Cold-Rolled Steel Flat Products from Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom

Investigation Nos. 701-TA-540-544 and 731-TA-1283-1290 (Preliminary)

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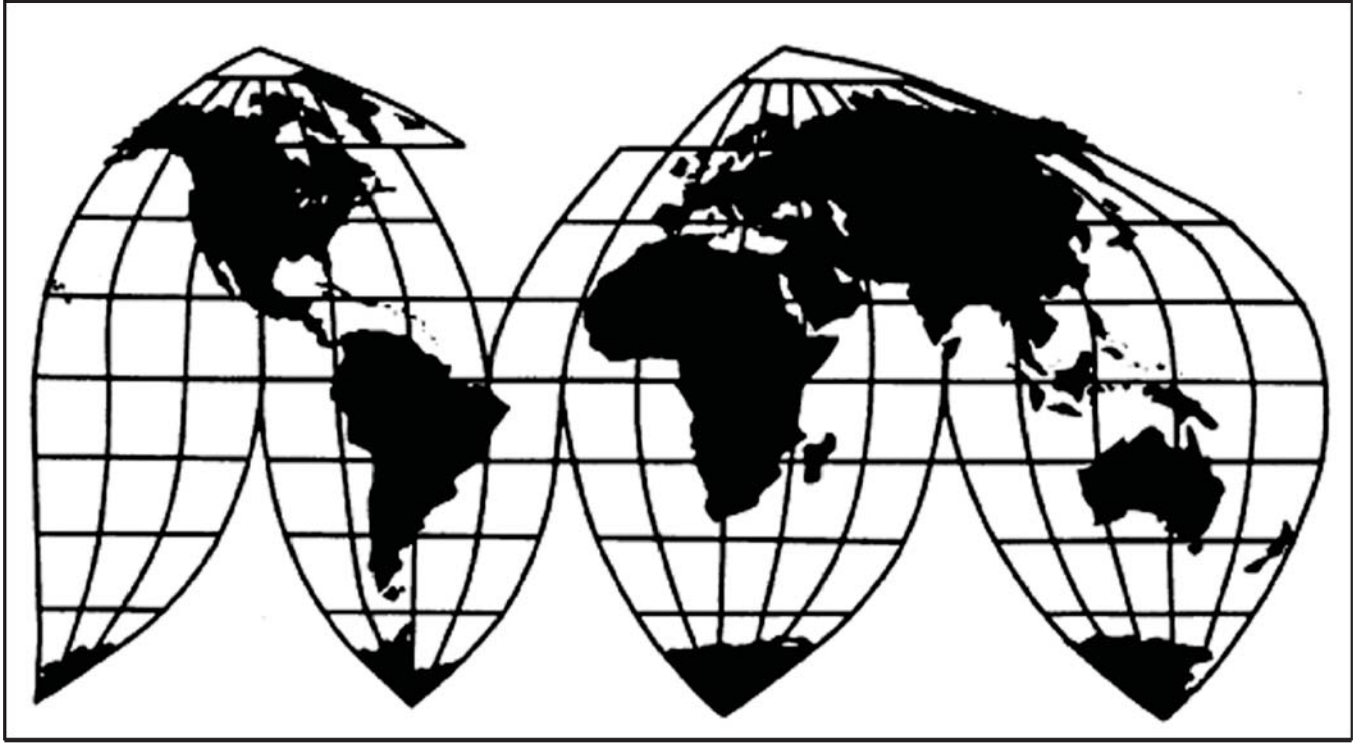

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-540-544 and 731-TA-1283-1290 (Preliminary)

Cold-Rolled Steel Flat Products from Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines,[2] pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of cold-rolled steel flat products from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom, provided for in subheadings 7209.15, 7209.16, 7209.17, 7209.18, 7209.25, 7209.26, 7209.27, 7209.28, 7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7225.50, 7225.99, and 7226.92 of the Harmonized Tariff Schedule of the United States, that are allegedly sold in the United States at less than fair value ("LTFV"), and by imports of cold-rolled steel flat products that are allegedly subsidized by the governments of Brazil, China, Korea, and Russia. The Commission also determines, pursuant to the Act, that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of cold-rolled steel flat products that are allegedly subsidized by the government of India.

The Commission further determines that imports of cold-rolled steel flat products from the Netherlands are negligible pursuant to section 771(24) of the Act, and its investigation with regard to cold-rolled steel flat products from this country is thereby terminated pursuant to section 733(a)(1) of the Act.

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission's rules, upon notice from the Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under sections 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under sections 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing

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

[2] Commissioner F. Scott Kieff not participating.

the names and addresses of all persons, or their representatives, who are parties to the investigations.

BACKGROUND

On July 28, 2015, AK Steel Corporation (West Chester, Ohio), ArcelorMittal USA LLC (Chicago, Illinois), Nucor Corporation (Charlotte, North Carolina), Steel Dynamics, Inc. (Fort Wayne, Indiana), and United States Steel Corporation (Pittsburgh, Pennsylvania) filed a petition with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of cold-rolled steel flat products from Brazil, China, India, Korea, and Russia and LTFV imports of cold-rolled steel flat products from Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom. Accordingly, effective July 28, 2015, the Commission, pursuant to sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. §§ 1671b(a) and 1673b(a)), instituted countervailing duty investigation Nos. 701-TA-540-544 and antidumping duty investigation Nos. 731-TA-1283-1290 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of August 3, 2015 (80 FR 46047). The conference was held in Washington, DC, on August 18, 2015, and all persons who requested the opportunity were permitted to appear in person or by counsel.

I. Views of the Commission

Based on the record in the preliminary phase of these investigations, we find that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of cold-rolled steel flat products ("cold-rolled steel") from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom that are allegedly sold in the United States at less than fair value ("LTFV") and that are allegedly subsidized by the governments of Brazil, China, Korea, and Russia. We further find that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of cold-rolled steel that are allegedly subsidized by the government of India. We also determine that imports of cold-rolled steel from the Netherlands that are allegedly sold in the United States at LTFV are negligible.[1]

II. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[2] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[3]

III. Background

The petitions in these investigations were filed on July 28, 2015 by five domestic cold-rolled steel producers: AK Steel Corporation (West Chester, Ohio) ("AK Steel"), ArcelorMittal USA LLC (Chicago, Illinois) ("ArcelorMittal"), Nucor Corporation (Charlotte, North Carolina) ("Nucor"), Steel Dynamics, Inc. (Fort Wayne, Indiana) ("Steel Dynamics") , and United States Steel Corporation (Pittsburgh, Pennsylvania) ("U.S. Steel"). Representatives of each petitioner appeared at the staff conference and each submitted a postconference brief.[4] Additionally,

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[1] Commissioner Kieff did not participate in these investigations.

[2] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

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

[4] Another domestic producer of cold-rolled steel, California Steel Industries ("CSI"), filed a joint brief with petitioner Steel Dynamics.

USS-POSCO Industries ("UPI"), a domestic producer, appeared at the conference and submitted a postconference brief in support of the petitions.

Several respondent entities participated in these investigations. Companhia Siderurgica Nacional, a Brazilian producer and exporter of cold-rolled steel, and Companhia Siderurgica Nacional, LLC, a U.S. producer and importer of cold-rolled steel (collectively, "CSN") appeared at the conference and submitted a postconference brief. Japanese producers and exporters Nippon Steel & Sumitomo Metal Corporation; JFE Steel Corporation; Kobe Steel Ltd. and Nisshin Steel Co., Ltd. (collectively, "Japanese Respondents") appeared at the staff conference and submitted a joint postconference brief. The Korea Iron and Steel Association, whose members are producers of subject merchandise in Korea, and two subject producers in Korea, POSCO and Hyundai Steel Co., Ltd., (collectively, "Korean Respondents") appeared at the staff conference and submitted a joint postconference brief. Representatives of Tata Steel Netherlands BV ("Tata Netherlands") and Tata Steel U.K. Ltd. ("Tata U.K."), producers and exporters of subject merchandise in the Netherlands and United Kingdom, respectively, appeared at the conference and filed postconference briefs. A representative from the Ministry of Economic Development of the Russian Federation appeared at the conference and submitted a postconference brief. Finally, a representative from the Brazilian Embassy appeared at the conference but did not file a brief.

U.S. industry data are based on the questionnaire responses of 12 domestic producers accounting for the vast majority of U.S. production of cold-rolled steel during 2014.[5] U.S. import data are based on official Commerce import statistics adjusted to include alloy cold-rolled steel data collected separately in questionnaire responses.[6] Questionnaire responses were received from 50 importers, representing 93.7 percent of U.S. imports under the non-alloy cold-rolled steel HTS numbers from Brazil, 77.1 percent from China, 62.4 percent from India, 95.8 percent from Japan, 94.3 percent from Korea, 99.7 percent from the Netherlands, 65.5 percent from Russia and 99.2 percent from United Kingdom between January 2012 and May 2015.[7]

Producers in seven of the eight subject countries submitted questionnaire responses. With respect to Brazil, three responding firms accounted for *** production capacity and *** percent of U.S. imports.[8] With respect to India, one responding firm accounted for *** percent of capacity and all U.S. imports.[9] Japanese industry data are based on five responding firms that accounted for *** percent of capacity and *** percent of U.S. imports.[10] Korean industry data are based on four responding firms that accounted for *** percent of capacity and *** percent of U.S. imports.[11] With respect to the Netherlands, one

[5] Confidential Report ("CR") at III-1, Public Report ("PR" at III-1). Three of these firms *** by the domestic industry. CR/PR at VI-1.

[6] CR/PR at IV-1.

[7] CR/PR at IV-1. May 2015 was the most recent month for which comparable data were available.

[8] CR at VII-3, PR at VII-3.

[9] CR at VII-13, PR at VII-9.

[10] CR at VII-19, PR at VII-12.

[11] CR at VII-25, PR at VII-17.

responding firm accounted for all capacity and *** percent of U.S. imports.[12] Russian industry data are based on two responding firms that accounted for *** percent of capacity and all imports.[13] With respect to the United Kingdom, one responding firm accounted for all confirmed capacity and *** percent of imports.[14] No producers or exporters from China submitted responses to the foreign producer questionnaires.[15]

IV. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[16] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff 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."[17] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[18]

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[19] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[20] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[21] Although the Commission must accept

[12] CR at VII-31, PR at VII-21.

[13] CR at VII-37, PR at VII-24.

[14] CR at VII-43, PR at VII-27.

[15] CR at VII-9, PR at VII-7.

[16] 19 U.S.C. § 1677(4)(A).

[17] 19 U.S.C. § 1677(4)(A).

[18] 19 U.S.C. § 1677(10).

[19] *See, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); *Torrington Co. v. United States,* 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[20] *See*, *e.g.*, S. Rep. No. 96-249 at 90-91 (1979).

[21] *See*, *e.g.*, *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49*; see also* S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the (Continued…)

the U.S. Department of Commerce's ("Commerce") determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value,[22] the Commission determines what domestic product is like the imported articles Commerce has identified.[23]

A. Scope Definition

In its notices of initiation, Commerce defined the imported merchandise within the scope of the investigations as follows:

> The products covered by these investigations are certain cold-rolled (cold-reduced), flat-rolled steel products, neither clad, plated, nor coated with metal, but whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered include coils that have a width of 12.7 mm wide or greater, regardless of form of coil (*e.g.,* in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.,* in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.,* in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, i.e., products which have been "worked after rolling" (*e.g.,* products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:
> (1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

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(…Continued)
conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

[22] *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[23] *Hosiden Corp. v. Advanced Display Mfrs.,* 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Torrington*, 747 F. Supp. at 748-52 (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

(2) where the width and thickness vary for a specific product (*e.g.,* the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.
Steel products included in the scope of these investigations are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

2.50 percent of manganese, or
3.30 percent of silicon, or
1.50 percent of copper, or
1.50 percent of aluminum, or
1.25 percent of chromium, or
0.30 percent of cobalt, or
0.40 percent of lead, or
2.00 percent of nickel, or
0.30 percent of tungsten (also called wolfram), or
0.80 percent of molybdenum, or
0.10 percent of niobium (also called columbium), or
0.30 percent of vanadium, or
0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.[24]

[24] Commerce's scope definition further states:

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum but do not meet the definition of grain-oriented electrical steel (GOES) or non-oriented electrical steel (NOES).
Furthermore, this scope also includes Advanced High Strength Steels (AHSS) and Ultra High Strength Steels (UHSS), both of which are considered high tensile strength and high elongation steels.
All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within
(Continued…)

The subject merchandise encompasses cold-rolled flat products.[25] Cold-rolled steel is produced from hot-rolled steel by a rolling process at ambient temperature ("cold-rolling") that hardens the steel and reduces its thickness.[26] Unlike previous investigations of cold-rolled steel, these investigations cover both carbon and the common alloy steels for flat-rolled steel products.[27]

B. Arguments of the Parties

Petitioners assert that the Commission should define a single domestic like product that is coextensive with the scope of the investigations. They emphasize that the scope definition is an updated version of the one used in the 2002 investigations of cold-rolled steel in which the Commission defined a single domestic like product. They contend that there have been no significant changes in the uses, channels of distribution, or manufacturing processes of cold-rolled steel since the 2002 investigations.[28]

The Korean Respondents contend that black plate should be found to be a separate domestic like product.[29] While recognizing that the Commission has previously found that

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(…Continued)

the scope of these investigations unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of these investigations:

Ball bearing steels, as defined in the HTS;

Tool steels, as defined in the HTS;

Silicon-manganese steel, as defined in the HTS;

Silicon-electrical steels, as defined in the HTS, that are GOES;

Silicon-electrical steels, as defined in the HTS, that are not grain-oriented and that have a silicon level exceeding 1.00 percent and a surface oxide coating, to which an insulation coating may be applied (NOES); and

Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTS.

Certain Cold-Rolled Steel Flat Products From Brazil, the People's Republic of China, India, Japan, the Republic of Korea, the Netherlands, the Russian Federation, and the United Kingdom: Initiation of Less-Than-Fair-Value Investigations, 80 Fed. Reg. 51198 (Aug. 24, 2015); *Certain Cold-Rolled Steel Flat Products From Brazil, India, the People's Republic of China, the Republic of Korea, and the Russian Federation: Initiation of Countervailing Duty Investigations,* 80 Fed. Reg. 51206 (Aug. 24, 2015).

[25] CR at I-25, PR at I-20.

[26] CR at I-26, PR at I-20.

[27] Petition Vol. I at 8.

[28] Petition at 18 (citing *Cold-Rolled Steel Products From Australia, India, Japan, Sweden, and Thailand,* Inv. Nos. 731-TA-965, 971-972, 979, and 981 (Final), USITC Pub. 3536 at 6 (Sept. 2002)).

[29] Korean Respondents' Brief at 4-6, Exhibit 1 at 1-3. The Japanese Respondents note that they agree with the Korean Respondents that black plate should be a separate domestic like product. Japanese Respondents Brief at 4.

black plate should not be defined as a separate domestic like product, Korean Respondents argue that there now is reduced availability and fewer domestic producers of black plate.[30]

C. Analysis

Based on the following analysis, we find that the record of the preliminary phase of these investigations does not support defining black plate as a distinct domestic like product. We accordingly define a single domestic like product consisting of all cold-rolled steel within the scope of the investigations.

Physical Characteristics and Uses. The record indicates that there is some overlap between black plate and other cold-rolled steel with respect to physical characteristics and uses. Black plate is a type of light gauge cold-rolled steel. Consequently, black plate is similar to other flat rolled carbon steel products that similarly have undergone a cold-rolling process.[31] Black plate is often used to make tin mill products, but it is also used to produce toys, serving trays, building materials, and household goods.[32] Black plate may also be employed to produce ***, which can also be produced with other forms of cold-rolled steel products.[33] Moreover, ***.[34] Therefore, there are specific overlaps in uses between black plate and other types of cold-rolled steel.

Manufacturing Facilities, Production Processes and Employees. The record indicates that black plate is made in the same facilities as other cold-rolled steel on similar equipment and with the same workers.[35] Petitioners contend that black plate is simply rolled longer than other products, making it thinner.[36] Double-reduced black plate has an additional cold-rolling step.[37]

Channels of Distribution. The record indicates that there is only one significant purchaser of black plate on the open market, and the majority of domestic production is internally consumed to produce tin mill products. Other cold-rolled steel also is internally consumed to a large extent, but it has a significant merchant market and is sold to distributors and end users.[38]

Interchangeability. The Korean Respondents argue that black plate and other cold-rolled steel products are not interchangeable, but U.S. Steel contends that black plate and certain other cold-rolled steel are both used to produce tin coated sheets.[39] As previously discussed, the record indicates some overlap in uses, which suggests there is some degree of interchangeability between black plate and other types of cold-rolled steel.

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[30] Korean Respondents' Brief at 4-6.
[31] CR at I-25, PR at I-20.
[32] CR at I-27 n.26, PR at I-22 n.26.
[33] CR at I-26, PR at I-21; U.S. Steel Brief, Exhibit 35 (Affidavit of Douglas Matthews).
[34] CR at I-26, PR at I-21; U.S. Steel Brief, Exhibit 35 (Affidavit of Douglas Matthews).
[35] CR at I-27, PR at I-21.
[36] CR at I-27, PR at I-21.
[37] CR at I-27, PR at I-21.
[38] CR at I-27, PR at I-21.
[39] CR at I-27, PR at I-21; U.S. Steel Brief, Exhibit 35 (Affidavit of Douglas Matthews).

Producer and Customer Perceptions. The record of the preliminary phase of these investigations contains limited information with respect to how producers and customers perceive black plate and other cold-rolled steel.[40]

Price. Petitioners and Respondents disagree whether black plate commands higher prices than other types of cold-rolled steel. Although black plate is generally more expensive than other cold-rolled steel products because it undergoes additional rolling steps, other lighter gauge products are priced comparably. Petitioners contend that black plate and certain other forms of cold-rolled steel, particularly in lighter gauges, are priced comparably.[41]

Conclusion. Based on the record in the preliminary phase of these investigations, we define a single domestic like product. While there are distinctions between black plate and other types of cold-rolled steel, such as black plate's more limited sales on the open market, the record nonetheless indicates substantial similarities. Black plate is rolled more thinly than most other types of cold-rolled steel, but it is one of many cold-rolled steel products that vary by gauge and strength.[42] Black plate shares a similar manufacturing process with other cold-rolled steel. There are some distinctions with respect to the uses, interchangeability and price of black plate, but there is also some overlap in these characteristics. However, given that there are similarities in physical characteristics, uses, and manufacturing processes as well as some interchangeability, we decline to define black plate as a separate domestic like product. Therefore, for purposes of our preliminary determinations, we define a single domestic like product corresponding to the scope of the investigations.

V. Domestic Industry and Related Parties

The domestic industry is defined as the domestic "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."[43] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry as a related party pursuant to Section 771(4)(B) of the Tariff Act. This provision 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.[44] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[45]

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[40] *See* CR at I-30, PR at I-23.

[41] CR at I-27 to I-28, PR at I-24. The Commission did not collect pricing data for black plate or specialty cold-rolled steel products. Average unit values for black plate were higher than those for domestically produced cold-rolled steel generally. *See* CR/PR at Tables I-3 and III-7.

[42] Steel Dynamics and CSI Brief at 6.

[43] 19 U.S.C. § 1677(4)(A).

[44] *See 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); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Continued…)

Only Steel Dynamics and California Steel commented on the related party issues in these investigations. They argued that the Commission should determine not to exclude any U.S. producers from the domestic industry because use of the related party producers' data would not distort the data used for the Commission's analysis.[46]

Four U.S. producers (***) are related parties as they either share common control with exporters or importers of the subject merchandise or directly imported subject merchandise during January 2012 to June 2015 (the period of investigation or "POI").[47] For three of the related parties (***) the ratio of subject imports to domestic production was low during most of the POI. The ratios of subject imports to domestic production never exceeded *** percent for any of these producers during any portion of the POI, except for *** during 2014 and interim 2015.[48] This indicates that each of these related parties' principal interests is in domestic production. There is no indication that the relatively small size of their imports relative to their domestic production shielded any of these domestic producers from subject imports.[49] Accordingly, we do not find it appropriate to exclude any of these producers.

*** imports exceeded its production during the POI, and it opposes the petitions with respect to the United Kingdom and the Netherlands.[50] ***. No party asked that *** be excluded. In light of these considerations, for purposes of the preliminary phase of these

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(Ct. Int'l Trade 1989), *aff'd mem.,* 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[45] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(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 producer vis-à-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. at 1168.

The Commission has also analyzed whether the interests of a related party producer lie principally in production or importation. *See, e.g., Certain Crystalline Silicon Photovoltaic Products from China and Taiwan*, Inv. Nos. 701-TA-511 and 731-TA-1246-1247 (Final), USITC Pub. 4519 at 17-18 (Feb. 2015), *aff'd Changzou Trina Solar Energy Co. v. USITC,* slip op 15-84 (Ct. Int'l Trade Aug 7, 2015).

[46] Steel Dynamics and CSI Brief at 11.

[47] CR at III-4, III-17, PR at III-3, III-12. ***. *See* Arcelor Mittal Brazil Questionnaire Response. It is therefore not a related party. *See* 19 U.S.C. § 1677(4)(B)(i).

[48] *See* CR/PR at Table III-9.

[49] CR/PR at Table III-1. We have also considered these producers' positions on the petitions. ***.

[50] *See* CR/PR at Table III-1. Additionally, it reported operating income ratios that are *** than the industry average. CR/PR at Table III-1; CR/PR at Table at E-3. *See also* CR/PR at Tables E-1 (constructed FMV) and E-2 (gross profit share).

determinations, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.[51]

Accordingly, we define the domestic industry as all U.S. producers of cold-rolled steel.

