worked (1,000s)	6,019	6,012	5,982	5,932	5,964	6,173	2,965	3,018	2.5	-0.1	-0.5	-0.8	0.5	3.5	1.8
Wages paid ($1,000s)	78,824	81,476	83,118	84,866	88,774	90,751	44,510	46,162	15.1	3.4	2.0	2.1	4.6	2.2	3.7
Hourly wages	$13.10	$13.56	$13.90	$14.31	$14.89	$14.70	$15.01	$15.30	12.2	3.5	2.5	3.0	4.0	-1.3	1.9
Productivity (tons/1,000 hours)	124.2	124.2	122.2	127.4	152.2	154.9	167.6	153.0	24.7	0.0	-1.7	4.3	19.5	1.7	-8.7
Unit labor costs	$106.39	$109.80	$114.49	$112.82	$98.31	$94.94	$89.56	$99.98	-10.8	3.2	4.3	-1.5	-12.9	-3.4	11.6
Net sales:															
Quantity	429,791	489,975	519,269	574,000	622,162	649,532	348,481	311,885	51.1	14.0	6.0	10.5	8.4	4.4	-10.5
Value	150,472	172,202	170,379	187,757	216,360	364,268	190,244	221,550	142.1	14.4	-1.1	10.2	15.2	68.4	16.5
Unit value	$350	$351	$328	$327	$348	$561	$546	$710	60.2	0.4	-6.6	-0.3	6.3	61.3	30.1
Cost of goods sold (COGS)	129,379	155,771	162,727	172,588	203,579	299,927	140,082	210,803	131.8	20.4	4.5	6.1	18.0	47.3	50.5
Gross profit or (loss)	21,093	16,431	7,652	15,169	12,781	64,341	50,162	10,747	205.0	-22.1	-53.4	98.2	-15.7	403.4	-78.6
SG&A expenses	7,420	7,627	8,643	9,700	9,282	9,955	4,873	4,725	34.2	2.8	13.3	12.2	-4.3	7.3	-3.0
Operating income or (loss)	13,673	8,804	(991)	5,469	3,499	54,386	45,289	6,022	297.8	-35.6	(3)	(3)	-36.0	1454.3	-86.7
Capital expenditures	277,078	278,097	135,750	29,974	20,588	30,737	11,192	22,388	-88.9	0.4	-51.2	-77.9	-31.3	49.3	100.0
Unit COGS	$301	$318	$313	$301	$327	$462	$402	$676	53.4	5.6	-1.4	-4.1	8.8	41.1	68.1
Unit SG&A expenses	$17	$16	$17	$17	$15	$15	$14	$15	-11.2	-9.8	6.9	1.5	-11.7	2.7	8.3
Unit operating income or (loss)	$32	$18	($2)	$10	$6	$84	$130	$19	163.2	-43.5	(3)	(3)	-41.0	1388.8	-85.1
COGS/sales (1)	86.0	90.5	95.5	91.9	94.1	82.3	73.6	95.1	-3.6	4.5	5.1	-3.6	2.2	-11.8	21.5
Operating income or (loss)/ sales (1)	9.1	5.1	-0.6	2.9	1.6	14.9	23.8	2.7	5.8	-4.0	-5.7	3.5	-1.3	13.3	-21.1

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Capital expenditures by U.S. mills and U.S. processors.
(3) 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. Because of rounding, figures may not add to the totals shown.
Unit values and shares are calculated from the unrounded figures.

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

APPENDIX D

U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes if the Orders Were to be Revoked

The Commission requested U.S. producers to describe any anticipated changes in the character of their operations or organization relating to the production of CTL plate in the future if the countervailing duty/antidumping orders on CTL plate were to be revoked. Their responses are as follows:

****
"No."

****
"No."

****
"No."

****
"No."

****
"No."

****
"No."

****
"Potential reduction in volume due to change in market supply."

****
"No."

****
"The revocation of the orders will result in a return to imports of injuriously dumped product from the named countries that will in turn lead to curtailment of production at *** facilities."