VI. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than three percent (four percent in the case of a developing country in a countervailing duty investigation) of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.[52]

Additionally, even if subject imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the Commission determine that there is a potential that subject imports from the country concerned will imminently account for more than three percent of all such merchandise imported into the United States.[53] In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative), the statute indicates that the negligibility limits are four percent and nine percent, rather than three percent and seven percent.[54]

A. Arguments of the Parties

Domestic Producers contend that the Commission should not terminate any of the current investigations on the basis of negligibility. They observe that imports from six of the eight subject countries are clearly above negligible levels.[55]

Domestic Producers do not contest that subject imports from the Netherlands are below the three percent negligibility threshold for the July 2014-June 2015 period the statute directs the Commission to use in its analysis of negligible imports.[56] They argue, however, that there is a likelihood that the Commission will obtain information in any final phase of these investigations that will lead it to reduce the volume of total imports derived from official import

[51] In any final phase of these investigations, we will again consider whether there are appropriate circumstances to exclude this producer from the domestic industry pursuant to the related parties provision.

[52] 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

[53] 19 U.S.C. § 1677(24)(A)(iv).

[54] 19 U.S.C. § 1677(24)(B).

[55] U.S. Steel Brief at 8; AK Steel Brief at 4. AK Steel asserts that subject imports from Russia accounted for 3.2 percent of total imports for the pertinent 12-month period and consequently exceed the negligibility threshold. AK Steel Brief at 4.

[56] U.S. Steel states that during this period subject imports from the Netherlands constituted approximately 2.7 percent of total imports based on official import statistics. U.S. Steel Brief at 8.

statistics. They contend that such adjustments could result in subject imports from the Netherlands exceeding three percent of total imports.[57]

Domestic Producers also argue that there is a potential that subject imports from the Netherlands will imminently exceed the three percent statutory negligibility threshold. Domestic Producers posit that terminating the investigation on subject imports from the Netherlands but not the investigations on subject imports from the United Kingdom and India will cause Tata to switch sourcing of its exports of subject merchandise from its British and Indian facilities to its Dutch facility, which it contends is well within the technical capabilities of Tata Netherlands.[58]

Domestic Producers also do not dispute that the available data indicate that subject imports from India are below the four percent negligibility threshold pertinent to countervailing duty investigations on imports from developing countries.[59] They contend, however, that there is a likelihood that the Commission will obtain contrary information in any final phase of these investigations, citing both adjustments that may be needed to total import data and large discrepancies between official Indian export data and official U.S. import data concerning the volume of cold-rolled steel imports from India.[60] They further argue that because subject imports from India are increasing rapidly, and exceeded four percent of total imports in the first half of 2015, there is a potential that they will imminently exceed that threshold.[61]

Tata Netherlands argues that the Commission should terminate the investigation on subject imports from the Netherlands on the grounds of negligibility. It contends that, whatever computation method is used, subject imports from the Netherlands accounted for less than three percent of total imports during the pertinent 12-month period.[62] Tata Netherlands further argues that there is no potential that subject imports from the Netherlands will imminently exceed the three percent negligibility threshold.[63]

B. Analysis

For the reasons stated below, we determine that subject imports from the Netherlands are negligible and terminate the antidumping duty investigation with respect to such imports. We find that in the countervailing duty investigation on India, the subject imports are below the four percent negligibility threshold for present material injury.[64] We also find that subject

[57] AK Steel Brief at 7-9; U.S. Steel Brief at 9.

[58] AK Steel Brief at 15-17; U.S. Steel Brief at 10-11. U.S. Steel additionally asserts that Tata Netherlands could switch production from hot-rolled steel, which is also currently subject to a separate investigation, to cold-rolled steel. U.S. Steel Brief at 10.

[59] Domestic Producers contend that the ratio is somewhere between 3.5 and 3.9 percent for the pertinent 12-month period. AK Steel Brief at 10-11; U.S. Steel Brief at 11.

[60] U.S. Steel Brief at 11-12; AK Steel Brief at 10-11.

[61] AK Steel Brief at 17-18; U.S. Steel Brief at 12.

[62] Tata Netherlands Brief at 5-6.

[63] Tata Netherlands Brief at 12-13.

[64] USTR has designated India to be a developing country subject to the four percent negligibility threshold for countervailing duty investigations. 15 C.F.R. § 2013.1; *see* 19 U.S.C. § 1677(24)(B).

imports from India in the countervailing duty investigation are likely to imminently exceed the four percent negligibility threshold for purposes of determining threat of material injury.[65]

The Netherlands. Subject imports of cold-rolled steel from the Netherlands accounted for *** percent of total imports over the applicable 12-month period prior to filing of the petition, which is July 2014 to June 2015. This is below the three percent negligibility threshold.[66]

We find it unlikely the Commission will receive any additional or contrary information in the final phase of these investigations affecting the quantity of subject imports from the Netherlands (the numerator in the negligibility calculation). The Commission received a questionnaire response from Tata Steel Imjuiden, the only producer of cold-rolled steel in the Netherlands.[67] The Commission also received questionnaire responses from importers Tata Steel Imjuiden and Ternium International, which collectively accounted for virtually all subject imports from the Netherlands.[68] Because the available data are complete, the calculation of subject import volume from the Netherlands during the relevant time period is unlikely to change to any meaningful extent in any final phase of these investigations.

As to the total quantity of subject imports during the pertinent time period (the denominator in the negligibility calculation), it is unlikely that it would change in such a manner that subject imports from the Netherlands would exceed the three percent negligibility threshold. The volume of reported subject imports contained in Table IV-3 of the Commission Report for the relevant time period may change in any final phase of these investigations to the extent that the Commission receives further questionnaires from importers that permit it further to adjust the official import data, but these adjustments are likely to *increase* rather than decrease total import volume – they are therefore likely to decrease rather than increase the ratio of subject imports from the Netherlands to total imports. This is because further questionnaire responses are likely to report additional quantities of alloyed cold-rolled steel that are within the scope definition but are not currently included in Table IV-3. Accordingly, we do not find a likelihood that subject imports from the Netherlands will reach the three percent threshold based on information collected in any final phase of these investigations.

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[65] Imports from the other six subject countries are above the pertinent negligibility thresholds. For the 12-month period preceding filing of the petition, as a percentage of total imports, subject imports from Brazil were 7.0 percent, subject imports from China were 33.1 percent, subject imports from Japan were 4.9 percent, subject imports from Korea were *** percent, subject imports from Russia were 3.4 percent, and subject imports from the United Kingdom were *** percent. CR/PR at Table IV-3.

[66] CR/PR at Table IV-3. We have relied on data in Table IV-3 of the Commission Staff Report which adjusts official import statistics to include data concerning imports of in-scope alloy cold-rolled steel received from importers. We have also considered the unadjusted import figures contained in Table IV-4, which are known to include out-of-scope merchandise because the HTS categories encompassing alloy cold-rolled steel include out-of-scope merchandise. We note that, even under this more expansive definition of subject imports, imports from the Netherlands are less than three percent of total imports. *See* CR at I-6 and IV-1, PR at I-4 and IV-1.

[67] CR at VII-31, PR at VII-21.

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

With respect to negligibility for purposes of threat, we find that the record in the preliminary phase of these investigations provides clear evidence that subject imports from the Netherlands are not likely to surpass the three percent negligibility threshold in the imminent future. Subject imports from the Netherlands displayed a downward trend in the first half of 2015, declining from *** short tons in the second half of 2014 to *** short tons in the first half of 2015.[69] They accounted for *** percent of total imports in the second half of 2014, but only *** percent of total imports in the first half of 2015.[70] Similarly, despite fluctuating volume, unadjusted monthly import data do not indicate that it is likely that subject imports from the Netherlands will likely imminently exceed three percent over a 12-month period.[71] Information reported by the sole subject producer in the Netherlands pertaining to its capacity and inventories also suggests that it is unlikely imminently to increase exports of cold-rolled steel to the United States.[72]

In short, imports of cold-rolled steel from the Netherlands are well below the negligibility threshold, the record in these preliminary investigations contains clear and convincing evidence that it is unlikely that they will imminently surpass the three percent threshold given the trends over the past 12-month period, and there is no likelihood that evidence leading to a contrary result will arise in any final phase investigations. Accordingly, we find that imports from the Netherlands are negligible and terminate the antidumping duty investigation with respect to such imports.

India. We find that subject imports from India in the countervailing duty investigation are negligible for purposes of our analysis of reasonable indication of present material injury. Subject imports from India accounted for 3.7 percent of total imports over the applicable 12-month period. It is below the four percent negligibility threshold applicable to the countervailing duty investigation concerning subject imports from India.[73]

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[69] *See* CR/PR at Table IV-2.

[70] *See* CR/PR at Table IV-2.

[71] The unadjusted HTS data indicate that subject imports from the Netherlands exceeded three percent of total imports of cold-rolled steel during only one of the first six months of 2015. *See* CR/PR at Table F-1. *See generally Certain Steel Nails from India, Korea, Malaysia, Oman, Taiwan, Turkey, and Vietnam*, Inv. Nos. 701-TA-515-521, 731-TA-1251-1257 (Preliminary), USITC Pub. 4480 at 14, 16 (July 2014) (examining percentages of imports during individual months of negligibility period, as well as whether these percentages were rising or declining, in ascertaining whether subject imports were likely imminently to exceed the negligibility threshold).

[72] The producer in the Netherlands (Tata Steel Ijmuiden) reported operating at *** percent capacity utilization in 2014 and *** percent in interim 2015. Its inventories of cold-rolled steel remained *** percent of its domestic production during the POI. CR/PR at Table VII-27. Its *** and the fact that Tata Steel Ijmuiden does not have the capability to produce the continuously annealed cold-rolled steel produced by Tata UK and sold in the United States indicates that a shift of exports to the United States from Tata UK to Tata Steel Imjuiden is unlikely. *See* Tata Netherlands Brief at 16.

[73] CR/PR at Table IV-3. USTR has designated India to be a developing country subject to the four percent negligibility threshold for countervailing duty investigations. 15 C.F.R. § 2013.1; *see* 19 U.S.C. § 1677(24)(B).

We also find that it is not likely that evidence leading to a contrary result will arise in any final phase of these investigations notwithstanding that subject imports from India were relatively close to the four percent threshold and there is limited importer questionnaire coverage in the preliminary phase of these investigation concerning subject imports from India for the applicable 12-month period.[74] Upward adjustments in the volume of subject imports from India are unlikely. The import numbers in Table IV-3 are based on official import statistics for non-alloy cold-rolled steel plus imports of alloy cold-rolled steel reported in questionnaire responses.[75] Unadjusted import statistics for alloy and non-alloy cold-rolled steel are provided in Table IV-4; these data indicate the maximum quantity of subject imports from each country during the relevant period. As there is very little difference between the calculated subject imports from India under each methodology, upward adjustments to the pertinent volume of subject imports from India that would raise the ratio of subject imports to total imports to above four percent are not likely.[76] Further, as explained above, any adjustments to the volume of total imports shown in Table IV-3 in any final phase of these investigations would increase total imports and cause the negligibility ratio to fall. Accordingly, we find that it is not likely that contrary evidence concerning the level of subject imports from India will arise in any final phase of these investigations that would make them non-negligible for purposes of material injury analysis in the countervailing duty investigation.

On the other hand, we find subject imports from India in the countervailing duty investigation are not negligible for purposes of our analysis of reasonable indication of threat of material injury.[77] During the first six months of 2015, subject imports from India accounted for 5.1 percent of total imports of cold-rolled steel.[78] Given this level of subject imports from India during the most recent period (interim 2015), we determine that there is the potential that subject imports from India will imminently exceed the four percent threshold.[79] We therefore consider subject imports from India in the countervailing duty investigation for purposes of our consideration of whether there is a reasonable indication of a threat of material injury.[80]

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[74] The Commission received questionnaire responses from importers accounting for 62.4 percent of subject imports from India. CR/PR at Table IV-1.

[75] *See* CR at IV-9, PR at IV-6.

[76] *See* Tables IV-3 and IV-4 (showing difference of only 175 short tons between two tables for subject imports from India). Using the method most likely to increase the ratio of subject imports from India to total imports – which is comparing the highest possible numerator (one taken from Table IV-4 with the lowest possible denominator (one taken from Table IV-3) the pertinent ratio is 3.8 percent.

[77] *See* 19 U.S.C. § 1677(24)(A)(iv).

[78] CR/PR at Table IV-2. Subject imports from India accounted for 4.2 percent of total imports during the first half of 2014 and 2.6 percent of total imports during the second half of 2014. *See* CR/PR at Table IV-2.

[79] Additionally, the reporting producer in India, ***, reported ***. *See* CR at Table VII-11.

[80] Domestic producers also posit that the Commission should consider what the negligibility ratio would be should the Commission find that black plate is a separate domestic like product. Although we did not define black plate to be a separate like product, had we done so it would not have impacted the negligibility analysis. Negligibility calculations for subject imports from India and the (Continued…)

VII. Cumulation

For purposes of evaluating the volume and effects for a determination of reasonable indication of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

(1) the degree of fungibility between subject imports from different countries and between subject 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 geographic markets of subject imports from different countries and the domestic like product;

(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[81]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[82] Only a "reasonable overlap" of competition is required.[83]

As discussed above, we have found that imports are negligible in the antidumping duty investigation involving subject imports from the Netherlands and terminated that investigation. Consequently, these imports are ineligible for cumulation.[84] We have also found that subject

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(…Continued)
Netherlands remain under the pertinent negligibility thresholds for imports of cold-rolled steel other than black plate. *See* CR at IV-10 nn 7 & 9, PR at IV-6 n 10 and IV-7 n 12.

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

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

[83] The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy*, 678 F. Supp. at 902); *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[84] 19 U.S.C. § 1677(7)(G)(ii)(II).

imports from India in the countervailing duty investigation are negligible for purposes of our consideration of reasonable indication of material injury. Therefore, these imports are also ineligible for cumulation for purposes of our material injury analysis.[85] Allegedly dumped imports from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom and allegedly subsidized imports from Brazil, China, Korea, and Russia remain eligible for cumulation because petitioners filed petitions with respect to all such subject imports on the same day, July 28, 2015. As explained below, we find a reasonable overlap of competition between the domestic like product and those imports from each subject country eligible for cumulation and between those imports from each such subject country.

A. Arguments of the Parties

AK Steel asserts that the requirements for cumulating subject imports from all countries are satisfied. It maintains that cold-rolled steel is highly interchangeable, regardless of source; cold-rolled steel from all subject sources serves the same geographic markets; subject imports and the domestic like product are sold through the same channels of distribution; cold-rolled steel from all subject countries was simultaneously present in the U.S. market during the POI.[86] With respect to Japanese Respondents' arguments, AK Steel contends that questionnaire responses show that imports from Japan ***, but other types of subject merchandise as well.[87]

Japanese Respondents argue that the Commission may not cumulate subject imports from Japan with imports from any other subject country because of a lack of reasonable overlap of competition between subject imports from Japan and the domestic like product. They assert that subject imports from Japan are focused on two niche products: ultra high tensile strength steel and black plate.[88] Japanese Respondents acknowledge that the domestic industry produces both these products, but they nonetheless maintain that there is a lack of fungibility between the domestic like product and subject imports from Japan because domestically produced ultra high tensile strength steel is insufficiently reliable to meet purchaser requirements, and the principal U.S. purchaser of black plate imported from Japan cannot obtain sufficient supplies from domestic producers for competitive, geographic, or quality reasons.[89]

B. Analysis

Based on the record of the preliminary phase of these investigations, we find a reasonable overlap of competition among eligible subject imports from Brazil, China, India,

[85] 19 U.S.C. § 1677(24)(A)(iv).
[86] AK Steel Brief at 25-26.
[87] AK Steel Brief, Exhibit 1 at 6-7.
[88] Japanese Respondents Brief at 2.
[89] Japanese Respondents Brief at 5-8.

Japan, Korea, Russia, and the United Kingdom and between subject imports from each source and the domestic like product.[90]

Fungibility. There is a high degree of substitutability between domestically produced cold-rolled steel and cold-rolled steel imported from eligible subject sources.[91] Most responding U.S. producers reported that cold-rolled steel produced in the United States and imported from each subject source are "always" used interchangeably, while most responding importers reported that cold-rolled steel from domestic and individual subject sources are "always" or "frequently" used interchangeably.[92] In addition, most U.S. producers reported that there were "never" differences other than price between all country pairs, while most importers reported that there were "sometimes" or "never" differences other than price between subject imports and domestic cold-rolled steel.[93]

Domestic producers' and importers' responses with respect to interchangeability and non-price differences with respect to subject imports from Japan did not differ from their responses concerning the other subject countries whose imports are eligible for cumulation.[94] The data indicate that shipments of subject imports from Japan were primarily dedicated to end uses in the automotive sector, and substantial portions of the subject imports from Korea, as well as domestically produced cold-rolled steel, were also dedicated to end uses in the automotive business during the POI.[95] We also observe that a relatively small portion of subject imports from Japan are, in fact, black plate.[96] In light of the foregoing, the record indicates that there is a sufficient degree of fungibility among the subject imports and the domestic like product for purposes of finding a reasonable overlap of competition in the preliminary phase of these investigations.[97]

Channels of Distribution. U.S. shipments of cold-rolled steel by producers and importers are sold to both distributors and end users. In 2014, the majority of domestic producers' U.S. shipments of cold-rolled steel (***), as well as substantial portions of imports of cold-rolled steel from Brazil (***), China (***), India (***), Japan (***), ***), and Russia (***), were sold to end users.[98] Substantial proportions of the domestic like product *** and appreciable proportions of shipments from Brazil, China, India, Japan, Korea, and Russia (ranging from ***

[90] As explained above, while we have not considered allegedly subsidized subject imports from India in our analysis, we have considered allegedly dumped subject imports from India in our analysis.

[91] CR at II-23, PR at II-16.

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

[93] CR/PR at Table II-8.

[94] *See* CR/PR at Tables II-7 and II-8.

[95] *See* CR/PR at Table IV-5.

[96] *Compare* CR/PR at Table I-3 *with* CR/PR at Table IV-2.

[97] If parties believe that there are specific types of data other than those typically collected in the questionnaires which would be pertinent to the Commission's analysis of fungibility, they should identify and request collection of such data in their comments on the draft questionnaires in any final phase of these investigations.

[98] CR/PR at Table II-1.

percent) were sold to distributors, as were the *** majority of imports of cold-rolled steel from the United Kingdom ***.[99]

Geographic Overlap. Domestically produced cold-rolled steel and imports from each subject source are sold in most regions of the continental United States.[100] During the POI, domestically produced cold-rolled steel and imports from all seven subject countries eligible for cumulation were sold in the Northeast, Midwest, Southeast, and Central Southwest, and at least some overlap in the Mountain and Pacific Coast markets.[101]

Simultaneous Presence in Market. Imports of cold-rolled steel from each eligible subject country, with the exception of Russia, entered the United States during at least 40 months of the 42-month POI.[102] Subject imports from Russia entered during 15 of the 42 months.[103]

Conclusion. The record indicates that imports from the eligible subject countries are fungible with the domestic like product and with each other, that imports from each of the subject countries and the domestic like product are sold in similar channels of distribution and similar geographic markets, and that subject imports and the domestic like product have been simultaneously present in the U.S. market. In light of the foregoing, we find that there is a reasonable overlap of competition between the domestic like product and imports from each subject country eligible for cumulation and between imports from each such subject country.

VIII. Reasonable Indication of Material Injury by Reason of Subject Imports

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[104] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[105] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[106] In assessing whether there is a reasonable indication that the

[99] CR/PR at Table II-1.

[100] *See* CR/PR at Table II-2.

[101] *See* CR/PR at Table II-2.

[102] CR/PR at Table IV-6.

[103] CR/PR at Table IV-6.

[104] 19 U.S.C. §§ 1671b(a), 1673b(a). The Trade Preferences Extension Act of 2015, Pub. L. 114-27, amended the provisions of the Tariff Act pertaining to Commission determinations of reasonable indication of material injury and threat of material injury by reason of subject imports in certain respects. We have applied these amendments here.

[105] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... {a}nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[106] 19 U.S.C. § 1677(7)(A).

domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[107] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[108]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured by reason of" unfairly traded imports,[109] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[110] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[111]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[112] In performing its examination, however, the Commission need not isolate

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[107] 19 U.S.C. § 1677(7)(C)(iii).

[108] 19 U.S.C. § 1677(7)(C)(iii).

[109] 19 U.S.C. §§ 1671b(a), 1673b(a).

[110] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'd* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[111] The Federal Circuit, in addressing the causation standard of the statute, has observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement." *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was re-affirmed in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), in which the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

[112] SAA, H.R. Rep. 103-316, Vol. I at 851-52 (1994) ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence (Continued…)

the injury caused by other factors from injury caused by unfairly traded imports.[113] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[114] It is clear that the existence of injury caused by other factors does not compel a negative determination.[115]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports" and the Commission "ensure{s} that it is not attributing injury from other sources to the subject imports."[116] [117] Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[118]

(…Continued)
presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[113] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n* , 266 F.3d at 1345. ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

[114] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[115] *See Nippon*, 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

[116] *Mittal Steel*, 542 F.3d at 877-78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

The Federal Circuit's decisions in *Gerald Metals*, *Bratsk,* and *Mittal Steel* all involved cases in which the relevant "other factor" was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal Circuit's guidance in *Bratsk* as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.[119] The additional "replacement/benefit" test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago* determination that underlies the *Mittal Steel* litigation.

Mittal Steel clarifies that the Commission's interpretation of *Bratsk* was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have "evidence in the record 'to show that the harm occurred 'by reason of' the LTFV imports,'" and requires that the Commission not attribute injury from nonsubject imports or other factors to subject imports.[120] Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to *Bratsk*.

The progression of *Gerald Metals*, *Bratsk*, and *Mittal Steel* clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant

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[117] Vice Chairman Pinkert does not join this paragraph or the following three paragraphs. He points out that the Federal Circuit, in *Bratsk*, 444 F.3d 1369, and *Mittal Steel*, held that the Commission is *required*, in certain circumstances when considering present material injury, to undertake a particular kind of analysis of non-subject imports, albeit without reliance upon presumptions or rigid formulas. *Mittal Steel* explains as follows:

> What *Bratsk* held is that "where commodity products are at issue and fairly traded, price competitive, non-subject imports are in the market," the Commission would not fulfill its obligation to consider an important aspect of the problem if it failed to consider whether non-subject or non-LTFV imports would have replaced LTFV subject imports during the period of investigation without a continuing benefit to the domestic industry. 444 F.3d at 1369. Under those circumstances, *Bratsk* requires the Commission to consider whether replacement of the LTFV subject imports might have occurred during the period of investigation, and it requires the Commission to provide an explanation of its conclusion with respect to that factor.

542 F.3d at 878.

[118] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

[119] *Mittal Steel*, 542 F.3d at 875-79.

[120] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 875-79 & n.2 (recognizing the Commission's alternative interpretation of *Bratsk* as a reminder to conduct a non-attribution analysis).

factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.[121]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[122] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[123]

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury and threat of material injury by reason of subject imports.

1. Captive Production Provision

The domestic industry captively consumes the majority of its production of the domestic like product in the manufacture of downstream articles. Accordingly, we have considered whether the statutory captive production provision requires us to focus our analysis primarily on the merchant market when assessing market share and the factors affecting the financial performance of the domestic industry.[124] [125]

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[121] To that end, after the Federal Circuit issued its decision in *Bratsk*, the Commission began to present published information or send out information requests in final phases of investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more complete record for the Commission's causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in final phases of investigations in which there are substantial levels of nonsubject imports.

[122] We provide in our respective discussions of volume, price effects, and impact a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

[123] *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp.*, 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

[124] The captive production provision, 19 U.S.C. § 1677(7)(C)(iv), provides:

> (iv) CAPTIVE PRODUCTION –If domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, and the Commission finds that –
>
> > (I) the domestic like product produced that is internally transferred for processing into that downstream article does not enter the merchant market for the domestic like product, and
> >
> > (II) the domestic like product is the predominant material input in the production of that downstream article;

(Continued…)

Petitioners argue that the captive production provision should be applied.[126] Among respondents, only the Korean Respondents specifically address application of the provision, and they acknowledge that it applies to these investigations.[127]

Threshold Criterion. The captive production provision is to be applied only if, as a threshold matter, significant production of the domestic like product is internally transferred and significant production is sold in the merchant market. In these investigations, internal consumption accounted for 59.0 percent of U.S. producers' U.S. shipments of cold-rolled steel during the POI.[128] We find that both the internal consumption and merchant market portions of the market (41 percent and 59 percent) are significant.

First Statutory Criterion. The first criterion tests whether the domestic like product produced that is internally transferred for processing into downstream articles does not enter the merchant market for the domestic like product.[129] No domestic producers in these investigations reported diverting cold-rolled steel that was to be internally consumed to the merchant market.[130] This criterion is therefore satisfied.

Second Statutory Criterion. In applying the second statutory criterion, the Commission generally considers whether the domestic like product is the predominant material input into a downstream product by referring to its share of the raw material cost of the downstream product.[131] In these investigations, seven of eight reporting domestic producers indicated that cold-rolled steel accounted for 80-87 percent of the cost of downstream coated steel products, which comprise the vast majority of downstream products internally produced from cold-rolled steel.[132] For tin mill products, domestic producers estimated a cost share for cold-rolled steel of 68-84 percent.[133] Because cold-rolled steel is the predominant material input into downstream products, this criterion is also satisfied in these investigations.

Conclusion. We conclude that the criteria for application of the captive production provision are satisfied in these investigations and, accordingly, we focus primarily on the merchant market in analyzing the market share and financial performance of the domestic

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> then the Commission, in determining market share and the factors affecting financial performance set forth in clause (iii), shall focus primarily on the merchant market for the domestic like product.

[125] The Trade Preferences Extension Act of 2015 eliminated what had been the third statutory criterion of the captive production provision. Pub. L. 114-27, § 503(c).

[126] AK Steel Br. at 20; ArcelorMittal Brief at 3-4; Nucor Brief at 17; U.S. Steel Brief Exh. 1 at 7; Korean Respondents Brief at 6 n.26.

[127] Korean Respondents Brief at 8.

[128] CR at III-12, PR at III-8.

[129] *See Raw Flexible Magnets from China and Taiwan*, Inv. Nos. 701-TA-452 and 731-TA-1129-1130 (Preliminary), USITC Pub. 3961 at 13 (Nov. 2007) ("No producer reported diverting raw flexible magnets intended for internal consumption to the merchant market.").

[130] CR at III-14, PR at III-10.

[131] *See* 19 U.S.C. § 1677(7)(C)(iv)(II).

[132] CR at III-15 to III-16, PR at III-11; CR/PR at Table II-11.

[133] CR at III-16, PR at III-11; CR/PR at Table II-11.

industry. We also have considered the market as a whole and the captive portion of the market.

2. Demand Conditions

Cold-rolled steel is used in the manufacture of goods in the automotive, construction, container, appliance, and electrical equipment industries. Such goods include refrigerators, washers, dryers, bathtubs, and other home appliances, as well as automobile parts, containers, and electric motors. Other reported end uses include aircraft parts, steel barrels and drums, tubing, decking, HVAC systems, furniture, and sheet for further conversion.[134] A large portion of cold-rolled steel is used internally or transferred to related firms for production of downstream products including corrosion-resistant steel, tin plate, and other products. Domestic producers reported that 20.9 percent of their 2014 commercial shipments went to automotive end uses, 7.2 percent went to appliance uses, 4.8 percent went to container end uses, and 67.1 percent went to "other" end uses.[135]

Demand for cold-rolled steel is driven by demand in the above-mentioned industries, as well as overall economic conditions.[136] Apparent U.S. consumption of cold-rolled steel increased overall by 7.2 percent in the merchant market from 2012 to 2014, falling from 11.9 million short tons in 2012 to 11.7 million short tons in 2013, and then increasing to 12.8 million short tons in 2014.[137] Apparent U.S. consumption in the merchant market was 6.3 million short tons in January-June ("interim") 2014 and 5.9 million short tons in interim 2015.[138]

Most responding U.S. producers reported that U.S. demand for cold-rolled steel had increased since January 2012, particularly in the automotive and construction sectors.[139] Most importers also reported that demand in the United States for cold-rolled steel had increased or fluctuated.[140]

3. Supply Conditions

The domestic industry satisfied the majority of U.S. demand for cold-rolled steel. The share of apparent U.S. consumption in the merchant market that the domestic industry supplied increased from 89.3 percent in 2012 to 89.6 percent in 2013 and then declined to 79.6 percent in 2014; the U.S. industry's share of apparent U.S. consumption in the merchant market was 82.6 percent in interim 2014 and 78.6 percent in interim 2015.[141] The domestic industry

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[134] CR at II-17, PR at II-11.

[135] CR/PR at Fig II-1. Data from the ***. *See* CR/PR at Table II-5.

[136] CR/PR at II-1.

[137] CR/PR at Table C-2. Apparent U.S. consumption in the overall market increased from 27.5 million short tons in 2012 to 27.6 million short tons in 2013 and 29.3 million short tons in 2014. It was 14.7 million short tons in interim 2014 and 13.6 million short tons in interim 2014. CR/PR at Table IV-8.

[138] CR/PR at Table C-2.

[139] CR/PR at Table II-3; CR at II-22, PR at II-14.

[140] CR/PR at Table II-3.

[141] CR/PR at Table C-2.

supplied 95.4 percent of apparent U.S. consumption in the overall market in 2012, 95.6 percent in 2013, and 91.1 percent in 2014.[142] The domestic industry supplied 92.5 percent of the overall market in interim 2014, and it supplied 90.7 percent in interim 2015.[143] In 2014, the three largest domestic producers, ***, accounted for over *** of domestic cold-rolled production.[144]

The domestic industry reported significant consolidation and restructuring during the period of investigation. AK Steel ***. ArcelorMittal USA purchased the Calvert, Alabama, mill from ThyssenKrupp Steel USA in February 2014 and formed a joint venture with Nippon Steel and Sumitomo Metal Corp. to operate the plant at a purchase price of $1.55 billion for the facility.[145] Steel Dynamics also purchased a mill in Columbus, Mississippi, in September 2014 from Severstal for $1.625 billion.[146]

Six responding domestic producers reported shutdowns or curtailments, mostly during 2014 and 2015.[147] Production capacity, however, was not significantly affected by the production curtailments, and the domestic industry's capacity remained essentially stable over the POI,[148] as the domestic industry's capacity was negligibly lower in 2014 than it was in 2012.[149] Notwithstanding respondents' arguments that the U.S. market experienced shortages during 2014, the domestic industry had ample unused capacity throughout the POI.[150]

By the conclusion of the POI, cumulated subject imports were the next largest source of supply to the U.S. market after the domestic industry. Cumulated subject imports' share of apparent U.S. consumption in the merchant market declined from *** percent in 2012 to *** percent in 2013 and then increased to *** percent in 2014; this share was higher in interim 2015, at *** percent, than in interim 2014, when it was *** percent.[151] In the total market, cumulated subject imports' share of apparent U.S. consumption declined from *** percent in 2012 to *** percent in 2013 and then increased to *** percent in 2014; this share was higher in interim 2015, at *** percent, than in interim 2014, when it was *** percent.[152]

Nonsubject imports increased from 5.0 percent of total apparent U.S. consumption in the merchant market in 2012 to 5.1 percent in 2013 and 7.3 percent in 2014; their share of the merchant market was 7.1 percent in interim 2014 and 6.6 percent in interim 2015.[153] In the market as a whole, nonsubject imports' share of apparent U.S. consumption was 2.2 percent in

[142] CR/PR at Table IV-10.
[143] CR/PR at Table IV-10.
[144] CR/PR at Table III-1.
[145] CR/PR at Table III-3.
[146] CR/PR at Table III-3.
[147] CR/PR at Table III-4. After the POI, U.S. Steel announced that it had decided to permanently close its cold-rolled steel operations at Fairfield, Alabama in November 2015. CR at VI-22, PR at VI-17.
[148] *See* CR/PR at Table III-5.
[149] *See* CR/PR at Table III-5.
[150] *See* CR/PR at Table III-5.
[151] CR/PR at Table C-2.
[152] CR/PR at Table IV-10
[153] CR/PR at Table C-2. Imports from the Netherlands are presented separately in this table.

2012 and 2013 and 3.2 percent in 2014.[154] In 2014, the largest source of nonsubject imports was Canada, accounting for approximately 20 percent of total cold-rolled steel imports during the POI.[155] Over *** percent of the nonsubject imports from Canada were imported by ***.[156]

4. Substitutability and Other Conditions

The record indicates that there is a high degree of substitutability between domestically produced cold-rolled steel and cold-rolled steel imported from the subject sources.[157] As discussed above, most responding U.S. producers reported that cold-rolled steel produced in the United States and imported from each subject source are "always" used interchangeably, while most responding importers reported that cold-rolled steel from domestic and individual subject sources are “always” or “frequently” used interchangeably.[158] Although the Japanese Respondents, Korean Respondents, and Tata UK have argued that their exports of cold-rolled steel are comprised of specialty products that are not substitutable with domestically produced cold-rolled steel, the record indicates that subject imports from each of these countries and the domestic like product are used in the automotive sector.[159]

The record also indicates that price is an important consideration for purchasers of cold-rolled steel.[160] Most U.S. producers reported that there were “never” differences other than price between cold-rolled steel from all country sources, and most importers reported that differences other than price were “sometimes” or “never” important for all country sources.[161]

Prices for the primary raw materials used to produce cold-rolled steel fluctuated over the POI, with prices for iron ore, coal, and iron and steel scrap decreasing over the period by 26.8 percent, 7.2 percent, and 41.4 percent, respectively.[162] Prices for hot-rolled coil, the intermediate product used to produce cold-rolled steel, declined by *** percent between January 2012 and June 2015.[163]

The record indicates that over half of the domestic producers’ commercial shipments were directly to end users, while a majority of importers’ sales of subject merchandise were to distributors.[164] U.S. producers reported selling 80.1 percent of their commercial shipments through annual or long-term contracts, while importers sold 62.5 percent of the subject

[154] CR/PR at Table C-1. Imports from the Netherlands are presented separately in this table.
[155] *See* CR at IV-2, PR at IV-2.
[156] *See* CR/PR at Table IV-1
[157] CR at II-23-II-24, PR at II-16.
[158] CR/PR at Table II-9.
[159] *See* CR/PR at Table IV-5. Respondents should specify in their comments on the draft questionnaires in any final phase of these investigations the additional information that the Commission should gather to support their claims that their exports of cold-rolled steel to the United States are comprised of specialty products not produced by domestic producers.
[160] *See* CR/PR at Tables II-7 and II-8.
[161] CR/PR at Table II-7.
[162] CR/PR at V-1 and Figure V-1.
[163] CR/PR at V-2.
[164] CR/PR at Table II-1.

merchandise on the spot market.[165] Petitioners indicated that contract pricing is closely tied to spot market prices such as those published by the CRU Group, an industry monitoring service, and even long-term contracts contain mechanisms by which their pricing is adjusted based upon spot market prices.[166]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[167]

We find that the volume and the increase in volume of cumulated subject imports was significant over the POI. Cumulated subject imports declined from *** short tons in 2012 to *** short tons in 2013 and then increased to *** short tons in 2014, a level *** percent higher than in 2012.[168] Subject imports were *** short tons in interim 2014 and *** short tons in interim 2015.[169]

Cumulated subject imports increased overall as a share of apparent U.S. consumption in the merchant market during the period, decreasing from *** percent in 2012 to *** percent in 2013, before increasing to *** percent in 2014.[170] Subject imports' share of apparent U.S. consumption in the merchant market was also higher in interim 2015, at *** percent, than in in interim 2014, at *** percent.[171] Subject imports' gain in market share during the POI came at the expense of the domestic industry, which lost 9.7 percentage points of market share in the merchant market from 2012 to 2014 and 4.0 percentage points between interim periods.[172]

In light of the foregoing, we find that the volume of subject imports and the increase in the volume of subject imports are significant in both absolute terms and relative to consumption.

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[165] CR/PR at Table V-2.

[166] CR at V-9, PR at V-6; Tr. at 57, 115-16 (Blume).

[167] 19 U.S.C. § 1677(7)(C)(i).

[168] *See* CR/PR at Table IV-2.

[169] CR/PR at Table IV-2.

[170] CR/PR at Table IV-11.

[171] CR/PR at Table C-2. Cumulated subject imports also increased as a share of apparent U.S. consumption in the overall market during the period, declining from *** percent in 2012 to *** percent in 2013 and then increasing to *** percent in 2014. Subject imports' share of apparent U.S. consumption in the overall market was *** percent in interim 2014 and *** percent in interim 2015. CR/PR at Table C-1.

[172] The domestic industry's market share by quantity in the merchant market declined during the period of investigation. Its share first increased from 89.3 percent in 2012 to 89.6 percent in 2013 and then declined to 79.6 percent in 2014. CR/PR at Table C-2.

In the overall market, the domestic industry's market share increased from 95.4 percent in 2012 to 95.6 percent in 2013 and then decreased to 91.1 percent in 2014, for an overall decline of 4.2 percentage points, and its share was higher in interim 2014 (92.5 percent) than in interim 2015 (90.7 percent). *See* CR/PR at Table IV-10.

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether –

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[173]

As addressed in section VII.B.4 above, the record indicates that there is a high degree of substitutability between subject imports and the domestic like product and that price is an important consideration in purchasing decisions.

Seven domestic producers and 25 importers of subject merchandise from Brazil, China India, Japan, Korea, and Russia provided usable quarterly f.o.b. price data for four products,[174] although not all firms reported pricing for all products for all quarters.[175] The data show that cumulated subject imports undersold the domestic like product in 100 of 167 quarterly comparisons, or 59.9 percent of comparisons, at margins ranging from 0.1 to 18.9 percent.[176] There were *** short tons of cumulated subject import shipments involved in underselling comparisons and *** short tons of cumulated subject import shipments involved in overselling comparisons.[177] Thus on a volume basis, subject imports undersold the domestic like product *** percent of the time. We also observe that the majority of the instances of underselling (57

[173] 19 U.S.C. § 1677(7)(C)(ii).

[174] CR at V-11, PR at V-8. All four pricing products are defined as cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled. The four products, however, differ in dimensions and terms of sale. Product 1 is 24" to 48" in width and 0.0120" to 0.0219" in thickness; Product 2 is 34" to 72" in width and 0.0220" to 0.0849" in thickness; Product 3 is 34" to 72" in width and 0.0220" to 0.0849" in thickness; and Product 4 is 34" to 72" in width and 0.0850" to 0.1350" in thickness. Data for products 1, 2 and 4 are limited to non-contract sales, while product 3 data are restricted to contract sales. CR at V-10, PR at V-7.

[175] In 2014, reported pricing data accounted for approximately 16.5 percent of U.S. producers' U.S. commercial shipments, 98.4 percent of U.S. commercial shipments of subject imports from Brazil, 79.9 percent of U.S. commercial shipments of subject imports from China, 50.9 percent of U.S. commercial shipments of subject imports from India, 2.7 percent of U.S. commercial shipments of subject imports from Japan, 25.4 percent of U.S. commercial shipments of subject imports from Korea, and 19.1 percent of U.S. commercial shipments of subject imports from Russia. CR at V-12, PR at V-8-9. The Commission did not receive any usable pricing data for subject imports from the United Kingdom. CR at V-12 n.12, PR at V-9 n.12. We invite the parties in their comments on the draft questionnaires in any final phase investigations to suggest additional or alternative pricing products that may increase product coverage.

[176] CR/PR at Table V-9; CR at V-28 n.20, PR at V-21 n.20.

[177] CR/PR at Table V-9.

percent) occurred during 2014 as subject imports gained *** percentage points of market share.[178] We find this subject import underselling to be significant.

We also examined changes in prices for the domestic like product and the cumulated subject imports. Prices for all pricing products from both domestic and subject sources declined from January 2012 to June 2015.[179] Domestic prices for the four pricing products declined between 14.4 and 27.1 percent over the period.[180] Although subject imports undersold the domestic like product at the same time that these price declines occurred, other factors in the U.S. market (raw material cost declines, changes in other factory costs, demand changes, and competition between domestic producers) may have affected domestic prices.[181] We are therefore unable to conclude on the current record that subject imports depressed domestic prices to a significant degree.[182]

We have also considered whether subject imports prevented price increases, which otherwise would have occurred, to a significant degree during the POI. As discussed above, in the merchant market apparent U.S. consumption increased from 2012 to 2014 and was lower in interim 2015 than in interim 2014.[183] During that time, the domestic industry's average unit net sales values in the merchant market declined from $789 per short ton in 2012 to $754 per short ton in 2013, and then increased to $793 per short ton in 2014; the average unit net sales value was $793 per short ton in interim 2014 and $726 per short ton in interim 2015.[184] By comparison, the domestic industry's unit COGS declined overall during the POI. Unit COGS were $761 per short ton in 2012, $727 per short ton in 2013, $736 per short ton in 2014, $754 per short ton in interim 2014, and $696 per short ton in interim 2015.[185] As a result, the domestic industry's COGS as a ratio to net sales increased from 96.4 percent in 2012 to 96.5 percent in 2013, but then fell to 92.8 percent in 2014; it was 95.1 percent in interim 2014 and 95.9 percent in interim 2015.[186] Based on the overall decline in the domestic industry's COGS

[178] CR at V-28 n.21, PR at V-21 n.21.

[179] *See* CR/PR at Table V-8.

[180] *See* CR/PR at Table V-8.

[181] Raw material costs, which accounted for the largest portion of cost of goods sold, declined over the POI. CR at VI-9, PR at VI-9. Other factory costs, the second largest component of cost of goods sold, increased. CR at VI-10, PR at VI-9.

[182] In any final phase of these investigations, we will consider the extent to which both the subject imports and factors other than subject imports, such as changes in the industry's costs, may have played a role in price declines for cold-rolled steel in the U.S. market.

[183] *See* CR/PR at Table C-2.

[184] CR/PR at Table C-2.

[185] CR/PR at Table C-2.

[186] CR/PR at Table C-2. In the market as whole, the domestic industry's COGS to net sales ratio followed a similar trend. *See* CR/PR at Table VI-1. The ratio increased from 98.4 percent in 2012 to 98.8 percent in 2013, and then declined to 95.7 percent in 2014. The industry's COGS as a ratio to net sales was 97.7 percent in interim 2014 and 98.5 percent in interim 2015. *Id.* Based on data for captive production derived from Tables VI-1 and VI-3, the ratio increased from 100.0 percent in 2012 to 100.5 percent in 2013, and then declined 97.8 percent in 2014. It was 99.5 percent in interim 2014 and 100.4 percent in interim 2015. *See* CR/PR at Tables VI-1 and VI-3.

to net sales ratio over the POI, the record does not indicate that subject imports prevented price increases that would have otherwise occurred to a significant degree.[187] [188]

Nevertheless, the record in the preliminary phase of these investigations indicates that as a result of significant underselling by subject imports, the domestic industry lost market share. Therefore, for purposes of the preliminary phase of these investigations, we find that the subject imports had significant price effects.

E. Impact of the Subject Imports[189]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[190]

The domestic industry's performance declined between 2012 and 2014 by several measures. Despite increasing apparent U.S. consumption, the domestic industry's performance suffered from 2012 to 2014 in terms of decreases in market share,[191] commercial shipments,[192]

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[187] CR/PR at Table VI-3. Although the COGS/sales ratio was slightly higher in interim 2015 than in interim 2014, declines in costs and apparent U.S. consumption made price increases unlikely.