****
"No."

****
"No."

***

"Should the orders be revoked, we expect a resumption of low priced imported plates from subject countries will occur. Based on past experience as well as current and projected market conditions, we believe the threat is severe. For example, during the original investigation, domestic industry shipments, which had increased more than 18 percent from 1997 to 1998, plunged 25 percent in the first six months of 1999 compared to the same period in 1998. That decline directly followed a surge in subject imports from 1997 to 1998 (the year after suspension agreements on CTL plate from China, Russia, South Africa and Ukraine had been implemented). Average values for domestic CTL plate fell nearly 14 percent, reflecting a dramatic decline in domestic prices. Employment declined 25 percent while the industry went from an operating profit of $78 million in the first half of 1998 to an operating loss of $78 million in the first half of 1999. And, of course, this occurred even with AD and CVD measures in place on imports of CTL plate from 15 other countries. Given continued high prices for raw materials, the growing problem of excess global capacity, and slackening demand in the U.S. market and other key markets, the adverse impact that would result from a resumption of dumped and subsidized imports from these six countries would most likely be seen in significant mill operating rate reductions, shutdowns and layoffs. In ***'s case, the return to profitability that occurred for the first time in 2004 during the period of review would be reversed as the need develops to drop selling values to sub-optimum levels to compete with low priced imports."

***

"We would anticipate reduced volume, lower employment levels, reduced operating, shifts, higher costs, lower prices and significant losses."

***

"See answer to II-2 for changes already experienced *** expects imports to increase in the future & we expect production, revenues & profits to be negatively impacted."

***

"No."

***

"No."

***

"No."

***

"The changes in ***'s operations would be immediate and significant. On three different occasions during the 1990s, the domestic cut-to-length plate industry was injured by unfairly-traded imports. If these orders are revoked, and yet another surge of dumped and subsidized imports enters this market, domestic producers will likely suffer material injury once again. As demonstrated throughout this questionnaire, *** has already significantly reduced its production of cut-to-length plate. If the domestic industry suffers further material injury be reason of imports, *** will be forced to consider reducing it production even further."

***

"No."

Significance of Existing Orders and Suspension Agreement
In Terms of Trade and Related Data

The Commission requested U.S. producers to describe the significance of the existing countervailing/antidumping orders on CTL plate in terms of their effect on production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. Their responses are as follows:

***
"None."

***
"No changes."

***
"None."

***
"No effect."

***
"We only make universal plates. No change to our operations to report."

***
"Acquired business after c/v antidumping orders in place. Additional supply will change market balance and potential operating volumes."

***
"The orders and the consequential reduction in dumped import availability have had a stabilizing effect on market pricing although that stability is constantly under pressure as importers switch to new sources of dumped product."

***
"No significant impact."

***
"None."

***
"As discussed earlier, the domestic CTL plate industry has been injured repeatedly by wave after wave of unfairly traded imports. For example, following strong imported plate surges from China, Russia, South Africa, and Ukraine at unsustainable low prices in the mid-1990's, the ITC found significant price depressing effects on domestic plate prices and instituted the 1997 suspension agreements. These suspension agreements provided the domestic plate market an opportunity to work through the huge inventory overhang of product coming into the United States from China, Russia, South Africa, and Ukraine.

The recovery in domestic pricing took over a year to be realized, as the elimination of inventories and demand had to come into equilibrium. Unfortunately, the recovery did not have the time needed to be fully realized as U.S. importers shifted to other foreign sources for CTL plate beginning in 1997-1998, generating another surge of unfairly traded imports from a host of new countries, including France, India, Indonesia, Italy, Japan, and Korea. The resulting investigation and ultimate implementation of the antidumping and countervailing duty orders on these additional countries had and continues to have a significant beneficial impact on ***.

Despite the relief these duties provided, the combined impact of years in surges of unfairly traded imports made bankruptcy inevitable for several plate producers, including Geneva Steel, Gulf State Steel, and Bethlehem Steel. Many plate producing facilities have been either shuttered, sold off, or idled as a result of year of devastating imports. For example, Gulf States Steel shut down operations altogether in August 2000 while Geneva Steel shut down in December 2001. For ***, significant layoffs and workforce reductions took place to establish staffing levels consistent with domestic plate demand.

The combined coverage provided by the 2000 plate orders along with orders and suspension agreements on imports of cut-to-length plate from 15 other countries and the safeguards established from the 2002 Section 201 investigation meant the domestic plate industry could experience the breathing room required for restructuring, consolidating, and reinvesting for the future. During this timeframe, ***.

The AD and CVD orders that are the subject of the current review, together with the previously imposed orders and suspension agreements from earlier investigations, provide critical pricing and volume discipline in the domestic marketplace. These remedial measures allow for rational production and sales scheduling in response to market signals which previously were subject to the unpredictable surges experienced from imports of low-priced, commodity grade cut-to-length carbon quality steel plate. By extending these orders against the named countries, subsequent recovery will allow *** to reinvest in its plate production facilities and justify the need to provide long-needed maintenance on our facilities which has been postponed due to limited cash resources. Should the orders be revoked, we fully anticipate that the subject producers will return to shipping their product to the United States cut-to-length plate market at a dumped and subsidized prices, resulting in significant adverse effects on domestic producers' prices, profits and market share.

****

"The countervailing duty/antidumping orders have provided *** with a degree of market stability which has allowed us to increase production, make capital improvements and provide stable employment. The producers subject to these orders are neither price nor cost conscious and will target markets regardless of the implications."

****

"The existing orders support a balanced supply to the Western U.S."

****

"Net effect on production, shipments, inventories, etc."

****

"Won't import from these countries."

****

"*** saw an immediate improvements as a result of these orders. In fact, ***'s commercial shipments of cut-to-length plate increased significantly during 2000. Unfortunately, by 2001 the domestic cut-to-length plate industry, like all domestic flat-rolled industries, was facing one of the gravest crises in its history. Indeed, during its 2001 Section 201 investigation, the ITC found that flat-rolled products, including cut-to-length plate, were being imported into the United States in such increased quantities that they were a substantial cause of serious injury to the domestic industry. While this crisis certainly limited the positive effects of the relief at issue here, the crisis for producers of cut-to-length plate would have been even worse without this relief. Furthermore, now that Section 201 relief has been revoked, the AD/CVD relief at issue here is all that stands between the domestic industry and a devastating flood of subject imports."

****

"N/A - CTL plate shipments represent ***% of ***'s total product line shipments. Insignificant market participation."

Anticipated Changes in Trade and Related Data
If Orders Were To Be Revoked

The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of cut-to-length carbon-quality steel plate in the futures if the countervailing duty/antidumping order on cut-to-length carbon-quality steel plate from France, India, Indonesia, Italy, Japan, and Korea were to be revoked. Their responses are as follows:

***
"No."

***
"No."

***
"No."

***
"No."

***
"No. No change as we only make universal plate."

***
"Potential volume and market loss."

***
"Should the order be revoked, it is expected that foreign producers from the subject countries, traders, and importers will continue with past practices and resume dumping products on to the U.S. market in increasing quantities. The increase in dumped products will reduce *** sales revenues and volumes and consequently production and employment levels. Reduced prices and profits will hinder future capital investments."

***
"No."

***
"No."

***
"Should the AD and CVD orders covering the subject countries be revoked, we anticipate that they would return to selling their product in the domestic market at dumped and subsidized prices. These surges in supply will disrupt the domestic market production and pricing levels, taking its toll on employment and profitability levels.

"While it is difficult to predict the volumes expected, we would anticipate these countries to maximize production as they have in the past, knowing they had an open American market to which to export finished plates.

"As a result, our facilities would be forced to reduce operations due to subsequent excess supply that would rapidly overwhelm a market in which demand is already softening. Shipments would decline as imports unfairly capture market share and profitability would decline as the surges in availability cause inventory fluctuations, eliminating the possibility of consistent mill operations. The ability to achieve a fair return on our product, plus the ability to maintain and invest in our facilities would be severely damaged if these antidumping and countervailing duty orders were revoked."

***

"We would anticipate an immediate large volume surge of dumped low price imports from these countries. This will have an immediate negative impact on our shipments, capacity utilization, employment level and profitability. These factors will disrupt our ability to make futher capital investments."

***

"We would expect production revenues and profits to be negatively impacted."

***

"No."

***

"No."

***

"No."

***

"When other economies are down, history tells us that the U.S. will become the dumping ground."

***

In response to the question, *** referred to the answer it provided for question I-3, which asks for the position of the firm on the continuation of the countervailing duty and antidumping duty orders. *** supports the orders against all of the subject countries and continued with:

"The termination of the orders would likely result in the resumption of unfairly-traded imports from the subject countries. This would likely lead to the continuation or recurrence of material injury to the domestic cut-to-length plate industry."

***

"No."