[188] CR/PR at Table C-2. We have also considered the lost sales and lost revenue allegations made against subject imports from Brazil, China, and Russia. The 23 lost sales allegations totaled $52.3 million and involved 80,805 tons of cold-rolled steel, and the six lost revenue allegations totaled $1.1 million and concerned 19,150 tons of cold-rolled steel. CR at V-30, PR at V-22. Purchasers only responded to staff's inquiries with respect to two of the 29 allegations; only one of the allegations was confirmed. *See* CR/PR at Tables V-10 and V-11.

[189] Commerce initiated antidumping duty investigations of cold-rolled steel from the subject countries based on estimated antidumping duty margins of 30.28 to 35.43 percent for imports from Brazil, an estimated margin of 265.79 percent for imports from China, an estimated margin of 43.12 percent for imports from India, an estimated margin of 71.35 percent for imports from Japan, estimated margins of 75.42 percent to 177.50 percent for imports from Korea, estimated margins of 67.12 percent to 227.52 percent for imports from Russia, and estimated margins of 32.59 percent to 69.30 percent for imports from the United Kingdom. *Certain Cold-Rolled Steel Flat Products From Brazil, the People's Republic of China, India, Japan, the Republic of Korea, the Netherlands, the Russian Federation, and the United Kingdom: Initiation of Less-Than-Fair-Value Investigations*, 80 Fed. Reg. 51198 (Aug. 24, 2015).

[190] 19 U.S.C. § 1677(7)(C)(iii). This provision was recently amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[191] The domestic industry's market share by quantity in the merchant market first increased from 89.3 percent in 2012 to 89.6 percent in 2013, and then declined to 79.6 percent in 2014. CR/PR at Table C-2. In the overall market, the domestic industry's share also fell during this period. Its share was 95.4 percent in 2012, 95.6 percent in 2013 and 91.1 percent in 2014. CR/PR at Table C-1.

and sales revenues.[193] By contrast, the industry's capacity,[194] production,[195] capacity utilization, [196] and inventories[197] were relatively stable from 2012 to 2014.[198] During this period, the industry's employment and hours worked fell, although wages paid and productivity rose.[199] Net sales values,[200] gross profit, net income, and operating income all rose from 2012 to 2014, reflecting lower costs for the industry.[201] The industry's operating income as a share

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(…Continued)

[192] The domestic industry's commercial shipments were 10.6 million short tons in 2012, 10.5 million short tons in 2013, and 10.2 million short tons in 2014. CR/PR at Table C-2. Total U.S. shipments were 26.2 million short tons in 2012, 26.4 million short tons in 2013, and 26.7 million short tons in 2014. CR/PR at Table C-1.

[193] Sales revenues in the merchant market were $8.9 billion during 2012 and $8.4 billion in 2013 and 2014. By quantity, commercial sales were 11.3 million short tons in 2012, 11.1 million short tons in 2013, and 10.6 million short tons in 2014. CR/PR at Table C-2. Total net sales were 26.9 million short tons in 2012, 27.0 million short tons in 2013, and 27.2 million short tons in 2014. CR/PR at Table C-1. Captive consumption was 15.6 million short tons in 2012, 15.9 million short tons in 2013, and 16.6 million short tons in 2014. *See* CR/PR at Tables VI- 1 and VI-3 (derived from values).

[194] The domestic industry's production capacity was 39.5 million short tons in 20612, 40.0 million short tons in 2013, and 39.5 million short tons in 2014. CR/PR at Table III-5.

[195] The domestic industry's production was 26.9 million short tons in 2012, 27.0 million short tons in 2013, and 27.2 million short tons in 2014. CR/PR at Table C-1.

[196] The domestic industry's capacity utilization rate was 68.1 percent in 2012, 67.5 percent in 2013 and 68.9 percent in 2014. CR/PR at Table C-1.

[197] The domestic industry's end-of-period inventories were stable in full-year comparisons between 2012 and 2014, fluctuating between 4.3 and 4.4 percent of total shipments. CR/PR at Table III-8.

[198] As discussed above, we have focused our analysis primarily on the merchant market when assessing market share and the factors affecting the financial performance of the domestic industry. We have also considered the overall market as well as the captive portion of the market.

[199] From 2012 to 2014, employment fell by 258 production related workers or 2.3 percent, hours worked decreased by 1.5 percent, wages paid rose by 3.3 percent, and productivity rose by 2.6 percent. CR/PR at Table C-1.

[200] The industry's average unit net sales values in the merchant market declined from $789 per short ton in 2012 to $754 per short ton in 2013, and then increased to $793 per short ton in 2014. CR/PR at Table C-2. In the market as a whole, the industry's average unit net sales values fell from $760 per short ton in 2012 to $726 per short ton in 2013, and then increased to $762 per short ton in 2014. CR/PR at Table C-1.

[201] From 2012 to 2014, operating income and net income improved. Operating income in the merchant market improved from $80.7 million in 2012 to $349.5 million in 2014. Net income in the merchant market improved from a loss of $95.0 million in 2012 to a profit of $277.0 million in 2014. CR/PR at Table C-2.

In the overall market, operating income improved from a loss of $195.5 million in 2012 to a profit of $255.1 million in 2014. Net income improved from a loss of $547.1 million in 2012 to a profit of $22.8 million in 2014. CR/PR at Table C-1.

The domestic industry's performance in the captive portion of the market improved from an operating loss of $276.2 million in 2012 to an operating loss of $94.4 million in 2014. Its net loss on (Continued…)

of net sales, and the industry's ratio of operating income to total assets, also increased from 2012 to 2014.[202] The industry's capital expenditures declined during the period, and its research and development ("R&D") expenditures increased slightly.[203]

Between the interim periods, however, the domestic industry's performance deteriorated by virtually all measures. While apparent U.S. consumption was 6.5 percent lower in the merchant market in interim 2015 than in interim 2014, the domestic industry's U.S. commercial shipments were 11.1 percent lower, and the value of its commercial sales was down 18.1 percent.[204] Its market share was 4.0 percentage points lower in the merchant market.[205] The domestic industry's production was 9.0 percent lower and its rate of capacity utilization was 6.0 percentage points lower.[206] The number of production-related workers also decreased 2.9 percent, and other employment-related indicators (wages, hours, productivity) were lower in interim 2015 than in interim 2014.[207] In the merchant market, the domestic industry's commercial net sales volume was 10.5 percent lower in interim 2015 than in interim

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(…Continued)
captive consumption declined from $452.1 million to $254.1 million. *See* CR/PR at Tables VI- 1 and VI-3 (derived from values).

[202] The domestic industry's operating income as a share of net sales in the merchant market decreased from 0.9 percent in 2012 to 0.7 percent in 2013 before increasing to 4.1 percent in 2014. CR/PR at Table C-2. In the overall market, the ratio decreased from negative 1.0 percent in 2012 to negative 1.6 percent in 2013 and then increased to 1.2 percent in 2014. CR/PR at Table C-1. In the captive market, the ratio improved from negative 2.4 percent in 2012 to negative 0.8 percent in 2014. *See* CR/PR at Tables VI- 1 and VI-3 (derived from values).

The industry's return on assets, expressed as operating income as a share of total assets, decreased from negative 1.7 percent in 2012 to negative 2.8 percent in 2013 before improving to 2.7 percent in 2014. CR/PR at Table VI-8.

[203] The domestic industry's capital expenditures decreased from $528.3 million in 2012 to $315.0 million in 2013 and then to $314.7 million in 2014. CR/PR at Table VI-7. The industry's R&D expenses increased from $*** in 2012 to $*** in 2013 and then fell to $*** in 2014. *Id.*

[204] CR/PR at Table C-2. Commercial shipments were 5.2 million short tons in interim 2014 and 4.7 million short tons in interim 2015. Commercial sales were $4.4 million in interim 2014 and $3.6 million in interim 2015. CR/PR at Table C-2. In the total market, the industry's production was 13.8 million short tons in interim 2014 and 12.5 million short tons in interim 2015. The industry's capacity utilization rate was 69.4 percent in interim 2014 and 63.4 percent in interim 2015. By contrast, capacity showed little change; it was 19.8 million short tons in interim 2014 and 19.7 million short tons in interim 2015. End of period inventories were 3.5 percent higher in interim 2015 relative to interim 2014. CR/PR at Table C-1.

Total U.S. shipments were 13.6 million short tons in interim 2014 and 12.3 million short tons in interim 2015. CR/PR at Table C-1. Captive consumption was 8.4 million short tons in interim 2014 and 7.7 million short tons in interim 2015. *See* CR/PR at Tables VI-1 and VI-3 (derived from values).

[205] The domestic industry's share of the merchant market was 82.6 percent in interim 2014 and 78.6 percent in interim 2015. CR/PR at Table C-2. In the overall market, the domestic industry's share was 92.5 percent in interim 2014 and 90.7 percent in interim 2015. CR/PR at Table C-1.

[206] CR/PR at Tables C-1 and III-5.

[207] CR/PR at Table C-1.

2014 and its sales revenues were 18.1 percent lower.[208] In interim 2015, the industry's gross profit in the merchant market was 31.3 percent lower than in interim 2014, its operating income was 80.1 percent lower, and the industry's net income turned into a loss.[209] As a share of net sales in the merchant market, the industry's operating income was 0.4 percent in interim 2015, down from 1.8 percent in interim 2014.[210]

For purposes of the preliminary phase of these investigations, we find that subject imports had a significant impact on the domestic industry by the end of the POI. Subject import volume increased significantly in absolute terms during the POI, and subject import market share also increased as the domestic industry's market share declined in the merchant market and overall market.[211] Pervasive subject import underselling led to lower production, shipments, sales, revenues, and market share for the domestic industry than levels that they otherwise would have reached.

Respondents claim that there is no causal link between subject imports and negative effects on the domestic industry because the domestic industry improved by some measures in 2014 when subject imports were increasing; they instead argue that the industry's financial performance was driven by changes in certain costs (*i.e.*, other factory costs) that were unrelated to subject imports.[212] We do not find these arguments persuasive. As discussed above, the domestic industry experienced declines from 2012 to 2014 in such indicators as market share, shipments, and sales revenues in the merchant market as subject imports gained in volume and market share and apparent consumption rose. The industry's performance was worse for many indicators in interim 2015 than in interim 2014, while the volume and market share of subject imports were higher.[213]

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[208] CR/PR at Table C-2. Net sales quantities were 9.1 percent lower in the overall market during interim 2015 relative to interim 2014. CR/PR at Table C-1. Net sales values in the overall market were also 17.3 percent lower in the overall market during interim 2015 relative to interim 2014. CR/PR at Table C-1 (constructed fair market value).

[209] CR/PR at Table C-2. In the total market, the industry's gross profit was 47.5 percent lower and its net loss was 95.7 percent greater in interim 2015 than in interim 2014. CR/PR at Table C-1. The domestic industry's gross profit on captive consumption in interim 2014 also turned to a loss in interim 2015, and its net loss on its captive consumption increased 39.4 percent. *See* CR/PR at Tables VI- 1 and VI-3 (derived from values).

[210] CR/PR at Table C-2. Five responding producers reported the cancellation, postponement, or rejection of expansion projects, one reported a reduction in the size of capital investments, six reported that their return on specific investments was negatively impacted, and six reported other negative effects on investment. CR/PR at Table VII-9. Two responding producers reported a lowering of their credit ratings, one reported a reduced ability to service its debt, and six reported other negative effects on their growth and development. *Id.*

[211] *See* CR/PR at Tables C-1 and C-2.

[212] Korean Respondents' Brief at 26-28.

[213] Moreover, under the statute, the Commission's analysis cannot be limited to whether the industry's performance improved on an absolute basis if subject imports still had significant effects. 19 U.S.C. § 1677(7)(J).

Additionally, the parties expressed differing views concerning the reasons for the decline in apparent U.S. consumption during interim 2015 and whether the decline was due to stockpiling of subject imports at service centers or an actual decline in demand. Petitioners contended that inventories of subject imports were drawn down during interim 2015. The record indicates that importers' inventories of cold-rolled steel increased at the end of 2014 relative to 2013; inventories held by service centers rose in late 2014, although we note that this data is not limited to the domestic like product.[214] We will further examine the issue of inventories held at service centers in any final phase of the investigations.

We have considered whether there are other factors that may have had an impact on the domestic industry during the POI to ensure that we are not attributing injury from such other factors to subject imports. Nonsubject imports as a share of apparent U.S. consumption in the merchant market increased from 5.0 percent in 2012 to 5.1 percent in 2013 and then 7.3 percent in 2014.[215] Nonsubject imports' share of apparent U.S. consumption was 7.1 percent in interim 2014 and 6.6 percent in interim 2015.[216] The pricing data also indicate that nonsubject imports were priced higher than the domestic product and subject imports during the POI.[217] Consequently, nonsubject imports cannot explain the domestic industry's loss of market share and revenues due to underselling by subject imports. As discussed above, the majority of nonsubject imports were from Canada, and a majority of nonsubject imports from Canada were imported by domestic producers. We intend to further investigate the role of nonsubject imports in the U.S. market, including those imported by U.S. producers, in any final phase of the investigations.

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of cold-rolled steel from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom that are allegedly sold in the United States at LTFV and by reason of imports of cold-rolled steel that are allegedly subsidized by the governments of Brazil, China, Korea, and Russia.

[214] *See* CR at II-16, PR at II-10; CR/PR at Table VII-142.

[215] CR/PR at Table C-2. In the market as a whole, nonsubject imports' share of apparent U.S. consumption was 2.2 percent in 2012 and 2013 and 3.2 percent in 2014. CR/PR at Table C-1. Imports from the Netherlands are presented separately in this table.

[216] CR/PR at Table C-1. Imports from the Netherlands are presented separately in this table.

[217] *See* CR/PR at Appendix D-3.

IX. Reasonable Indication of Threat of Material Injury by Reason of Allegedly Subsidized Subject Imports from India

As discussed earlier, we have determined that subject imports from India would imminently account for more than four percent of all subject merchandise imported into the United States. Therefore we proceed to determine whether there is a reasonable indication that the U.S. industry is threatened with material injury by reason of allegedly subsidized subject imports from India.

A. Legal Standard

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether there is a reasonable indication that the U.S. industry is threatened with material injury by reason of subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted."[218] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.[219] In making our determinations, we consider all statutory threat factors that are relevant to these investigations.[220]

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[218] 19 U.S.C. § 1677(7)(F)(ii).

[219] 19 U.S.C. § 1677(7)(F)(ii).

[220] These factors are as follows:

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement) and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(VI) 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,

…

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

(Continued…)

B. Cumulation for Threat

Because our determinations involve the issue of reasonable indication of threat of material injury by reason of subject imports, we must consider whether to cumulate allegedly subsidized subject imports from India with those from other sources eligible for cumulation. In contrast to cumulation for material injury, cumulation for a threat analysis is discretionary. Under Section 771(7)(H) of the Tariff Act, the Commission may "to the extent practicable" cumulatively assess the volume and price effects of subject imports from all countries as to which petitions were filed on the same day if the requirements for cumulation in the material injury context are satisfied.[221] While imports from the Netherlands remain ineligible for cumulation because the antidumping investigation with respect to these imports has been terminated, imports from all other sources subject to investigation remain eligible for cumulation with allegedly subsidized subject imports from India for purposes of the threat analysis.[222]

Petitioners contend that the Commission should cumulate all subject imports for purposes of the threat analysis.[223] With respect to subject imports from Brazil, Korea, Japan, and the United Kingdom, respondents argue that the Commission should not cumulate subject imports from their individual subject countries with any other subject imports for the purposes of its threat analysis. They contend that there are important differences in the conditions of competition with respect to imports from each of these four countries, as well as different trends in import volumes and prices, that individually distinguish cold-rolled steel from Brazil, Korea, Japan, and the United Kingdom from other subject imports.[224]

We found above that there is a reasonable overlap of competition between all subject imports eligible for cumulation and between imports from each of these subject countries and

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(…Continued)

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning agricultural products is inapplicable to these investigations.

[221] 19 U.S.C. § 1677(7)(H).

[222] *See* 19 U.S.C. § 1677(7)(G)(ii), (7)(H); *see generally Oil Country Tubular Goods from India, Korea, the Philippines, Taiwan, Turkey, Ukraine, and Vietnam*, Inv. Nos. 701-TA-499-500, 731-TA-1215-1217, 1219-1123 (Final), USITC Pub. 4489 at 50 (Sept. 2014).

[223] ArcelorMittal Brief at 15-16; U.S. Steel Brief at 39-40.

[224] Korean Respondents Brief at 38-40; CSN Brief at 4-6; Japanese Respondents Brief at 10; Tata UK Brief at 2-4.

the domestic like product.[225] There is no information on the record to suggest that the reasonable overlap of competition between and among subject imports and the domestic like product that now exists will not continue into the imminent future. We find that it is appropriate to exercise our discretion to cumulate eligible subject imports from Brazil, China India, Japan, Korea, Russia, and the United Kingdom for purposes of our threat analysis. We recognize the potential for some differences in conditions of competition among subject imports from the seven countries but find that they are not significant enough to warrant not cumulating allegedly subsidized subject imports from India with the other subject imports eligible for cumulation. In addition, the quantity of subject imports from each subject country increased from 2012 to 2014,[226] and prices for subject imports from all seven sources declined over the POI.[227] For these reasons, we conclude that it is appropriate to exercise our discretion to cumulate allegedly subsidized subject imports from India with the other subject imports eligible for cumulation in the preliminary phase of these investigations for our analysis of whether there is a reasonable indication of a threat of material injury to the domestic industry.

B. Analysis of Threat of Material Injury Factors

1. Likely Volume

We found in Section VII.C. above that the volume of cumulated subject imports and the increase in the volume of these imports over the POI was significant in absolute terms and relative to consumption. Cumulated subject imports are likely to maintain a significant presence in the U.S. market, and the significant increase in cumulated subject import volume observed during the POI is likely to persist in the imminent future. The producers in the subject countries have excess capacity, export in appreciable quantities, and have demonstrated the ability, on a cumulated basis, to increase exports to the U.S. market. The combined excess capacity for the industries in Brazil, India, Japan, Korea, Russia, and the United Kingdom amounted to *** short tons in 2014.[228] This figure is more than *** times total subject imports from those six countries in 2014 and equivalent to over *** percent of total apparent U.S. consumption in 2014.[229] Total export shipments of the industries in these six countries increased from *** short tons and 19.8 percent of their total shipments in 2012 to *** short tons and *** percent of their total shipments in 2014.[230] Their exports to the United States, as

[225] As explained above, this analysis included allegedly dumped imports from India (which are identical to the allegedly subsidized imports from India), as well as subject imports from Brazil, China, Japan, Korea, Russia, and the United Kingdom.

[226] CR/PR at Table IV-2.

[227] CR/PR at Table V-8.

[228] Derived from CR/PR at Table VII-41.

[229] Derived from CR/PR at Tables IV-2, IV-8.

[230] CR/PR at Table VII-41.

a share of their total shipments, more than doubled from 2012 to 2014.[231] These data on subject producers' aggregate excess capacity and exports do not include data for the industry in China because no subject producers in China responded to the Commission's questionnaire.[232] Public data indicate, however, that China has the world's largest cold-rolled steel industry, with enormous capacity, production, and exports.[233]

Despite some monthly declines in cumulated subject import volume in the latter portion of the POI, these imports were higher in interim 2015, at *** short tons, than in interim 2014, at *** short tons, and were at elevated levels relative to the earlier portions of the POI.[234] Moreover, cumulated inventories held by the subject producers in Brazil, India, Japan, Korea, Russia, and the United Kingdom relative to their total production and total shipments increased from 2012 to 2014 and were higher in interim 2015 than in interim 2014.[235]

In light of the increases in cumulated subject import volume and market penetration observed during the POI, the substantial cumulated excess capacity of the subject industries, and the subject industries' demonstrated ability to supply export markets generally and the United States in particular, we find that the significant increase in cumulated subject import volume that occurred during the POI will likely continue in the imminent future.[236]

2. Likely Price Effects

As explained in Section VII.D. above, the domestic like product and subject imports are highly substitutable, and price is an important consideration in purchasing decisions. We found significant underselling by subject imports, which caused the domestic industry to lose market share. The significant and increasing volumes of subject imports that will likely enter the U.S. market in the imminent future will likely continue predominantly to undersell the domestic like product at significant rates, as they did during the POI, absent the issuance of any orders. The

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[231] CR/PR at Table VII-41. Additionally, certain producers in Brazil, Japan, Korea, and Russia manufacture products other than cold-rolled steel in the facilities that they use to produce subject merchandise. CR at VII-6-7, VII-23, VII-29, VII-40, PR at VII-5, VII-14, VII-19, VII-25.

[232] CR at VII-9, PR at VII-7; CR/PR at Table VII-41.

[233] CR at VII-9-12, PR at VII-7-8.

[234] *E.g.*, CR/PR at Tables IV-2, F-1. Available monthly data indicate that cumulated subject imports increased sharply from August to September 2014, when they reached a period high, and then increased to a new period high in October 2014. Since then, monthly subject import volumes have fluctuated, but are well above any levels reached from January 2012 through March 2014. CR/PR at Table F-1.

[235] CR/PR at Table VII-41. Inventories of subject merchandise in the United States were higher on an absolute basis in 2014 than in 2012 and higher in interim 2015 than in interim 2014, but fluctuated in a relatively narrow range relative to shipments. CR/PR at Table VII-42.

Additionally, cold-rolled steel from several individual subject countries – China, Japan, Korea, Russia, and the United Kingdom – is subject to antidumping duty or safeguard measures in third countries. CR/PR at Table VII-44.