U.S. IMPORTERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If The Orders Were To Be Revoked

***
"No."

***
"No."

***
"No."

***
"We would begin talking with both customers and suppliers about quantity and pricing needs from applicable countries."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"***'s subsidiaries import subject goods to round out product lines with material not available from our U.S. production. Should the agreements be revoked, dumping from the named countries will resume and *** will lose sales as a consequence, some of which may be comprised of imported goods thus resulting in import reductions."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

***
"No."

Significance of Existing Orders In Terms of Trade and Related Data

The Commission requested importers to describe the significance of the existing countervailing duty/antidumping orders covering imports of cut-to-length carbon-quality steel plate from France, India, Indonesia, Italy, Japan, and Korea in terms of their effect on the firm's imports and inventories. Their responses are as follows:

***
"N/A."

***
"No real significance."

***
"The existence of current restrictions reduces the amount of the HRC available to consumers resulting in a shortage for some customers and driving prices up for others."

***
"The U.S. market has been the primary cut-to-length carbon-quality steel plate marketing area for *** and countervailing duty/antidumping orders on this subject merchandise have always been a burden to importers."

***
"N/A."

***
"None."

***
"No significant impact."

***
"No effect."

***
"The orders have reduced the availability of dumped imports and have had a stabilizing effect on market pricing although that stability is constantly under pressure as importers switch to new sources of dumped product."

***
"As a result of countervailing duty and antidumping orders covering imports of cut-to-length carbon-quality steel plate, we have imported no cut-to-length carbon-quality steel plate from these countries."

***
"Import volumes of plate dropped significantly after multiple trade cases including the above mentioned case became effective."

***

"The unjustified imposition of this order has been a major factor in the shortness of supply and steep price escalation of carbon plate. Many US MFG {"U.S. manufacturers"} have been negatively impacted, we cannot service our customer's needs."

***

"Because our plate business is very limited, the current antidumping orders are not significant to our business."

***

"Japanese mills no longer participate in ***. The absence of the Japanese mills has hurt the domestic *** companies due to a lack of steel availability for ***. *** is not prequalified for *** grades required for ***. Although there is a shortage in the U.S. market for this type of steel, new entrants would have to go through the prequalification process, which can take months ro years."

***

"We stop to import steel plate from Korea since beginning of this year (2005). The reason is, price cannot reach USA market."

***

"Not known."

***

"No change."

***

"The reasons for *** had little to do with plate supply, and was based on ***."

***

"Do no import from these countries."

***

"The order required *** to identify non subject producers as alternative supply sources."

***

"We did not import any cut-to-length carbon steel plate from subject countries from 1999 to 2003. In 2004 we imported plates from *** for North American market which was in response to strong demand and severe shortage of domestic product in U.S.A. and Canada."

U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

The Commission asked the purchasers to comment on likely effects of any revocation of the countervailing duty/antidumping orders covering CTL plate from France, India, Indonesia, Italy, Japan, and Korea in terms of: (1) the purchaser's future activities and (2) the U.S. market as a whole. Their responses are as follows:

***

(1) Activities of your firm: "No change."
(2) Entire U.S. market: "No change."

***

"(1) Activities of your firm: "Removing the duties will open up additional sources of supply for plate that are not currently available domestically. This will allow us to compete against our Canadian competitors for the U.S. projects, many of which are slated for 2006-2008.

"(2) Entire U.S. market: All companies that have spent the past two years struggling through short steel supply will benefit from the additional capacity and price competition."

***

"(1) Activities of your firm: More foreign purchases, lower market prices. Both would occur spontaneously if duties were revoked.

"(2) Entire U.S. market: Same as above."

***

"(1) Activities of your firm: "We would consider purchasing high-end material that is difficult to obtain in the United States.

"(2) Entire U.S. market: As niche market players, we do not anticipate major changes in the U.S. market conditions as a result of removing the order."

***

"(1) Activities of your firm: This would have a negative impact on our company as prices would be reduced.

"(2) Entire U.S. market: Increased imports from all of the countries listed would create downward pressure on prices starting three to four months after the revocation of the order."

***

"(1) Activities of your firm: None."
"(2) Entire U.S. market: "None."

***

"(1) Activities of your firm: Increased availability=increased competiton and lower transaction values.

"(2) Entire U.S. market: Same as above."

***

"(1) Activities of your firm: Minimal - we do not utilize supply from these countries enough to make an impact."