[236] Commerce has initiated countervailing duty investigations on 67 alleged subsidy programs in Brazil, 65 alleged subsidy programs in China, 41 alleged subsidy programs in India, 38 alleged subsidy programs in Korea, and ten alleged subsidy programs in Russia. CR at I-11-20, PR at I-8-16.

likely low prices of the subject imports, in turn, are likely to increase demand for the subject imports, displace sales of the domestic like product, and cause reduction in the domestic industry's market share in the imminent future, as they did during the POI. Accordingly, we find that subject imports are likely in the imminent future to enter the U.S. market at prices that are likely to increase demand for further imports.

3. Likely Impact

We found in Section VII.E. above that the subject imports had a significant impact on the domestic industry during the POI. In our threat analysis, we have found that cumulated subject imports are likely to continue both to enter the U.S. market in significant and increasing volumes and to engage in significant underselling of the domestic like product in the imminent future. We conclude that cumulated subject imports will likely have the same type of adverse impact on the domestic industry in the imminent future that they did during the POI. The significant volumes of low-priced subject imports will likely continue to displace sales of the domestic like product and cause the domestic industry to lose market share, which will lead to adverse effects on the domestic industry's revenues and financial performance.

In Section VII.E., we have already considered other factors, including nonsubject imports, and concluded that any injury that may be attributable to these factors is distinct from the injury attributable to the subject imports. This analysis is equally pertinent to likely conditions in the imminent future. We accordingly find that further subject imports are imminent and that material injury by reason of subject imports would occur unless orders are issued on subject imports. Accordingly, we have made an affirmative determination of a reasonable indication of threat of material injury in the countervailing duty investigation of cold-rolled steel from India.

IX. Conclusion

For the foregoing reasons, we conclude that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of cold-rolled steel from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom that are allegedly sold at LTFV and by reason of imports of cold-rolled steel that are allegedly subsidized by the governments of Brazil, China, Korea, and Russia, and a reasonable indication that an industry in the United States is threatened with material injury by reason of allegedly subsidized imports of cold-rolled steel from India. We also conclude that allegedly dumped imports of cold-rolled steel from the Netherlands are negligible.

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petition filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by AK Steel Corporation ("AK Steel") (West Chester, Ohio), ArcelorMittal USA LLC ("ArcelorMittal USA") (Chicago, Illinois), Nucor Corporation ("Nucor") (Charlotte, North Carolina), Steel Dynamics, Inc. ("Steel Dynamics") (Fort Wayne, Indiana), and United States Steel Corporation ("U.S. Steel") (Pittsburgh, Pennsylvania), on July 28, 2015, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of cold-rolled steel [1] from Brazil, China, India, Korea, and Russia and less-than-fair-value ("LTFV") imports of cold-rolled steel from Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom. The following tabulation provides information relating to the background of these investigations.[2] [3]

Effective date	Action
July 28, 2015	Petition filed with Commerce and the Commission; institution of Commission investigations (80 FR 46047, August 3, 2015)
August 18, 2015	Commission's conference
August 24, 2015	Commerce's notice of initiation of countervailing duty investigations (80 FR 51206, August 24, 2015)
August 24, 2015	Commerce's notice of initiation of antidumping duty investigations (80 FR 51198, August 24, 2015)
September 10, 2015	Commission's vote
September 11, 2015	Commission's determinations
September 18, 2015	Commission's views

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for*

[1] See the section entitled "The Subject Merchandise" in *Part I* of this report for a complete description of the merchandise subject to these investigations.

[2] Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).

[3] A list of witnesses appearing at the conference is presented in appendix B of this report.

domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[4]

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[5]

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the

[4] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.
[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

Part I of this report presents information on the subject merchandise, alleged subsidy and dumping margins, and domestic like product. *Part II* of this report presents information on conditions of competition and other relevant economic factors. *Part III* presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. *Parts IV* and *V* present the volume of subject imports and pricing of domestic and imported products, respectively. *Part VI* presents information on the financial experience of U.S. producers. *Part VII* presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

MARKET SUMMARY

Cold-rolled steel generally is used in any project where tolerances, surface condition, concentricity, and straightness are the major factors. The leading U.S. producers of cold-rolled steel are AK Steel, ArcelorMittal USA, Nucor, Steel Dynamics, and U.S. Steel, while leading producers of cold-rolled steel outside the United States include ArcelorMittal Brasil S/A ("ArcelorMittal Brasil") and Usinas Siderúrgicas De Minas Gerais ("USIMINAS") of Brazil, Boasteel, Benxi Steel, and Anshan of China, ArcelorMittal Dofasco, Inc. of Canada, JSW Steel of India, Nippon Steel & Sumitomo Metal and JFE Steel of Japan, POSCO of Korea, Ternium MX of Mexico, NLMK of Russia, Tata Steel IJmuiden BV ("Tata Steel Ijmuiden") of Netherlands, SSAB Tunnplat of Sweden, and Tata Steel United Kingdom ("Tata Steel UK").

The leading U.S. importers of cold-rolled steel from Brazil are ***. The leading importers of cold-rolled steel from China are ***. The leading U.S. importers of cold-rolled steel from India are ***. The leading importers of cold-rolled steel from Japan are ***. The leading U.S. importers of cold-rolled steel from Korea are ***. The leading importer of cold-rolled steel from the Netherlands is ***. The leading U.S. importers of cold-rolled steel from Russia are ***. The leading importer of cold-rolled steel from the United Kingdom is ***. Leading importers of cold-rolled steel from top nonsubject sources include ***.

Apparent U.S. consumption of cold-rolled steel totaled approximately 29.3 million short tons ($21.9 billion) in 2014. Currently, at least 12 firms are known to produce cold-rolled steel in the United States. U.S. producers' U.S. shipments of cold-rolled steel totaled 26.7 million short tons ($19.9 billion) in 2014, and accounted for 91.1 percent of apparent U.S. consumption by quantity and 90.7 percent by value. U.S. imports from subject sources totaled 1.7 million short tons ($1.2 billion) in 2014 and accounted for 5.7 percent of apparent U.S. consumption by quantity and 5.5 percent by value. U.S. imports from nonsubject sources totaled 0.9 million short tons ($827 million) in 2014 and accounted for 3.2 percent of apparent U.S. consumption by quantity and 3.8 percent by value.

Apparent U.S. consumption of cold-rolled steel in the merchant market totaled approximately 12.8 million short tons ($10.0 billion) in 2014. U.S. producers' merchant market

U.S. shipments of cold-rolled steel totaled 10.2 million short tons ($8.0 billion) in 2014, and accounted for 79.6 percent of apparent U.S. merchant market consumption by quantity and 79.8 percent by value. U.S. imports from subject sources totaled 1.7 million short tons ($1.2 billion) in 2014 and accounted for 13.1 percent of apparent U.S. merchant market consumption by quantity and 12.0 percent by value. U.S. imports from nonsubject sources totaled 0.9 million short tons ($827 million) in 2014 and accounted for 7.3 percent of apparent U.S. merchant market consumption by quantity and 8.3 percent by value.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C, tables C-1 and C-2. Except as noted, U.S. industry data are based on questionnaire responses of twelve firms that accounted for vast majority of U.S. production of cold-rolled steel during 2014. U.S. imports are based on official import statistics for non-alloy cold-rolled steel[6] as supplemented from importer questionnaire responses to include imports of certain alloy cold-rolled steel.[7] [8]

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[6] HTS statistical reporting numbers 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17,0030, 7209.17.0060, 7209.17,0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, and 7212.40.5000.

[7] Certain alloy cold-rolled steel, a subset of cold-rolled steel, in which: (1) iron predominates by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) one or more of the elements listed below is present in the quantity, by weight, respectively indicated:

- 0.30 - 1.50 percent of aluminum
- 0.0008 – unlimited percent of boron
- 0.40 – 1.50 percent of copper
- 0.30 – 1.25 percent of chromium
- 1.65 – 2.50 percent of manganese
- 0.08 – 0.80 percent of molybdenum
- 0.30 – 2.00 percent of nickel
- 0.06 – 0.10 percent of niobium (also called columbium)
- 0.60 – 3.30 percent of silicon
- 0.05 – unlimited percent of titanium
- 0.10 – 0.30 percent of vanadium
- 0.05 – 0.30 percent of zirconium

[8] Staff adjusted imports of certain alloy cold-rolled steel for one importer,*** that was the importer of record for U.S. imports under alloy cold-rolled HTS numbers (7225.50.6000, 7225.50.8015, 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050), but did not report any U.S. imports of alloy cold-rolled steel in its questionnaire response. Staff contacted ***, but did not receive a timely response. Given this firm reported U.S. imports of cold-rolled steel from *** approximated those reported under nonalloy and alloy HTS numbers, Staff used official U.S. import

(*continued*...)

PREVIOUS AND RELATED INVESTIGATIONS

The Commission has conducted a number of previous import relief investigations on cold-rolled steel. Information concerning the disposition of Commission investigations and reviews concerning cold-rolled steel are presented in table I-1.

Table I-1
Cold-rolled steel: Previous and related Commission investigations

Original investigation			
Date[1]	**Number**	**Country**	**Outcome**
1980	731-TA-18	Belgium	Petition withdrawn; 3/21/1980
	731-TA-20	France	Petition withdrawn; 10/8/1980
	731-TA-19	Germany	Petition withdrawn; 3/21/1980
	731-TA-21	Italy	Petition withdrawn; 3/21/1980
	731-TA-23	The Netherlands	Petition withdrawn; 3/21/1980
	731-TA-24	United Kingdom	Petition withdrawn; 3/21/1980
1982	701-TA-102	Belgium	Negative
	731-TA-68	Belgium	Negative
	701-TA-103	Brazil	Negative
	701-TA-104	France	Terminated; 11/2/1982
	731-TA-69	France	Terminated; 11/2/1982
	701-TA-109	Germany	Terminated; 11/2/1982
	731-TA-74	Germany	Terminated; 11/2/1982
	701-TA-105	Italy	Terminated; 11/2/1982
	731-TA-70	Italy	Terminated; 11/2/1982
	701-TA-17	Korea	Negative
	701-TA-106	Luxembourg	Negative
	731-TA-72	The Netherlands	Terminated; 9/8/1982
	701-TA-99	The Netherlands	Terminated; 9/8/1982
	701-TA-157	Spain	Affirmative; revoked; 8/21/1985
	701-TA-108	United Kingdom	Negative
	731-TA-73	United Kingdom	Negative

Table continued on next page.

(…*continued*)
statistics under alloy cold-rolled steel HTS numbers as an estimate for this firm's U.S. imports of alloy cold-rolled steel from ***. In addition, data presented do not include one of the largest importers of record of alloy cold-rolled steel from ***, which did not provide a response to the questionnaire.

Table I-1--*Continued*
Cold-rolled steel: Previous and related Commission investigations

Original investigation			
Date[1]	**Number**	**Country**	**Outcome**
1984	701-TA-218	Korea	Affirmative; revoked; 10/10/1985
	701-TA-207	Brazil	Affirmative; revoked; 9/6/1985
	731-TA-154	Brazil	Negative
	731-TA-176	South Africa	Petition withdrawn; 1/18/1985
	701-TA-177	Spain	Petition withdrawn; 1/18/1985
	731-TA-175	Argentina	Negative
	701-TA-230	Austria	Affirmative; revoked; 5/7/1986
	731-TA-224	Austria	Terminated; 8/19/1985
	731-TA-225	Czechoslovakia	Petition withdrawn; 6/4/1985
	731-TA-227	Finland	Petition withdrawn; 1/18/1985
	731-TA-226	Germany	Terminated; 8/14/1985
	731-TA-228	Romania	Terminated; 7/19/1985
	701-TA-231	Sweden	Affirmative; Review: USITC negative; 12/1/2000
	701-TA-232	Venezuela	Terminated; 7/19/1985
1992	731-TA-598	Australia	Negative
	701-TA-343	New Zealand	Negative
	701-TA-345	Taiwan	Negative
	701-TA-346	United Kingdom	Negative
	731-TA-611	United Kingdom	Negative
	731-TA-597	Argentina	Negative
	701-TA-336	Austria	Negative
	731-TA-599	Austria	Negative
	701-TA-337	Belgium	Negative
	731-TA-600	Belgium	Negative
	701-TA-338	Brazil	Negative
	731-TA-601	Brazil	Negative
	731-TA-602	Canada	Negative
	701-TA-339	France	Negative
	731-TA-603	France	Negative
	701-TA-340	Germany	Affirmative; Review: USITC negative; 12/1/2000
	731-TA-604	Germany	Affirmative; Review: USITC negative; 12/1/2000
	701-TA-341	Italy	Negative
	731-TA-607	Italy	Negative
	731-TA-606	Japan	Negative
	701-TA-342	Korea	Affirmative; Review: USITC negative; 12/1/2000
	731-TA-607	Korea	Affirmative; Review: USITC negative; 12/1/2000

Table continued on next page.

Table I-1--*Continued*
Cold-rolled steel: Previous and related Commission investigations

Original investigation			
Date[1]	**Number**	**Country**	**Outcome**
1992	731-TA-608	The Netherlands	Affirmative; Review: USITC negative; 12/1/2000
	701-TA-344	Spain	Negative
	731-TA-609	Spain	Negative
	731-TA-611	Taiwan	Negative
1999	701-TA-394	Indonesia	Negative (Negligible)
	701-TA-395	Thailand	Negative (Negligible)
	701-TA-396	Venezuela	Negative (Negligible)
	731-TA-829	Argentina	Negative
	701-TA-393	Brazil	Negative
	731-TA-830	Brazil	Negative
	731-TA-831	China	Negative
	731-TA-832	Indonesia	Negative
	731-TA-833	Japan	Negative
	731-TA-834	Russia	Negative
	731-TA-835	Slovakia	Negative
	731-TA-836	South Africa	Negative
	731-TA-837	Taiwan	Negative
	731-TA-838	Thailand	Negative
	731-TA-839	Turkey	Negative
	731-TA-840	Venezuela	Negative
2001	701-TA-422	Argentina	Negative
	701-TA-423	Brazil	Negative
	701-TA-424	France	Negative
	701-TA-425	Korea	Negative
	731-TA-964	Argentina	Negative
	731-TA-965	Brazil	Negative
	731-TA-966	Turkey	Negative
	731-TA-967	Australia	Negative
	731-TA-968	China	Negative
	731-TA-969	New Zealand	Negative
	731-TA-970	Belgium	Negative
	731-TA-971	France	Negative
	731-TA-972	Russia	Negative
	731-TA-973	Venezuela	Negative
	731-TA-974	Germany	Negative
	731-TA-975	India	Negative
	731-TA-976	Japan	Negative
	731-TA-977	Korea	Negative
	731-TA-978	Netherlands	Negative
	731-TA-979	South Africa	Negative
	731-TA-980	Spain	Negative
	731-TA-981	Sweden	Negative
	731-TA-982	Taiwan	Negative
	731-TA-983	Thailand	Negative

[1] The dates presented in this table refer to the year in which the petitions were filed.

Source: Compiled from Commission publications and determinations published in the *Federal Register*.

Safeguard investigations

In 1984, the Commission determined that carbon and alloy steel sheet (including cold-rolled steel) was being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing such articles, and recommended quantitative restrictions of imports for a period of five years. President Ronald Reagan determined that import relief under section 201 of the Trade Act of 1974 was not in the national interest. At the President's direction, quantitative limitations under voluntary restraint agreements ("VRAs") for a five-year period ending September 30, 1989, were negotiated. In July 1989, the VRAs were extended for two and one half years until March 31, 1992.

In 2001, the Commission determined that certain carbon and alloy steel, including cold-rolled steel, was being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing such articles, and recommended additional duties on imports for a period of four years.[9] On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to cold-rolled steel consisted of an additional tariff for a period of three years and one day (30 percent ad valorem on imports in the first year, 24 percent in the second year, and 18 percent in the third year).[10] Following receipt of the Commission's mid-term monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, President Bush determined that the effectiveness of the action taken had been impaired by changed circumstances. Therefore, he terminated the U.S. measure with respect to increased tariffs on December 4, 2003.[11]

NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Alleged subsidies

On August 24, 2015, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigations on cold-rolled steel from Brazil, China, India,

[9] *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.

[10] *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002. The President also instructed the Secretaries of Commerce and the Treasury to establish a system of import licensing to facilitate steel import monitoring.

[11] *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003. Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.

Korea, and Russia.[12] Commerce identified the following government programs in Brazil, China, India, Korea, and Russia:

Brazil

Commerce initiated a countervailing duty investigation on 67 of the 70 alleged programs.[13] The programs for which Commerce initiated a countervailing duty investigation include the following:

A. Tax Programs
    1. Reduction of Tax on Industrialized Products (IPI) for Machines and Equipment
    2. Ex-Tarifário
    3. Exemption of Payroll Taxes
    4. Regime Tributário para Incentivo á Modernização e à Ampliação da Estrutura Portuária (REPORTO)
B. Export Subsidies
    1. Brazil's Export Financing Program (PROEX)
    2. Reintegra
    3. Special Regime for the Acquisition of Capital Goods for Export Companies (RECAP)
    4. Integrated Drawback Scheme
    5. Export Credit Insurance and Guarantees
    6. Export Guarantee Fund
    7. Export Promotion and Marketing Assistance
C. Regional Subsidies
    1. RIOInvest
    2. Pro-Industria
    3. Tax Benefits in the State of Espírito Santo (FUNDAP)
    4. Tax Benefits in the State of Espírito Santo (INVEST-ES)
    5. Development and Participation of Espírito Santo (FUNDEPAR)
    6. Northeast Region Development Authority Incentives
    7. Northeast Investment Fund (FINOR)
    8. Amazon Investment Fund (FINAM)
    9. Federal District Development Program
    10. Bahia State Industrial Development and Economic Integration Program (Desenvolve)
    11. Pernambuco Development Program (PRODEPE)

[12] *Certain Cold-Rolled Steel Flat Products From Brazil, India, the People's Republic of China, the Republic of Korea, and the Russian Federation: Initiation of Countervailing Duty Investigations*, 80 FR 51206, August 24, 2015.

[13] *Enforcement and Compliance Office of AD/CVD Operations, CVD Investigation Checklist, Certain Cold-Rolled Steel Flat Products from Brazil*, August 17, 2015.

12. Program for the Development of Santa Catarina's Business (PRODEC)

D. Loans: BNDES Financing
    1. BNDES PROGEREN
    2. ExIm Loans
    3. FINAME Loans
    4. BNDESPAR Loans
    5. Investment Maintenance Program
    6. Automatic BNDES
    7. BNDES Funtec

E. Research and Development Incentives
    1. INOVA Brasil Program
    2. Economic Subvention to National Innovation Program

China

Commerce initiated a countervailing duty investigation on 65 of the 66 alleged programs.[14] The programs for which Commerce initiated a countervailing duty investigation include the following:

A. Preferential Loans and Interest Rates
    1. Policy Loans to the Cold-Rolled Steel Industry
    2. Export Loans
    3. Treasury Bond Loans
    4. Preferential Loans for State-Owned Enterprises
    5. Preferential Loans for Key Projects and Technologies
    6. Preferential Lending to Cold-Rolled Steel Producers and Exporters Classified As "Honorable Enterprises"
    7. Loans and Interest Subsidies Provided Pursuant to the Northeast Revitalization Program

B. Debt-to-Equity Swaps, Equity Infusions, and Loan Forgiveness
    1. Debt-to-Equity Swaps
    2. Equity Infusions
    3. Exemptions for SOEs from Distributing Dividends to the State
    4. Loans and Interest Forgiveness for SOEs

C. Income Tax and Other Direct Tax Subsidies
    1. Income Tax Programs Under the GOC's 2008 Corporate Income Tax Law
        a. Preferential Income Tax Program for High and New Technology Enterprises
        b. Preferential Income Tax Program for High and New Technology Enterprises in Designated Zones

[14] *Enforcement and Compliance Office of AD/CVD Operations, CVD Investigation Checklist, Certain Cold-Rolled Steel Flat Products from People's Republic of China*, August 17, 2015.

10. Grants for the Retirement of Capacity
11. Grants for Relocating Production Facilities

India

Commerce initiated a countervailing duty investigation on 41 of the 43 alleged programs.[15] The programs for which Commerce initiated a countervailing duty investigation include the following:

A. Duty Exemption/Remission Schemes
    1. Advance License Program (ALP)
    2. Advance Authorization Program (AAP)
    3. Duty Free Import Authorization Scheme (DFIA Scheme)
    4. Duty Drawback Program (DDB)
B. Subsidies for Export Oriented Units (EOU)
    1. Duty-Free Import of Goods, Including Capital Goods and Raw Materials
    2. Reimbursements of Central Sales Tax Paid on Goods Manufactured in India
    3. Duty Drawback on Fuel Procured from Domestic Oil Companies
    4. Exemption from Payment of Central Excise Duty on Goods Manufactured in India and Procured from a DTA
C. Export Promotion of Capital Goods Scheme (EPCGS)
D. Pre-Shipment and Post-Shipment Export Financing
E. Market Development Assistance Scheme
F. Market Access Initiative
G. Focus Product Scheme
H. Government of India Loan Guarantees
I. Status Certificate Program
J. Special Economic Zones (SEZ)
    1. Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts, and Packing Material
    2. Exemption from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts, and Packing Material
    3. Exemption from Electricity Duty and Cess on Electricity Supplied to a SEZ Unit
    4. SEZ Income Tax Exemption
    5. Service Tax Exemption
    6. Exemption From Payment of Local Government Taxes and Duties, Such as Sales Tax and Stamp Duties
K. Steel Development Fund Loans (SDF)
L. Provision of Goods and Services for Less Than Adequate Remuneration

[15] *Enforcement and Compliance Office of AD/CVD Operations, CVD Investigation Checklist, Certain Cold-Rolled Steel Flat Products from India*, August 17, 2015.

1. Provision of Captive Mining Rights for Iron Ore
2. Provision of Captive Mining Rights for Coal
3. Provision of High-Grade Iron Ore for Less than Adequate Remuneration
4. Provision of Flat-Rolled Steel for Less than Adequate Remuneration

M. Incremental Exports Incentivisation Scheme

N. State Government Subsidy Programs

1. State Government of Andhra Pradesh (SGAP) Subsidy Programs
    a. Subsidies Under the SGAP Industrial Investment Promotion Policy
    b. Grant under the Industrial Investment Promotion Policy: 25 Percent Reimbursement of the Cost of Land in Industrial Estates and Development Areas
    c. Grant under the Industrial Investment Promotion Policy: Reimbursement of Power at the Rate of Rs. 0.75 per Unit
    d. Grant under the Industrial Investment Promotion Policy: 50 Percent Subsidy for Expenses Incurred for Quality Certification
    e. Grant under the Industrial Investment Promotion Policy: 50 Percent Subsidy on Expenses Incurred in Patent Registration
    f. Grant under the Industrial Investment Promotion Policy: 25 Percent Subsidy on Cleaner Production Measures
    g. Tax Incentives under the Industrial Investment Promotion Policy: 100 Percent Reimbursement of Stamp Duty and Transfer Duty Paid for the Purchase of Land and Buildings and the Obtaining of Financial Deeds and Mortgages
    h. Tax Incentives under the Industrial Investment Promotion Policy: 25 Percent Reimbursement on Value Added Tax (VAT), CST, and State Goods and Services Tax
    i. Tax Incentives under the Industrial Investment Promotion Policy: Exemption from the SGAP Non-agricultural Land Assessment
    j. Provision of Goods and Services for Less than Adequate Remuneration under the Industrial Investment Promotion Policy: Provision of Infrastructure for Industries Located More than 10 Kilometers from Existing Industrial Estates or Development Areas
    k. Subsidies Provided by the Andhra Pradesh Industrial Investment Corporation: Allotment of Land for Less than Adequate Remuneration
2. State Government Of Gujarat (SGOG) Subsidy Programs
    a. The State Government of Gujarat's Exemptions and Deferrals on Sales Tax for Purchases of Goods
    b. The State Government of Gujarat's VAT Remission Scheme Established on April 1, 2006
    c. The State Government of Gujarat Special Economic Zone Act (SGOG SEZ Act): Stamp Duty and Registration Fees for Land Transfers, Loan Agreements, Credit Deeds, and Mortgages

d. The State Government of Gujarat Special Economic Zone Act (SGOG SEZ Act): Sales Tax, Purchase Tax, and Other Taxes Payable on Sales and Transactions
e. The State Government of Gujarat Special Economic Zone Act (SGOG SEZ Act): Sales and Other State Taxes on Purchases of Inputs (Both Goods and Services) for the SEZ or a Unit within the SEZ

3. State Government of Maharashtra (SGOM) Subsidy Programs
   a. State Government of Maharashtra Sales Tax Program
   b. VAT Refunds under the SGOM Package Scheme of Incentives
   c. Electricity Duty Exemptions
   d. Waiving of Loan Interest by SICOM
   e. Investment Subsidies
   f. Infrastructure Assistance for Mega Projects Under The Maharashtra Industrial Policy of 2013 And Other SGOM Industrial Promotion Policies To Support Mega Projects
   g. Subsidies for Mega Projects under the Package Scheme of Incentives
   h. Other Subsidies under the Package Scheme of Incentives, 2013
   i. Provision of Land for Less than Adequate Remuneration

Korea

Commerce initiated a countervailing duty investigation on 38 of the 40 alleged programs.[16] The programs for which Commerce initiated a countervailing duty investigation include the following:

A. Provision of Inputs for Less Than Adequate Remuneration
   1. Provision of Electricity for Less Than Adequate Remuneration
   2. Power Business Law Subsidies
   3. Energy Savings Program Subsidies
   4. Provision of Liquefied Natural Gas (LNG) for LTAR
B. The Government of Korea Purchases Electricity from Cold-Rolled Steel Producers for More Than Adequate Remuneration
C. Korean Export-Import Bank Countervailable Subsidy Programs
   1. Short-Term Export Credits
   2. Export Factoring
   3. Export Loan Guarantees
   4. Trade Bill Rediscounting Program
   5. Import Financing
   6. Overseas Investment Credit Program
D. Korea Development Bank (KDB) and Industrial Base Fund (IBF) Loans

[16] *Enforcement and Compliance Office of AD/CVD Operations, CVD Investigation Checklist, Certain Cold-Rolled Steel Flat Products from People's Republic of Republic of Korea*, August 17, 2015.

1. Short-Term Discounted Loans for Export Receivables
2. Loans under the Industrial Base Fund

E. Korea Trade Insurance Corporation (K-SURE) - Export Insurance and Export Credit Guarantees
   1. Short-Term Export Credit Insurance
   2. Export Credit Guarantees

F. Energy and Resource Subsidies
   1. Long-Term Loans from the Korean Resources Corporation and the Korea National Oil Corporation
   2. Special Accounts for Energy and Resources (SAER) Loans
   3. Clean Coal Subsidies
   4. VAT Exemption for Purchases of Anthracite Coal

G. Green Subsidies
   1. GOK Subsidies for "Green Technology R&D" and its Commercialization
   2. Support for SME "Green Partnerships"

H. Daewoo International Corporation Debt Work Out

I. Income Tax Programs
   1. Research, Supply, or Workforce Development Investment Tax Deduction for "New Growth Engines" under RSTA Article 10(1)(1)
   2. Research, Supply, or Workforce Development Expense Tax Deductions for "Core Technologies" under RSTA Article 10(1)(2)
   3. Tax Reduction for Research and Human Resources Development under RSTA Article 10(1)(3)
   4. Tax Credit for Investment in Facilities for Research and Manpower under RSTA Article 11
   5. Tax Deductions for Investments in Energy Economizing Facilities under RSTA Article 25(2)
   6. Tax Deduction for Investment in Environmental and Safety Facilities under RSTA Article 25(3)
   7. GOK Facilities Investment Support under Article 26 of the RSTA
   8. Tax Program for Third-Party Logistics Operations under RSTA Article 104(14)

J. Subsidies to Companies Located in Certain Economic Zones
   1. Tax Reductions and Exemptions in Free Economic Zones
   2. Exemptions and Reductions of Lease Fees in Free Economic Zones
   3. Grants and Financial Support in Free Economic Zones
   4. Acquisition and Property Tax Benefits to Companies Located in Industrial Complexes

K. Grants
   1. Research and Development Grants under the Industrial Technology Innovation Promotion Act (ITIPA)
   2. Modal Shift Program
   3. Sharing of Working Opportunities/Employment Creating Incentives
   4. Various Government Grants Contained in Financial Statements

Program in which the department is partially initiating an investigation:

A. Dongbu's Debt Restructuring

Russia:

Commerce initiated a countervailing duty investigation on 10 of the 14 alleged programs.[17] The programs for which Commerce initiated a countervailing duty investigation include the following:

A. Grant Programs
    1. Grants for "Technical Retooling" and Modernization
    2. Grants for Export Credit Interest for "Highly Processed" Industrial Goods
    3. State Program to Develop Industry and Increase Competitiveness
B. Tax Programs
    1. Tax Incentives in Special Economic Zones (SEZs)
    2. Tax Incentives for Mining Operations
C. Provision of Good and Services for Less Than Adequate Remuneration (LTAR)
    1. Provision of Natural Gas for LTAR
    2. Provision of Mining Rights for LTAR
D. Preferential Export Financing
    1. Eximbank Financing
E. Regional Government Subsidies
    1. Incentives in Lipetsk's Regional SEZs (RSEZs)
    2. Income Tax Reductions and Property Tax Exemptions for Key Sectors in the Republic of Karelia

Alleged sales at LTFV

On August 24, 2015, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigations on cold-rolled steel from Brazil, China, India, Japan, Korea, the Netherlands, Russia, and the United Kingdom.[18] Commerce has initiated antidumping duty investigations based on estimated dumping margins shown in table I-2.

[17] *Enforcement and Compliance Office of AD/CVD Operations, CVD Investigation Checklist, Certain Cold-Rolled Steel Flat Products from People's Republic of the Russian Federation*, August 17, 2015.

[18] *Certain Cold-Rolled Steel Flat Products From Brazil, the People's Republic of China, India, Japan, the Republic of Korea, the Netherlands, the Russian Federation, and the United Kingdom: Initiation of Less-Than-Fair-Value Investigations*, 80 FR 51198, August 24, 2015.

Table I-2
Cold-rolled steel: Alleged dumping margins

Country	Dumping margin (*percent*)
Brazil	30.28 – 35.43
China	265.79
India	43.12
Japan	71.35
Korea	75.42 – 177.50
Netherlands	39.43 – 121.53
Russia	69.12 – 227.52
United Kingdom	32.59 – 69.30

Source: Certain Cold-Rolled Steel Flat Products From Brazil, the People's Republic of China, India, Japan, the Republic of Korea, the Netherlands, the Russian Federation, and the United Kingdom: Initiation of Less-Than-Fair-Value Investigations, 80 FR 51198, August 24, 2015.

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of these investigations as follows:

The products covered by these investigations are certain cold-rolled (cold-reduced), flat-rolled steel products, neither clad, plated, nor coated with metal, but whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered include coils that have a width of 12.7 mm wide or greater, regardless of form of coil (e.g., in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (e.g., in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (e.g., in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, i.e., products which have been "worked after rolling" (e.g., products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

(1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

(2) where the width and thickness vary for a specific product (e.g., the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.
Steel products included in the scope of these investigations are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

2.50 percent of manganese, or
3.30 percent of silicon, or
1.50 percent of copper, or
1.50 percent of aluminum, or
1.25 percent of chromium, or
0.30 percent of cobalt, or
0.40 percent of lead, or
2.00 percent of nickel, or
0.30 percent of tungsten (also called wolfram), or
0.80 percent of molybdenum, or
0.10 percent of niobium (also called columbium), or
0.30 percent of vanadium, or
0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum but do not meet the definition of grain-oriented electrical steel (GOES) or non-oriented electrical steel (NOES).

Furthermore, this scope also includes Advanced High Strength Steels (AHSS) and Ultra High Strength Steels (UHSS), both of which are considered high tensile strength and high elongation steels.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of these investigations unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of these investigations:

Ball bearing steels, as defined in the HTS;
Tool steels, as defined in the HTS;
Silicon-manganese steel, as defined in the HTS;
Silicon-electrical steels, as defined in the HTS, that are GOES;
Silicon-electrical steels, as defined in the HTS, that are not grain-oriented and that have a silicon level exceeding 1.00 percent and a surface oxide coating, to which an insulation coating may be applied (NOES); and
Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTS.

Tariff treatment

Based upon the scope set forth by Commerce, the subject merchandise is imported under the following HTS statistical reporting numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, . 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8015, 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050.[19] The general U.S. tariff rate on cold-rolled steel, applicable to U.S. imports that are products of Brazil, China, India, Japan, Korea, the Netherlands, Russia, and the United Kingdom and imported under these provisions, is free.

[19] Subject merchandise may also enter under HTS statistical reporting numbers 7210.90.9000, 7212.50.0000, 7225.19.0000, 7226.19.1000, 7226.19.9000, and 7226.99.0180. The Commission's identification of potential HTS classifications for any subject merchandise is based on available information and should not be read as having binding effect on the actual classification of imports by U.S. Customs and Border Protection.

THE PRODUCT

Description and applications[20]

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 2 percent or less, by weight. Carbon steel includes most common grades of steel and is generally less expensive to produce than the various grades of alloy steels, due primarily to the cost of the alloying elements. The chemical composition of carbon steel has traditionally been defined as:

> steel for which no minimum content is specified or required for aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, vanadium, or zirconium, or any other element added to obtain a desired alloying effect; when the specified minimum for copper does not exceed 0.40 percent; and when the maximum content specified for any of the following elements does not exceed the percentages noted: manganese 1.65, silicon 0.60, and copper 0.60.[21]

The subject merchandise covers products recognized by the marketplace as cold-rolled flat products, including both carbon steel and the standard alloy steels commonly produced for sheet and strip.[22]

The term "cold-rolling" refers to a process in which the product is fed into a rolling mill at ambient temperature. Cold-rolling can be performed for a variety of reasons, including a desire to reduce product thickness or a need to impart specific mechanical properties or impart surface texture. Cold-rolled steel is flat, usually rectangular in shape, and usually produced in coils.

Cold-rolled steel products are used in a variety of applications including automotive, construction, container, appliance, and electrical equipment manufacturing. A large portion of cold-rolled steel is not sold on the open market but is used internally or transferred to related firms for production of downstream products including corrosion-resistant steel, tin plate, and other products. Cold-rolled steel that is not further processed is used for such applications as panels in electrical equipment and appliances, or for body parts in automobiles, where surface

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[20] Unless otherwise noted, information is from *Certain Cold-Rolled Steel Products From Australia, India, Japan, Sweden, and Thailand, Invs. Nos. 731-TA-965, 971-972, 979, and 981 (Final)*, USITC Publication 3536, September 2002, p. I-17.

[21] AISI, "Instructions for Reporting Steel Shipment Statistics," Revised May, 1978. A similar definition is given in USS, The Making, Shaping, and Treating of Steel (Pittsburgh, PA: Herbick & Held, 1985), p. 1277; and in Iron and Steel Society, Steel Products Manual, Sheet Steel, February 1996, p. 3.

[22] Although cold-rolled steel flat-rolled products are produced with alloying elements in excess of the quantity thresholds described in the product scope, the product scope includes the standard alloy steels commonly produced for sheet and strip. The Iron & Steel Society, *Pocketbook of Standard Steels*, Table 8: Standard Alloy Steels Commonly Produced for Sheet and Strip, July 1996.

finish or strength-to-weight ratio is important but resistance to corrosion is not. Cold-rolled steel is also used for automotive transmission and seat belt components, and serves as a material for utensils, cutting tools, and cutlery.

Manufacturing processes[23]

The manufacturing processes for cold-rolled steel products are summarized below. There is no significant difference in the basic production process between mills in the United States and those in the subject countries.[24]

The raw material input for cold-rolled steel is hot-rolled steel. Hot-rolled steel is cleaned, or pickled, in a bath of sulfuric or hydrochloric acid to remove surface oxide (scale) formed during hot- rolling. The cleaned (pickled) steel is then processed through a cold-rolling mill, which is typically a continuous (or tandem) mill having four to six roll stands, and which reduces the thickness of the hot-rolled material by 30-90 percent. The cold-rolling-process hardens steel so that it usually must be heated in an annealing furnace to make it more formable.

There are two basic annealing processes: batch and continuous. In a batch annealing process, coils of cold-rolled sheets are stacked on a base. Covers are placed over the stacks to contain the annealing atmosphere, which is needed to prevent oxidation of the steel. The annealing furnace is then lowered over the covered stacks. The heating and re-cooling of the sheet may take five or six days. Continuous annealing involves uncoiling the steel and processing it through an annealing furnace continuously, thereby reducing the annealing time to a matter of minutes and achieving greater uniformity of results.

After the steel has been annealed, it is rolled on a temper mill to produce the desired hardness, flatness, and surface quality. Temper rolling of annealed product is required to reduce the tendency of the steel to develop surface distortions during fabrication. Temper rolling involves very light reduction in thickness and should not be confused with cold-rolling.

Cold-rolled steel that is used as a substrate for hot-dipped galvanized steel is usually not annealed or temper rolled because those operations are done on the continuous galvanizing lines. Product that is used as a substrate for electrolytically galvanized steel or for tin plate is usually annealed and temper rolled. Black plate, a type of very thin[25] cold-rolled steel, is most

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[23] Unless otherwise noted, information is from *Certain Cold-Rolled Steel Products From Australia, India, Japan, Sweden, and Thailand, Invs. Nos. 731-TA-965, 971-972, 979, and 981 (Final)*, USITC Publication 3536, September 2002, p. I-18-I-19.

[24] Tata Steel UK Ltd. produces only continuously annealed cold-rolled steel and Tata Steel IJmuiden BV produces only batch annealed cold-rolled steel. Conference transcript, p. 195 (Cunningham).

[25] Standard thickness for black plate is in the range of 0.0050-0.0149 inch; double-reduced black plate is 0.0050-0.0118 inch in thickness. Standard thickness of cold-rolled sheet goes up to 0.142 inch. ASTM International, ASTM specifications *A 625 Standard Specification for Tin Mill Products, Black Plate, Single-Reduced; A 650 Standard Specification for Tin Mill Products, Black Plate, Double Reduced*; *A 657 Standard Specification for Tin Mill Products, Black Plate Electrolytic Chromium-Coated, Single and Double*

(*continued*...)

often used as the substrate for tin plate products although it does have other applications.[26] It is commonly produced to certain industry specifications, for example, those of ASTM International. For single-reduced black plate, the production process is generally that described above. Double-reduced black plate replaces the temper-rolling step with another cold-rolling to further reduce the thickness of the steel.

DOMESTIC LIKE PRODUCT ISSUES

The petitioners propose that the Commission define one like product as defined in the Petition that contains a continuum of products including black plate.[27] Respondent Tata Steel Ijmuiden accepts the definition of the like product proposed in the Petition.[28] The respondent Korean parties argue that black plate is a separate like product.[29] No additional issues with respect to domestic like product have been raised in these investigations.[30]

The Commission's decision regarding the appropriate domestic product(s) that are "like" the subject imported product is based on a number of factors including: (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and (6) price. Information regarding these factors is discussed below.[31]

Physical characteristics and uses

Respondents note that black plate is manufactured with thickness of 0.0149 inches or below. In addition, black plate also has restricted temper and hardness that other cold-rolled products do not have. The vast majority of black plate is used in the production of tin plate products. Petitioners contend that there is significant overlap between black plate and other

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(…*continued*)
Reduced; *A 568 Standard Specification for Steel, Sheet, Carbon, Structural, and High-Strength, Low-Alloy, Hot-Rolled and Cold-Rolled, General Requirements.*

[26] Other applications include toys, serving trays, building materials, and household goods. American Iron and Steel Institute, "The Tinplate Production Process," http://www.steel.org/SMDISteel_org/Web%20Root/Packaging/Steel%20Packaging/Tinplate%20Production%20Process.aspx, accessed on August 26, 2015.

[27] U.S. Steel's postconference brief, p. 5 n.18 and Steel Dynamics Inc. and California Steel Industries' postconference brief, pp. 3-7.

[28] Tata Steel Ijmuiden's postconference brief, p. 2.

[29] Respondent Japanese parties concur. Japanese producers' postconference brief, p. 4.

[30] Respondent Japanese parties initially indicated their intent to ask for a separate like product for very high-strength steel for automotive application, but subsequently clarified that for the preliminary phase investigations they do not argue for such a separate like product. Conference transcript, p. 231 (Weiner) and Japanese producers' postconference brief, exh. 1, p. 2.

[31] Petitioners arguments taken from Steel Dynamics and California Steel Industries postconference brief, pp. 3-7. Respondent arguments taken from Korean producers' postconference brief, Responses to Staff Questions, question 1.

forms of cold-rolled steel, with black plate being basically a type of light gauge cold-rolled steel often used to make tin mill products. Black plate may have other uses, including *** and ***.[32]

According to the American Iron and Steel Institute ("AISI"), over 80 percent of AISI member U.S. black plate shipments goes into the "Containers, Packaging and Shipping Material" market segment in 2014. [33] The remainder of U.S. blackplate shipments goes to the "Sheet & Strip for Painting & Coating," market segment. [34]

Manufacturing facilities and production employees

There are currently only three domestic producers of black plate, U.S. Steel, ArcelorMittal USA, and USS-Posco.[35] These three producers, which accounted for approximately *** percent of U.S. cold-rolled steel production in 2014, also produce other cold-rolled steel products. Respondents contend that when black plate is double reduced it goes through a separate finishing mill.[36] Petitioners argue that tin mill black plate is made in the same facilities as other cold-rolled steel on the similar equipment with the same workers. Petitioners further contend that it is simply rolled longer than other cold-rolled steel products, making it thinner.

Interchangeability

Respondents argue that black plate used in tin mill products are not interchangeable with other cold-rolled steel, which cannot be substituted for black pate in tin mill. As noted earlier, petitioners contend that black plate may have other uses, including ***, and further report that ***."

Customer and producer perceptions

Respondents contend that because there is no real market for black plate, this criterion does not apply. They note that customers perceive imported and domestically produced black plate differently. Imported black plate from Japan and Korea is perceived as having higher quality, produced to tighter tolerances, and without surface issues. Petitioners contend that black plate is part of a continuum of cold-rolled steel, with significant overlap with other forms of cold-rolled steel, particularly lighter gauges of cold-rolled steel.[37] Moreover, petitioners argue that, for the most part, domestically-produced cold-rolled steel, regardless of where it may lie on the continuum, is interchangeable with U.S. imports of cold-rolled steel.[38]

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[32] US Steel's postconference brief, exh. 35.
[33] AISI, *Shipments by Market Classification – Carbon AIS16C*, 2014.
[34] Ibid.
[35] Conference transcript, p. 182 (Tennant).
[36] Conference transcript, p. 185 (Tennant).
[37] US Steel's postconference brief, exh. 35.
[38] Conference transcript, pp. 107-108 (Blume).

Channels of distribution

Respondents contend that OCC is the only significant purchaser of black plate steel. The majority of domestic production is internally consumed to produce tin mill products. This is said to be distinct from other cold-rolled steel products that have a significant merchant market and are sold to distributors and end-users. Petitioners argue that black plate and other forms of cold-rolled steel (particularly lighter gauges) are regularly sold by the same distributors.[39]

Price

Respondents note that black plate is generally more expensive than cold-rolled steel because it is thinner, and thus more expensive to produce. A specific additional cold reduction mill must be employed, which is not available at all domestic producers, increasing production cost and, hence, the final price. Petitioners contend that black plate and certain other forms of cold-rolled steel, particularly in lighter gauges, often share the same general price points.[40]

Table I-3 presents exports of black plate to the United States, and U.S. shipments of domestically-produced black plate and U.S. imports of black plate.