"(2) Entire U.S. market: Same as above."

***

"(1) Activities of your firm: Will not change - we will continue to buy domestically, provided we can be competitive in our markets.

"(2) Entire U.S. market: I believe with low demand, it will put strain on domestic mills to operate profitably. With sufficient demand, imports will be necessary due to domestic mills' tendency to pick and choose their allocation of tonnage."

***

"(1) Activities of your firm: We would consider these CTL products.

"(2) Entire U.S. market: More competition, possible lower profits."

***

"(1) Activities of your firm: Not known."

"(2) Entire U.S. market: Not known."

***

"(1) Activities of your firm: I cannot predict what the effects will be. I would hope there would be no negative effects.

"(2) Entire U.S. market: Same as above."

***

"(1) Activities of your firm: In the past six years, we have seen the overall health of the industry that supplies cut-to-length carbon-quality plate improve substantially. I must say that the initial remedies imposed had some effect on this, however, it was the impact of China's insatiable appetite for scrap steel that finally adjusted the market forces into a position of profitability that had eluded many producers for years. Currently, China has reduced its demand for scrap, therefore bringing downward pressure on th steel markets. If this continues and the import controls are lifted, we may again see a market that would cause major harm to the U.S. steel industry.

"(2) Entire U.S. market: Same as above."

***

"(1) Activities of your firm: No effect on our company.

"(2) Entire U.S. market: No or little effect - other parts of the world are busy, plus with the weak U.S. dollar, there is no incentive to ship to the United States."

***

"(1) Activities of your firm: As the U.S. dollar gains strength, domestic markets will be subject to much less expensive foreign steel imports.

"(2) Entire U.S. market: With a flood of imported steel, domestic demand and production will be impacted. U.S. production facilities have not kept up with technology and modernization of foreign mills, resulting in more costly operations (energy and labor)."

***

"(1) Activities of your firm: Potentially, we would expect to see additional offerings and will review accordingly."

"(2) Entire U.S. market: There is the likelihood of increased offerings from subject countries."

***

"(1) Activities of your firm: No effect.
"(2) Entire U.S. market: Unknown."

***

"(1) Activities of your firm: No expected effect, as we do not purchase from foreign suppliers due to lead time concerns.
"(2) Entire U.S. market: Open markets balance themselves. We would expect a correction to escalating U.S. mill prices and surcharges."

***

"(1) Activities of your firm: Better quality, availability.
"(2) Entire U.S. market: Same as above."

FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If The Orders Were To Be Revoked

The Commission requested foreign producers to describe any anticipated changes in the character of their operations or organization relating to the production of CTL plate in the future if the countervailing duty/antidumping orders on CTL plate were to be revoked. Their responses are as follows:

****

"No. See response to question II-15 above." *** response to II-15 is provided in the following section.

****

"Yes. Limited growth based in supply of heavy carbon steel plate (not readily available in USA) for specialty niche markets such as petrochemical & nuclear."

****

"No. We do not anticipate any changes in our capacity production or home market shipments. As for exports to USA that all depends on North American steel market condition."

Significance of the Orders in Terms of Trade and Related Data

The Commission requested foreign producers to describe the significance of the existing countervailing/antidumping orders on CTL plate in terms of their effect on production capacity, production, home market shipments, exports to the United States and other markets, and inventories. Their responses are as follows:

****

"The existing antidumping duty order covering imports of cut-to-length carbon-quality steel plate from France has had no effect upon *** production capacity, production or inventories. Prior to imposition of antidumping duties, *** had only minor commercial shipments to the United States. Most of *** shipments to the United States were TIB ***. Of *** 1999 exports to the United States less than *** short tons were commercial shipments to companies other than ***.

"*** now purchases line pipe plate from ***. While revocation of the antidumping duty order would provide *** with the flexibility to also purchase plate from *** in ***, there would be no net effect upon the U.S. market. As was the case prior to imposition of antidumping duties, any potential commercial shipments to third parties in the United States would be very small and could have no conceivable adverse impact upon the U.S. industry. The development of *** production and shipments before and after imposition of antidumping duties is shown in the table on pages 10 and 11 of the questionnaire response."

****

"No effect because we are only involved in specialty steels."

****

"There was no change either in our production capacity as a result of the existing AD and CVD orders. We were operating at full capacity from 1999 to date. We exported CTL carbon plates to the USA in 1999 and then only in 2004 ***. These exports in 2004 were in response to strong demand combined with the severe shortage of domestic product in USA."

APPENDIX E

PREVIOUS AND RELATED INVESTIGATIONS

Table E-1
Plate: AD/CVD investigations instituted, FY 1980-2002

Institution year	Inv. number		Product	Country	Outcome
	AD	CVD			
80	18		Carbon steel products	Belgium	Terminated
80	19		Carbon steel products	Germany-W.	Terminated
80	20		Carbon steel products	France	Terminated
80	21		Carbon steel products	Italy	Terminated
80	22		Carbon steel products	Luxembourg	Terminated
80	23		Carbon steel products	Netherlands	Terminated
80	24		Carbon steel products	UK	Terminated
82	51		Carbon steel plate	Romania	Terminated
82		83	Carbon steel plate	Belgium	Terminated
82		84	Carbon steel plate	Brazil	Terminated
82	53	86	Carbon steel plate	Belgium	Terminated
82		87	Carbon steel plate	Brazil	Affirmative
82	54	88	Carbon steel plate	France	Negative
82	55	89	Carbon steel plate	Italy	Negative
82	56	90	Carbon steel plate	Luxembourg	Negative
82	57	91	Carbon steel plate	Netherlands	Negative
82	58		Carbon steel plate	Romania	Terminated
82	59	92	Carbon steel plate	UK	Terminated
82	60	93	Carbon steel plate	Germany-W.	Terminated
82		155	Carbon steel plate	Spain	Affirmative
82		170	Carbon steel plate	Korea	Affirmative
83	123		Carbon steel plate	Brazil	Affirmative
83	146		Carbon steel plate	Belgium	Terminated
83	147		Carbon steel plate	Germany-W.	Terminated
84	151		Carbon steel plate not in coils	Korea	Affirmative
84	169		Carbon steel plate not in coils	Finland	Terminated

Table E-1--*Continued*
Plate: AD/CVD investigations instituted, FY 1980-2002

Institution year	Inv. number		Product	Country	Outcome
	AD	CVD			
84	170		Carbon steel plate not in coils	South Africa	Terminated
84	171		Carbon steel plate not in coils	Spain	Terminated
85	213		Carbon steel plate	Czechoslovakia	Terminated
85	214		Carbon steel plate	Germany-E.	Terminated
85	215		Carbon steel plate	Hungary	Terminated
85	216		Carbon steel plate	Poland	Terminated
85		225	Carbon steel plate	Sweden	Negative
85	217	226	Carbon steel plate	Venezuela	Terminated
85	224	230	Cold-rolled carbon steel plate & sheet	Austria	Affirmative
85	225		Cold-rolled carbon steel plate & sheet	Czechoslovakia	Terminated
85	226		Cold-rolled carbon steel plate & sheet	Germany-E.	Terminated
85	227		Cold-rolled carbon steel plate & sheet	Finland	Terminated
85	228		Cold-rolled carbon steel plate & sheet	Romania	Terminated
85	229	232	Cold-rolled carbon steel plate & sheet	Venezuela	Terminated
92	573	319	Cut-to-length carbon steel plate	Belgium	Affirmative
92	574	320	Cut-to-length carbon steel plate	Brazil	Affirmative
92	575		Cut-to-length carbon steel plate	Canada	Affirmative
92	576		Cut-to-length carbon steel plate	Finland	Affirmative
92	577	321	Cut-to-length carbon steel plate	France	Negative
92	578	322	Cut-to-length carbon steel plate	Germany	Affirmative
92	579	323	Cut-to-length carbon steel plate	Italy	Negative
92	580		Cut-to-length carbon steel plate	Japan	Negative
92	581	324	Cut-to-length carbon steel plate	Korea	Negative
92	582	325	Cut-to-length carbon steel plate	Mexico	Affirmative
92	583		Cut-to-length carbon steel plate	Poland	Affirmative