[39] US Steel's postconference brief, exh. 35.
[40] US Steel's postconference brief, exh. 35.

Table I-3
Cold-rolled steel: Exports to the United States and U.S. shipments of domestically-produced black plate and U.S. imports of black plate, by source, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January-June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Japanese export shipments to the United States	***	***	***	***	***
Korean export shipments to the United States	***	***	***	***	***
U.S. producers' internal consumption	***	***	***	***	***
U.S. producers' U.S. commercial shipments	***	***	***	***	***
U.S. imports from.[1]--					
Japan	28,360	18,103	12,841	7,168	17,865
Korea	435	6,133	42,972	9,798	52,675
Other subject sources	5,520	5,399	4,317	2,053	2,877
Total U.S. imports	41,896	42,702	81,137	29,227	84,017
	Value (1,000 dollars)				
U.S. producers' U.S. commercial shipments	***	***	***	***	***
U.S. imports from.[1]--					
Japan	24,910	15,276	10,676	6,042	14,973
Korea	350	4,737	33,077	7,785	35,949
Other subject sources	4,233	3,985	3,443	1,458	2,099
Total U.S. imports	35,281	32,895	62,333	22,542	60,604
	Unit value (dollars per short ton)				
U.S. producers' U.S. commercial shipments	***	***	***	***	***
U.S. imports from.[1]--					
Japan	878	844	831	843	838
Korea	806	772	770	795	682
Other subject sources	767	738	797	710	730
Total U.S. imports	842	770	768	771	721

[1] U.S. imports under HTS statistical reporting numbers 7209.18.2520 and 7209.18.2580.

Source: Compiled from Official U.S. import statistics; email from ***, August 25, 2015; email from ***, August 25, 2015; email from ***, August 25, 2015; email from ***, August 25, 2015; and email from ***, August 25, 2015.

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

U.S. MARKET CHARACTERISTICS

Cold-rolled steel products are used in a variety of applications including automotive, construction, container, home appliance, and electrical equipment manufacturing. Demand for cold-rolled steel is driven generally by demand in these industries, as well as overall economic conditions. The majority of sales on the open market are produced-to-order. A large portion of cold-rolled steel is not sold on the open market but is used internally for the production of downstream products, particularly corrosion-resistant steel and tin mill products such as tin- and chromium-coated steel sheet. Apparent U.S. consumption of cold-rolled steel, by quantity, increased by 6.5 percent from 27.5 million short tons in 2012 to 29.3 million short tons in 2014. Apparent U.S. consumption was 14.7 million short tons in interim 2014 and 13.6 million short tons in interim 2015.

CHANNELS OF DISTRIBUTION

U.S. producers consumed internally approximately 60 percent of their total shipments in 2014, a share that has been increasing since 2012. Of the open market sales by U.S. producers, approximately 63 to 70 percent are sold to end users (such as appliance and automotive manufacturers), and the remainder are sold to distributors/service centers. Importers of subject product (except imports from the Netherlands) shipped to both distributors/service centers and end users, as shown in table II-1.[1]

Table II-1
Cold-rolled steel: U.S. producers' and importers' U.S. commercial shipments, by sources and channels of distribution, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

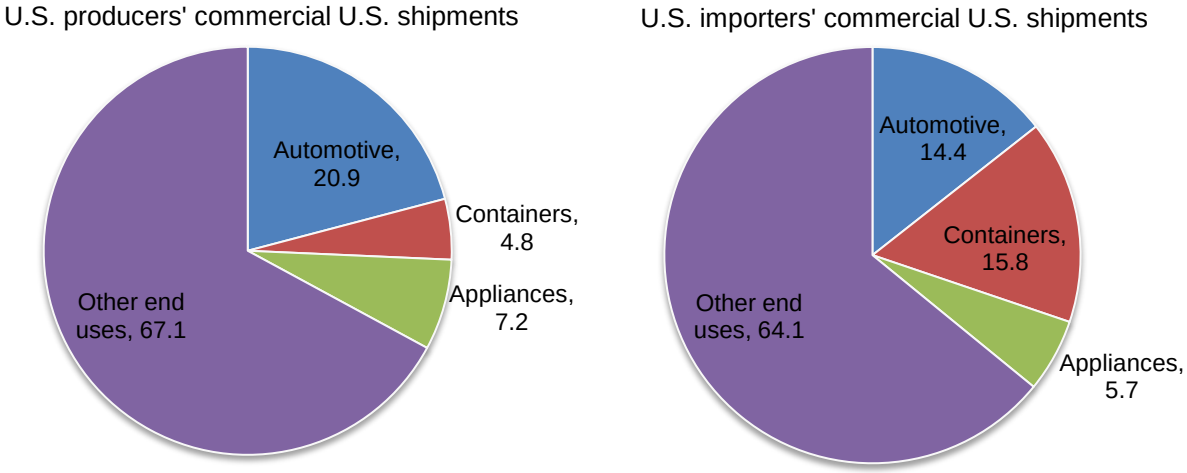
U.S. producers' largest specified end-use market was the automotive industry while importers' largest specified end-use market was containers in 2014 (figure II-1).[2] More than one-half of firms' commercial U.S. shipments were sold to "other end uses." These other end

[1] U.S. commercial shipments of cold-rolled steel imported from Netherlands was sold ***.

[2] U.S. importers' largest specified end-use market was the automotive industry in 2012-13, accounting for almost a quarter of importers' commercial shipments. In 2014, importers' commercial shipments to the automotive industry increased in terms of volume, but the share of importers' total commercial shipments to the automotive industry declined by 6.4 percentage points primarily due to the very large volumes sold to "other end uses" as well as the increased volumes shipped to container end uses. Importers' commercial shipments to containers grew during 2012-14, increasing from 7.2 percent of importers' total commercial shipments in 2012 to 15.8 percent in 2014 and were 23.1 percent in interim 2015 compared to 13.6 percent in interim 2014.

uses included: furniture, construction, compressed gas cylinders, pipe and tube, controlled heating, ventilation and air ("HVAC") systems, decking, electrical equipment, and service center/distributors.

Figure II-1
Cold-rolled steel: Share of U.S. producers' and importers' commercial U.S. shipments by end use, 2014



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

U.S. producers' shares of commercial shipments by end use remained relatively unchanged during 2012-14 and interim 2015.[3] As seen in figure II-2, more than one-half of U.S. importers' commercial shipments of imported product from Japan and the Netherlands were sold for automotive manufacturing in 2014. Almost *** of importers' commercial shipments of imported product from Brazil and Korea were sold for containers.[4] [5] More than *** of U.S. importers' commercial shipments of imports from the United Kingdom were sold for use in appliances in 2014.[6] Most of U.S. importers' commercial shipments of imported product from China, India, and Russia were sold for "other end uses" in 2014.

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[3] See *Part IV* of this report for more information on U.S. producers' and importers' annual U.S. shipments by end use.

[4] In 2012-13, approximately *** of U.S. importers' commercial shipments of imports from Korea were sold for automotive end uses. However, in 2014 the share to automotive manufacturing decreased to *** percent and the share of imports from Korea to containers and "other end uses" increased. According to Korean respondents, approximately *** percent of imports from Korea were automobile grade cold-rolled steel used in the automotive industry or black plate used to make tin plate products. Korean producers' postconference brief, p. 39.

[5] U.S. importers' commercial shipments from Brazil were sold *** for "other end uses" during 2012-13 and accounted for *** of U.S. importers' commercial shipments from Brazil in 2014. "Other end uses" included construction, display shelving, and office furniture.

[6] U.S. importers' commercial shipments of imports from the United Kingdom by end use shifted over time. During 2012-13, approximately *** of U.S. importers' commercial shipments of imports from the

(*continued*...)

Figure II-2
Cold-rolled steel: Share of U.S. importers' U.S. commercial shipments by subject country and end use, 2014

* * * * * * *

GEOGRAPHIC DISTRIBUTION

Both U.S. producers and importers reported selling cold-rolled steel to all regions in the contiguous United States (table II-2). However, in many cases subject importers concentrated their sales in specific regions which included: Northeast, Midwest, Southeast, and Central Southwest.[7] For U.S. producers, 27.4 percent of sales were within 100 miles of their production facility, 66.7 percent were between 101 and 1,000 miles, and 5.9 percent were over 1,000 miles. Importers sold 67.4 percent within 100 miles of their U.S. point of shipment, 30.4 percent between 101 and 1,000 miles, and 2.2 percent over 1,000 miles.

(…*continued*)
United Kingdom were sold for use in automotive manufacturing with the *** being used primarily for "other end uses." However, in 2014, U.S. importers' commercial shipments of imports from the United Kingdom shifted to appliances and sales to "other end uses" fell by *** percentage points to *** percent.

[7] *** reported that they do not ship product to the Pacific Coast or Mountains regions because the freight expense makes it uneconomical to do so. They reported that *** are shipped within 100 miles from the port of entry. ***.

Table II-2

Cold-rolled steel: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	U.S. imports from			
		Brazil	China	India	Japan
Northeast	9	4	15	10	3
Midwest	11	5	16	8	6
Southeast	10	6	12	8	4
Central Southwest	10	7	16	12	4
Mountains	8	0	7	1	0
Pacific Coast	10	0	17	1	2
Other[1]	1	0	0	0	0
All regions (except Other)	5	0	5	1	0
Reporting firms	11	9	22	16	9

Region	U.S. imports from				
	Korea	Netherlands	Russia	United Kingdom	Subject sources
Northeast	4	1	3	3	27
Midwest	8	1	6	3	30
Southeast	5	1	2	2	28
Central Southwest	4	1	4	2	25
Mountains	0	0	1	0	7
Pacific Coast	2	0	0	1	20
Other[1]	0	0	0	0	0
All regions (except Other)	0	0	0	0	6
Reporting firms	12	1	10	3	39

[1] All other U.S. markets, including AK, HI, PR, and VI.

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

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Domestic production

Based on available information, U.S. producers of cold-rolled steel have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of U.S.-produced cold-rolled steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the large total capacity, availability of unused capacity and ability to produce alternate products; supply responsiveness is somewhat constrained due to limited inventories and limited export shipments.

Industry capacity

Domestic capacity fluctuated from 39.5 million short tons in 2012, to 40.0 million short tons in in 2013, to 39.5 million short tons in 2014. Domestic capacity utilization remained close to 68 percent during 2012-14.[8] Capacity utilization was 63.4 percent in interim 2015 compared to 69.4 percent in interim 2014. This relatively moderate level of capacity utilization suggests that U.S. producers may have substantial ability to increase production of cold-rolled steel in response to an increase in prices.

Alternative markets

U.S. producers' exports, as a share of total shipments, declined from a high of 2.5 percent in 2012 to a low of 1.8 percent in 2014. This indicates that U.S. producers may have limited ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

U.S. producers' inventories remained close to 4 percent of total U.S. shipments during 2012-14 and January-June 2015. These inventory levels suggest that U.S. producers may have limited ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Two of 12 responding U.S. producers stated that they could switch production from cold-rolled steel to other products. Other products that U.S. producers reportedly can produce on the same equipment as cold-rolled steel are hot-rolled pickled and oiled products, corrosion-resistant steel, and tin mill products.

Supply constraints

The majority of U.S. producers reported that there were no constraints in domestic supply. Two of eleven responding U.S. producers reported that their firms were unable to supply cold-rolled steel at some point since 2012. ***. ***.

Respondents reported that severe winter weather conditions in the fourth quarter of 2013 and first quarter of 2014 caused domestic production problems and domestic supply shortages in the United States. In addition to weather-related issues, U.S. producers AK Steel, ArcelorMittal USA, and U.S. Steel experienced equipment issues. Respondents argue that the

[8] According to U.S. Steel, cold-rolled steel plants are designed to run 24-7 maintaining high capacity utilization rates. Conference transcript, p. 45 (Mathews).

domestic supply shortage in early 2014 motivated purchasers to diversify their sources of supply and that this contributed to an increase in orders for imports in the last quarter of 2014 and the first quarter of 2015.[9]

Subject imports

Table II-4 provides a summary of supply-related data for subject countries.

Table II-4
Cold-rolled steel: Foreign industry factors that affect ability to increase shipments to the U.S. market

	Capacity (millions of short tons)		Capacity utilization (percent)		Inventory levels relative to total shipments (percent)		Able to shift to alternate products	Home market shipments in 2014	Shipments exported to non-U.S. markets in 2014
Country	2012	2014	2012	2014	2012	2014	No. of firms reporting "yes"	(percent)	(percent)
Brazil	***	***	***	***	***	***	***	***	***
China[1]	--	--	--	--	--	--	--	--	--
India	***	***	***	***	***	***	***	***	***
Japan	27.7	26.4	80.7	85.0	***	***	2 of 5	***	***
Korea	***	***	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***	***	***
Russia	***	***	***	***	***	***	***	***	***
United Kingdom	***	***	***	***	***	***	***	***	***

[1] The Commission received no questionnaire responses from Chinese suppliers.

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

Subject imports from Brazil[10]

Based on available information, producers of cold-rolled steel from Brazil have the ability to respond to changes in demand with moderate changes in the quantity of shipments of cold-rolled steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and ***.

[9] Tata Steel Ijmuiden's postconference brief, Attachment I, p. 12. Korean producers' postconference brief, Responses to staff questions, pp. 6-8.

[10] The Commission received three questionnaire responses from Brazilian producers. These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from Brazil, by quantity, during 2012-14 and January-June 2015.

Subject imports from China[11]

According to data from ***, Chinese capacity to produce cold-rolled steel increased from *** short tons in 2012 to *** short tons in 2014. Production of cold-rolled steel in China also increased from *** short tons in 2012 to *** short tons in 2014.[12]

Subject imports from India[13]

Based on available information, producers of cold-rolled steel from India have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of cold-rolled steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are increasing capacity, some availability of unused capacity, and the existence of alternate markets.

AK Steel contends that the increase in cold-rolled steel from India in 2014 is due to falling demand in India along with import competition in its home market from China, Japan, and Korea.[14] Additionally, Indian cold-rolled production capacity has increased.[15]

Subject imports from Japan[16]

Based on available information, producers of cold-rolled steel from Japan have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of cold-rolled steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are a large total capacity, some availability of unused capacity, existence of alternate markets, and ***.

[11] The Commission received no questionnaire responses from Chinese suppliers.

[12] ***. See *Part VII* for more information on China's cold-rolled steel industry.

[13] The Commission received one questionnaire response from a producer in India. This firm's exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from India, by quantity, during 2012-14 and January-June 2015.

[14] Indian producers' home market shipments fell from *** percent of total shipments in 2012 to *** percent in 2014.

[15] AK Steel's postconference brief, Answers to Questions, p. 6.

[16] The Commission received five questionnaire responses from Japanese producers. These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from Japan, by quantity, during 2012-14 and January-June 2015.

Subject imports from Korea[17]

Based on available information, producers of cold-rolled steel from Korea have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of cold-rolled steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are a large total capacity, some availability of unused capacity, existence of alternate markets, and ***.

Subject imports from the Netherlands[18]

Based on available information, producers of cold-rolled steel from the Netherlands have the ability to respond to changes in demand with small-to-moderate changes in the quantity of shipments of cold-rolled steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply is the existence of alternate markets; supply responsiveness is somewhat constrained due to limited availability of unused capacity, limited inventories, and ***.

AK Steel asserts that Tata Steel can switch its production and exports of cold-rolled steel products to the United States from either of its plants in the United Kingdom or the Netherlands. While the United Kingdom can only produce continuously annealed cold-rolled steel, AK Steel argues that there is some degree of interchangeability between batch-annealed and continuously-annealed products. In addition, it contends that not all cold-rolled products are annealed prior to export but instead may be annealed by the customer during subsequent processing in the United States, and therefore, could be produced in either the United Kingdom or the Netherlands.[19] Tata Steel Ijmuiden argues that the different annealing processes results in two different products characteristics which are used in different applications, and therefore, there is limited interchangeability between batch-annealed and continuously-annealed products. Furthermore, Tata Steel Ijmuiden contends that it does not have the available capacity to handle any significant shift of import volume represented by the exports to the United States from the United Kingdom. Tata Steel Ijmuiden stated that a large portion of its capacity is committed to the production of downstream products.[20]

AK Steel asserts that imports from the Netherlands increased in 2014 due to increased import competition in Europe, with imports from China in particular on the rise. It also stated that Tata Steel has been increasing its focus on the U.S. market ***.[21] However, Tata Steel

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[17] The Commission received four questionnaire responses from Korean producers. These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from Korea, by quantity, during 2012-14 and January-June 2015.

[18] The Commission received one questionnaire response from a Dutch producer. This firm's exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from the Netherlands, by quantity, during 2012-14 and January-June 2015.

[19] AK Steel's postconference brief, pp. 15-16.

[20] Tata Steel Ijmuiden's postconference brief, pp. 15-17.

[21] AK Steel's postconference brief, Answers to Questions, p. 5.

Ijmuiden reported that ***. It also contends that the increase in imports from the Netherlands reflects purchasers' supply concerns generated by the problems experienced by U.S. producers in 2014, namely severe equipment issues and weather related logistical and manufacturing issues.[22]

Subject imports from Russia[23]

Based on available information, producers of cold-rolled steel from Russia have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of cold-rolled steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and existence of alternate markets.

Subject imports from the United Kingdom[24]

Based on available information, producers of cold-rolled steel from the United Kingdom have the ability to respond to changes in demand with moderate changes in the quantity of shipments of cold-rolled steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and existence of alternate markets or inventories; supply responsiveness is somewhat constrained due to a small total capacity, limited inventories, and ***.

Supply constraints

Six of 45 responding importers reported that their firms were unable to supply cold-rolled steel at some point since 2012. *** both reported that their firms placed customers on allocation and were unable to meet timely shipment commitments during 2012-13. *** also reported that it had been unable to meet timely shipment commitments due to general production disturbances during 2012-13. *** reported that there have been occasional credit restraints on certain accounts. *** stated that the antidumping duty order on non-oriented electrical steel ("NOES") from Japan have affected its supply because cold-rolled steel can be used as a substitute for NOES in ignitions. *** reported late shipments due to adverse river conditions.

[22] Email from ***, August 19, 2015.

[23] The Commission received two questionnaire responses from Russian producers. These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from Russia, by quantity, during 2012-14 and January-June 2015.

[24] The Commission received one questionnaire response from a UK producer. This firm's exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from the United Kingdom, by quantity, during 2012-14 and January-June 2015.

Nonsubject imports

Canada was the largest source of nonsubject imports during 2012-14, accounting for *** percent of nonsubject imports in 2014. Imports of cold-rolled steel from Canada accounted for 20.3 percent of the total quantity of U.S. imports in 2014. U.S. imports of cold-rolled steel from Canada increased by *** percent between 2012 and 2014, and U.S. imports of cold-rolled steel from all other nonsubject countries increased by *** percent during this period.

Service centers' inventories

According to domestic parties, large volumes of subject imports entered into service centers' inventories in 2014, resulting in decreased demand for newly milled cold-rolled steel products in 2015.[25] They note that beginning in 2015, data based on the open market from Metals Service Center Institute ("MSCI") reflects large increases in service centers' total inventories and the number of months of inventory on hand.[26] Respondents argue that end-of-period inventories from all eight subject countries are relatively small, particularly when compared to U.S. producers' inventories.[27] Korean respondents argue that it is the domestic product in service centers' inventories that are responsible for the inventory overhang in 2014, not imports.[28]

According to MSCI, service centers' inventories of carbon flat-rolled products steadily increased during 2014.[29] As shown in figure II-3, service centers' inventory levels of carbon flat-rolled products began to rise in mid-2014 and peaked in December 2014, increasing by *** percent from December 2013. The number of months of inventory on hand also peaked in December 2014 and has since decreased throughout 2015 but still remain above 2014 levels.

Figure II-3
Carbon flat-rolled products: Service centers' U.S. shipments to end users, end-of-month inventories, and the number of months of inventory on hand, monthly, January 2012-July 2015

* * * * * * *

[25] Conference transcript, pp. 35-38 (Price). Domestic parties also contend that subject imports were being sold at prices much lower than domestic prices, and therefore, customers built up their inventories with imports. Conference transcript, p. 42 (Price).

[26] Conference transcript, pp. 82-83 (Schagrin).

[27] Korean producers' postconference brief, p. 14.

[28] Korean producers' postconference brief, p. 15.

[29] MSCI collects data on shipments from service centers' owned inventory (stock shipments) to customer end markets and month-end service center inventories. These shipments include cold-rolled, hot-rolled, and coated flat-rolled steel. MSCI does not break the data out by country of origin.

U.S. demand

Based on available information, the overall demand for cold-rolled steel is likely to experience small-to-moderate changes in response to changes in price. The main contributing factors are the somewhat limited range of substitute products and the moderate-to-large cost share of cold-rolled steel in most of its end-use products.

End uses

U.S. demand for cold-rolled steel is derived from the demand for downstream products. Common applications for cold-rolled steel are appliances (e.g., refrigerators, washers, dryers, bathtubs, and other home appliances), automobiles, containers, electric motors, and construction. Other reported end uses included: aircraft parts, steel barrels and drums, tubing, decking, HVAC systems, electrical equipment, furniture, and sheet for further conversion. More than half of U.S. producers' open market shipments of cold-rolled steel are shipped directly to end users. According to AISI, the automotive industry is the largest market in which cold-rolled steel is shipped directly from U.S. producers to the end user (table II-5).

Table II-5
End use distribution: Shipments by U.S. producers of cold-rolled steel by market classification, 2014

* * * * * * *

Cost share

Cold-rolled steel products may be used in various products, with relevant cost shares varying greatly. Depending on the product, cold-rolled steel products can account for a relatively high percentage of the cost of the components. Reported cost shares for some end uses ranged from 30 percent or less (agriculture, appliances, automotive, and construction), to 54-68 percent (appliances, light fixtures, doors and windows, and furniture), to 70-100 percent (containers, decking, drums, fixtures, pipe and tubing, and steel shelving).