Table E-1--*Continued*
Plate: AD/CVD investigations instituted, FY 1980-2002

Institution year	Inv. number		Product	Country	Outcome
	AD	CVD			
92	584		Cut-to-length carbon steel plate	Romania	Affirmative
92	585	326	Cut-to-length carbon steel plate	Spain	Affirmative
92	586	327	Cut-to-length carbon steel plate	Sweden	Affirmative
92	587	328	Cut-to-length carbon steel plate	UK	Affirmative
97	753		Cut-to-length carbon steel plate	China	Affirmative
97	754		Cut-to-length carbon steel plate	Russia	Affirmative
97	755		Cut-to-length carbon steel plate	South Africa	Affirmative
97	756		Cut-to-length carbon steel plate	Ukraine	Affirmative
99	815		Cut-to-length carbon steel plate	Czech Republic	Negative
99	816	387	Cut-to-length carbon steel plate	France	Affirmative
99	817	388	Cut-to-length carbon steel plate	India	Affirmative
99	818	389	Cut-to-length carbon steel plate	Indonesia	Affirmative
99	819	390	Cut-to-length carbon steel plate	Italy	Affirmative
99	820		Cut-to-length carbon steel plate	Japan	Affirmative
99	821	391	Cut-to-length carbon steel plate	Korea	Affirmative
99	822	392	Cut-to-length carbon steel plate	Macedonia	Negative

Source: Commission statistics.

Table E-2
CTL plate: Outstanding antidumping and countervailing duty orders

Order date	Continued date	Product	Source	ITC investigation number	Commerce investigation number
06/13/1979	12/15/2000	Carbon steel plate	Taiwan	AA-197	A-583-080
08/17/1993	12/15/2000	Carbon steel plate	Sweden	701-TA-327	C-401-804
08/17/1993	12/15/2000	Carbon steel plate	Spain	701-TA-326	C-469-804
08/17/1993	12/15/2000	Carbon steel plate	Germany	701-TA-322	C-428-817
08/17/1993	12/15/2000	Carbon steel plate	United Kingdom	701-TA-328	C-412-815
08/17/1993	12/15/2000	Carbon steel plate	Mexico	701-TA-325	C-201-810
08/17/1993	12/15/2000	Carbon steel plate	Brazil	701-TA-320	C-351-818
08/17/1993	12/15/2000	Carbon steel plate	Belgium	701-TA-319	C-423-806
08/19/1993	12/15/2000	Carbon steel plate	Romania	731-TA-584	A-485-803
08/19/1993	12/15/2000	Carbon steel plate	Brazil	731-TA-574	A-351-817
08/19/1993	12/15/2000	Carbon steel plate	United Kingdom	731-TA-587	A-412-814
08/19/1993	12/15/2000	Carbon steel plate	Poland	731-TA-583	A-455-802
08/19/1993	12/15/2000	Carbon steel plate	Finland	731-TA-576	A-405-802
08/19/1993	12/15/2000	Carbon steel plate	Mexico	731-TA-582	A-201-809
08/19/1993	12/15/2000	Carbon steel plate	Germany	731-TA-578	A-428-816
08/19/1993	12/15/2000	Carbon steel plate	Belgium	731-TA-573	A-423-805
08/19/1993	12/15/2000	Carbon steel plate	Spain	731-TA-585	A-469-803
08/19/1993	12/15/2000	Carbon steel plate	Sweden	731-TA-586	A-401-805
10/24/1997	08/29/2003	Carbon steel plate (suspended)	Russia	731-TA-754	A-821-808
10/24/1997	08/29/2003	Carbon steel plate (suspended	Ukraine	731-TA-756	A-823-808
10/24/1997	08/29/2003	Carbon steel plate	China	731-TA-753	A-570-849
02/10/2000		Carbon steel plate[1]	Korea	701-TA-391	C-580-837
02/10/2000		Carbon steel plate[1]	Indonesia	701-TA-389	C-560-806
02/10/2000		Carbon steel plate[1]	Japan	731-TA-820	A-588-847
02/10/2000		Carbon steel plate[1]	India	731-TA-817	A-533-817
02/10/2000		Carbon steel plate[1]	India	701-TA-388	C-533-818
02/10/2000		Carbon steel plate[1]	Indonesia	731-TA-818	A-560-805
02/10/2000		Carbon steel plate[1]	Korea	731-TA-821	A-580-836
02/10/2000		Carbon steel plate[1]	Italy	701-TA-390	C-475-827
02/10/2000		Carbon steel plate[1]	Italy	731-TA-819	A-475-826
02/10/2000		Carbon steel plate[1]	France	731-TA-816	A-427-816

[1] The Commission instituted five-year reviews of these orders on January 3, 2005.

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