U.S. producers were requested to report the cost share of the cold-rolled steel that they consume internally or transfer to related firms to produce coated products, tin mill products, and other products. The majority of U.S. producers reported cost shares for coated products ranging from 80-87 percent.[30] Three U.S. producers reported cost shares of 68-84 percent for tin mill products. Two U.S. producers reported cost shares of 78 and 90 percent for "other" products.

[30] One U.S. producer (***) reported a cost share of 30 percent for its cold-rolled steel used to produce coated products.

Business cycles

The U.S. industry producing cold-rolled steel products follows a business cycle tied closely to that of the general economy. Six of nine responding U.S. producers and 14 of 45 responding importers indicated that the market was subject to business cycles. Specifically, U.S. producers and importers reported seasonal fluctuations in the automotive, packing, and construction industries. One U.S. producer reported increased demand for cold-rolled steel in packing and construction end uses during the spring.

Four of seven responding U.S. producers and two of 33 importers indicated that the market was subject to distinct conditions of competition. Three of four responding U.S. producers identified an increase in low-cost imports which has resulted in large inventories. One U.S. producer reported that demand was heavily influenced by conditions in the construction, appliance, and automotive industries. One importer stated that the capability to produced advanced high strength steels impacted the conditions of competition. One importer (***) reported that it imports cold-rolled steel that "compete in a narrow, specialized market ***, with its own unique conditions of competition, far different from the automobile manufacturers and others that constitute the market(s) for the other products covered."

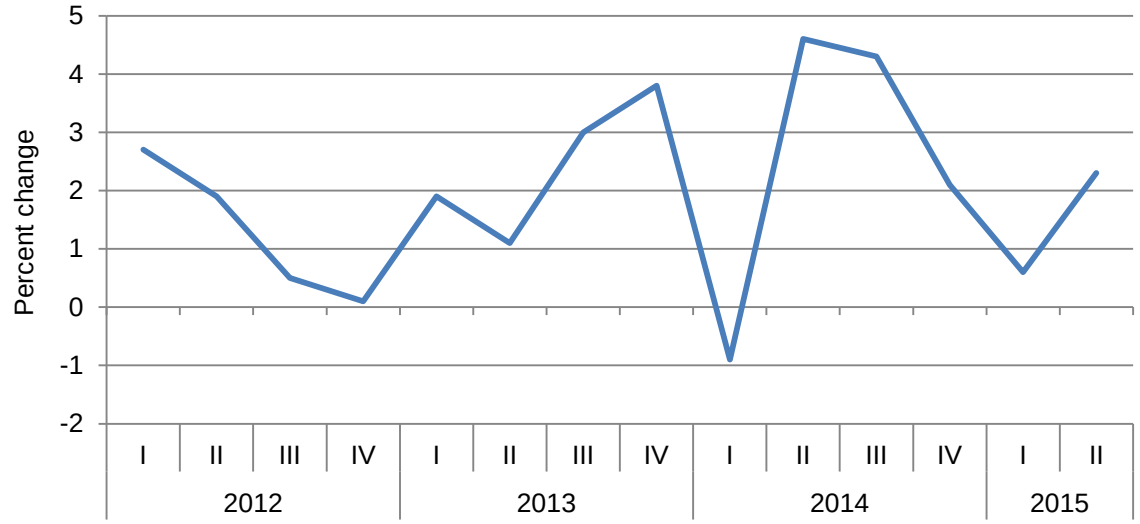
Half of the responding U.S. producers (4 of 8) and importers (7 of 15) reported that there have been changes to the business cycle and conditions of competition since 2012. U.S. producers reported an increase in import volumes, declining prices, and decreasing demand in Europe and other foreign markets. Four importers identified the strengthening automotive market and one importer identified an improving general economic environment. One importer reported that there has been an increase in demand for advanced high strength steel.

Demand trends

Based on questionnaire responses from U.S. producers and importers, U.S. demand for cold-rolled steel is affected by changes in overall U.S. economic activity. The aggregate U.S. economy, as measured by percentage changes in the gross domestic product, fluctuated from 2012 to 2013, and then declined steeply during the first quarter of 2014, but has since increased (figure II-4). Firms reported that the rebounding economy has attributed to an increased demand for cold-rolled steel. According to U.S. Steel, CRU reported that 2014 was the strongest year of demand for cold-rolled steel since 2008.[31]

[31] Conference transcript, p. 45 (Mathews).

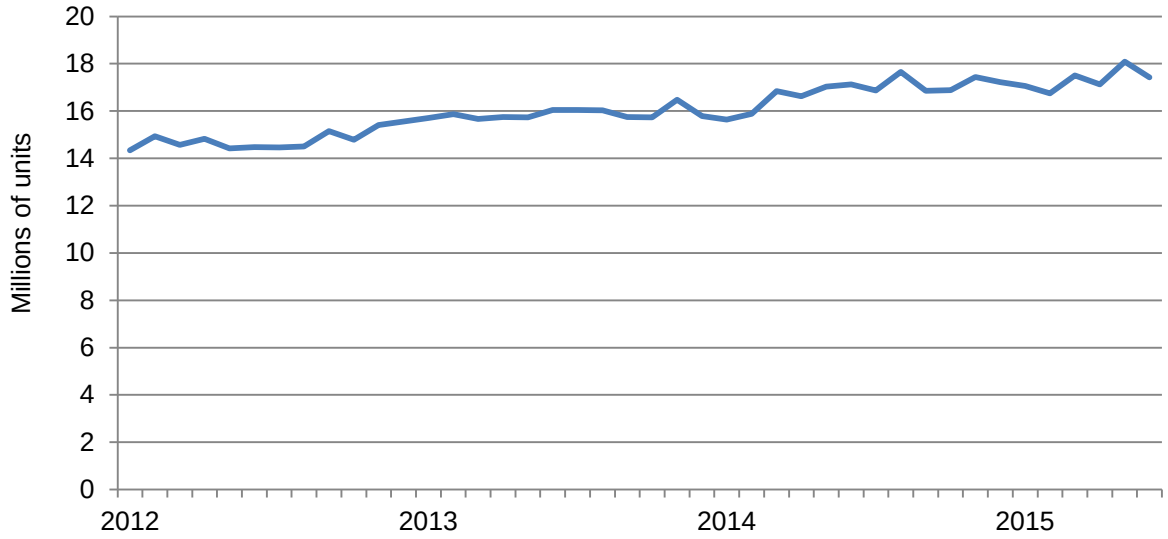
Figure II-4
Real U.S. GDP growth: Percentage change from the previous quarter, quarterly, January 2012-June 2015



Source: National Income and Product Accounts-Table 1.1.1, *Percent Change from Preceding Period in Real Gross Domestic Product*, Bureau of Economic Analysis, http://www.bea.gov/iTable/index_nipa.cfm, retrieved August 12, 2015.

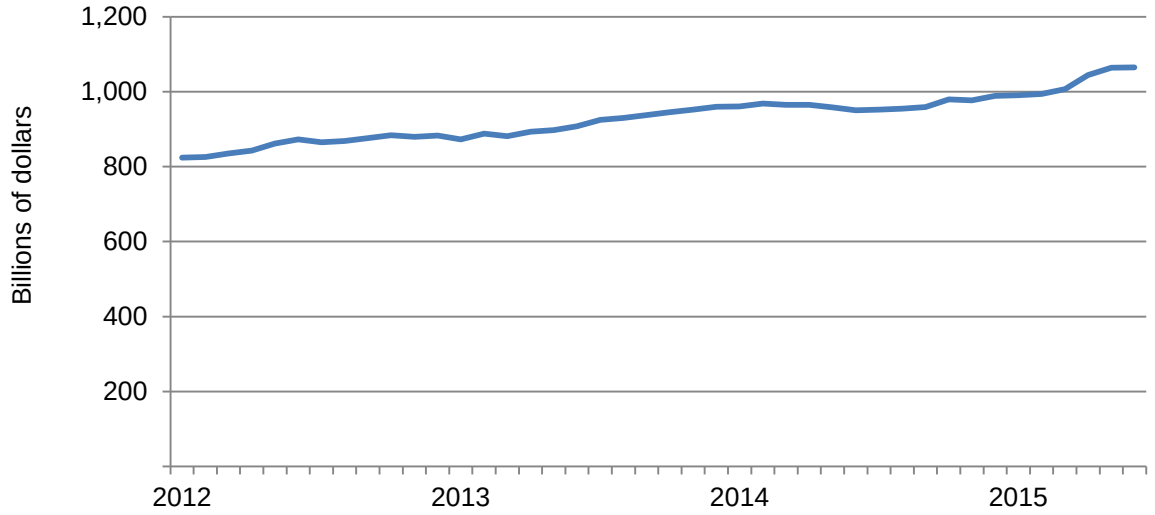
Demand for cold-rolled steel is primarily driven by automotive and construction demand. Both the U.S. automotive and construction industries have seen substantial growth since 2012. The total U.S. light trucks and automobiles sales increased during January 2012-June 2015 (figure II-5). Total U.S. light truck and automobile sales grew by 21.1 percent from 14.0 million units in January 2012 to 17.0 million units in June 2015. Total construction spending increased overall from January 2012 to April 2015 (figure II-6). Total U.S. construction increased by 32.2 percent from January 2012 to January 2015, and continued to grow to $766.4 billion dollars by June 2015.

Figure II-5
U.S. automotive sales: Automobile and light truck retail unit sales, monthly, seasonally adjusted at annual rates, January 2012-June 2015



Source: BEA, Motor Vehicle Unit Retail Sales, table 6, Light Vehicle and Total Vehicle Sales, www.bea.gov/national/xls/gap_hist.xls, retrieved August 12, 2015.

Figure II-6
U.S. construction activity: Total construction spending (private and public construction), monthly, seasonally adjusted at annual rates, January 2012-June 2015



Source: Construction Spending, U.S. Census Bureau, http://www.census.gov/, retrieved August 12, 2015.

Most U.S. producers and 16 of 43 importers reported an increase in U.S. demand for cold-rolled steel since January 1, 2012 (table II-6). Firms attributed the increase in demand for cold-rolled steel to improved economic conditions with growth in U.S. construction activity and automotive manufacturing. A plurality of importers reported that demand for cold-rolled steel has fluctuated since 2012 and has followed the overall trend of the economy.

Firms' responses regarding demand for cold-rolled steel outside the United States varied. Two U.S. producers and one importer reported an increase in foreign demand and attributed the growth to an increase in automotive sales. Several U.S. producers reported that demand in the EU and in China have been stagnant or have decreased. Four importers reported an increase in demand in emerging markets. According to one Brazilian source, demand for steel products in Brazil has declined, with its domestic sales forecasted to fall 15.6 percent in 2015. Falling demand in Brazil is attributed to declining economic conditions in its automotive, construction, machinery, and equipment sectors.[32]

Table II-6

Cold-rolled steel: Firms' responses regarding U.S. demand and demand outside the United States

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	7	2	0	2
Importers	16	7	1	19
Demand outside the United States				
U.S. producers	3	2	1	3
Importers	11	6	0	16

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

Substitute products

Substitutes for cold-rolled steel are limited in certain applications. Substitutes for cold-rolled steel include aluminum, plastic, hot-rolled pickled and oiled products, NOES, galvanized steel, and stainless steel.[33] Seven of 11 responding U.S. producers and six of 42 responding importers indicated that there were substitute products for cold-rolled steel. Five of seven responding U.S. producers and two of six responding importers reported that price changes for substitutes do not affect the price of cold-rolled steel. Two U.S. producers (***) reported that the price of hot-rolled pickled and oiled products, aluminum, and stainless steel affect the price of cold-rolled steel. *** reported that substitutes influence the pricing of cold-rolled steel as well as put pressure on the company to continue R&D efforts to produce lighter and more cost-effective cold-rolled steel options for its customers. Importers *** reported that galvanized steel used in "lightweighting" applications for automotive uses has reduced demand for cold-rolled steel and has impacted price. Importer *** stated that Ford has switched from cold-rolled steel to aluminum and indicated that aluminum impacts the price of cold-rolled steel.

[32] ArcelorMittal USA's postconference brief, exhibit 11, *Brazilian Steel Institute*, "Brazilian Steel Industry Faces Its Worst Crisis," p. 2.

[33] Aluminum was reported as a substitute for cold-rolled steel in automotive end uses; plastic was identified as a substitute in office furniture and electrical fixtures; hot-rolled pickled and oiled products was reported as a substitute in pipe and tube end uses; NOES was reported as a substitute in ignition applications; galvanized steel was reported as a substitute in non-critical exposed automotive applications; and stainless steel was identified as a substitute for cold-rolled steel in appliances.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported cold-rolled steel depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is high degree of substitutability between domestically produced cold-rolled steel and cold-rolled steel imported from subject sources.

Lead times

Cold-rolled steel is primarily produced-to-order. U.S. producers reported that 99.3 percent of their commercial shipments were produced-to-order, with lead times averaging 46 days. The remaining 0.7 percent of their commercial shipments came from inventories, with lead times averaging 3.5 weeks. U.S. importers reported that 85.7 percent of their commercial shipments were produced-to-order, with lead times averaging 108 days. U.S. importers reported that 12.8 percent of their commercial shipments came from U.S. inventories and the remaining 1.5 percent of their commercial shipments came from foreign inventories. Importers averaged 34 days to complete orders from U.S. inventories and 44 days to complete orders from foreign inventories.

Comparison of U.S.-produced and imported cold-rolled steel

In order to determine whether U.S.-produced cold-rolled steel can generally be used in the same applications as imports from Brazil, China, India, Japan, Korea, the Netherlands, Russia, and the United Kingdom, U.S. producers and importers were asked whether the products can “always,” “frequently,” “sometimes,” or “never” be used interchangeably. As shown in table II-7, the majority of U.S. producers reported that cold-rolled steel from all country pairs was “always” interchangeable. Most importers reported that cold-rolled steel from all country pairs was either “always” or “frequently” interchangeable.

Table II-7

Cold-rolled steel: Interchangeability between cold-rolled steel produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
United States vs. Brazil	8	1	1	0	8	11	5	0
United States vs. China	8	0	1	1	9	14	7	0
United States vs. India	8	0	1	1	8	10	8	0
United States vs. Japan	8	2	0	0	11	10	4	1
United States vs. Korea	8	1	1	0	9	9	9	0
United States vs. Netherlands	8	1	1	1	9	7	3	0
United States vs. Russia	8	0	1	1	8	8	5	0
United States vs. United Kingdom	8	2	0	1	8	8	4	0
Subject countries comparisons:								
Brazil vs. China	8	0	1	0	8	9	3	0
Brazil vs. India	8	0	1	0	8	9	3	0
Brazil vs. Japan	8	1	0	0	8	7	3	1
Brazil vs. Korea	8	1	0	0	8	7	6	0
Brazil vs. Netherlands	8	1	0	0	8	8	3	0
Brazil vs. Russia	8	0	1	0	8	6	4	0
Brazil vs. United Kingdom	8	1	0	0	8	7	3	0
China vs. India	8	0	1	0	9	9	4	0
China vs. Japan	8	0	1	0	8	7	3	1
China vs. Korea	8	0	1	0	8	7	6	0
China vs. Netherlands	8	0	1	0	8	7	4	0
China vs. Russia	8	0	1	0	8	6	5	0
China vs. United Kingdom	8	0	1	0	8	6	4	0
India vs. Japan	8	0	1	0	8	6	4	1
India vs. Korea	8	0	1	0	8	6	8	0
India vs. Netherlands	8	0	1	0	8	6	5	0
India vs. Russia	8	0	1	0	8	7	4	0
India vs. United Kingdom	8	0	1	0	8	5	5	0
Japan vs. Korea	8	1	0	0	9	6	7	1
Japan vs. Netherlands	8	1	0	0	8	7	3	1
Japan vs. Russia	8	0	1	0	8	4	5	1
Japan vs. United Kingdom	8	1	0	0	8	7	4	1
Korea vs. Netherlands	8	1	0	0	8	7	3	0
Korea vs. Russia	8	0	1	0	8	5	4	1
Korea vs. United Kingdom	8	1	0	0	8	6	4	0
Netherlands vs. Russia	8	0	1	0	8	5	4	0
Netherlands vs. United Kingdom	8	1	0	0	8	7	3	0
Russia vs. United Kingdom	8	0	1	0	8	5	5	0

Table continued on next page.

Table II-7—*Continued*

Cold-rolled steel: Interchangeability between cold-rolled steel produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
Nonsubject countries comparisons:								
United States vs. Other	7	0	2	0	7	9	5	0
Brazil vs. Other	7	0	1	0	7	5	3	0
China vs. Other	7	0	1	0	7	7	3	0
India vs. Other	7	0	1	0	7	7	3	0
Japan vs. Other	7	0	1	0	7	5	3	1
Korea vs. Other	7	0	1	0	7	5	3	0
Netherlands vs. Other	7	0	1	0	7	5	3	0
Russia vs. Other	7	0	1	0	7	6	3	0
United Kingdom vs. Other	7	0	1	0	7	5	3	0

Note.—A=Always, F=Frequently, S=Sometimes, N=Never.

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

Several importers reported limited product interchangeability due to differences in quality, production processes, and grades. Importers *** reported that product imported from the United Kingdom was sometimes interchangeable with domestic product. *** stated that the precision cold-rolled steel strip imported from the United Kingdom is sold at a premium price. *** stated that the limited interchangeability of UK product with domestic product and product imported from other countries is attributed partly to the differences in annealing process as well as the superior quality and differences in customer service.[34] Importers *** reported that Korean producer POSCO produces higher automotive grade steel which is not interchangeable with other cold-rolled steel and is not generally available from U.S. mills or from other importers. Two importers (***) stated that cold-rolled steel from China had lower surface quality and was only sometimes interchangeable with domestic product. Several importers stated that cold-rolled steel from both India and Russia does not always meet quality requirements necessary to be interchangeable with domestic product.

AK Steel, ArcelorMittal USA, Nucor, and U.S. Steel contend that the domestic industry has the capability to produce the entire range of products along the quality continuum.[35] [36] However, according to Japanese respondents, cold-rolled steel from Japan has limited

[34] It stated that the cold-rolled steel imported from the United Kingdom is produced from a continuous annealing process, while domestic product is box/batch annealed.

[35] Conference transcript, pp. 87, 90-91 (Kopf, Mull, and Mathews). AK Steel's postconference brief, p. 7.

[36] U.S. Steel reported that it made a substantial investment to its Leipsic, Ohio facility in 2012 and can produce cold-rolled advanced high strength steels. These steels are demanded in the automotive industry in order to help automotive manufacturers meet safety standards as well as lightweight their vehicles. Conference transcript, pp. 106-107 (Mathews).

interchangeability with domestic product. They contend that Japanese cold-rolled steel products are high-quality niche products that satisfy specific customer requirements. Japanese respondents stated that imports of cold-rolled steel from Japan are focused on two products: ultra-high tensile steel for automotive applications and black plate used to produce cans.[37] They argue that the quality and supply availability of high tensile steel produced by domestic producers is unreliable to meet purchasers' requirements.[38] Tata Steel Ijmuiden contends that it is the only producer capable of rolling coil to widths of 81 inches. It stated that only one domestic producer can produce cold-rolled coil with a maximum width of 78 inches.[39]

In addition, producers and importers were asked to assess how often differences other than price were significant in sales of cold-rolled steel from the United States, subject, or nonsubject countries. As seen in table II-8, most U.S. producers reported that there were "never" differences other than price between all country pairs. Importer responses were more varied; most importers reported that there were "sometimes" or "never" differences other than price between all country pairs.

Table II-8

Cold-rolled steel: Significance of differences other than price between cold-rolled steel produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
United States vs. Brazil	1	0	3	5	3	4	10	5
United States vs. China	1	0	3	5	6	9	10	5
United States vs. India	1	0	3	5	5	5	11	5
United States vs. Japan	1	0	2	6	6	4	10	5
United States vs. Korea	1	0	2	6	7	6	8	5
United States vs. Netherlands	2	0	2	6	6	2	6	5
United States vs. Russia	1	0	3	5	3	2	9	5
United States vs. United Kingdom	2	0	2	6	7	2	5	5

Table continued on next page.

[37] Japanese Mills' postconference brief, p. 5 and exhibit 2. Japanese producer ***. Japanese Mills' postconference brief, exhibit 4.

[38] Japanese Mills' postconference brief, p. 6. Ohio Coatings Company ("OCC"), a producer of tin mill products, stated that ArcelorMittal USA and U.S. Steel are its only viable domestic sources of black plate. However, because ArcelorMittal USA and U.S. Steel are also its competitors in the tin plate market, OCC imports the vast majority of its black plate from Korea and Japan. Conference transcript, pp. 182-183 (Tennant). According to Korean producers, 70 percent of imports of black plate are sourced from Japan and Korea and nearly all of these imports are purchased by OCC for its production of tin plate. Korean producers' postconference brief, pp. 5-6.

[39] Tata Steel Ijmuiden's postconference brief, p. 22.

Table II-8—*Continued*

Cold-rolled steel: Significance of differences other than price between cold-rolled steel produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
Subject countries comparisons:								
Brazil vs. China	0	0	3	5	2	3	8	6
Brazil vs. India	0	0	3	5	3	3	7	6
Brazil vs. Japan	0	0	3	5	3	3	6	5
Brazil vs. Korea	0	0	3	5	4	5	6	5
Brazil vs. Netherlands	0	0	3	5	2	2	6	4
Brazil vs. Russia	0	0	3	5	3	2	6	5
Brazil vs. United Kingdom	0	0	3	5	2	2	5	4
China vs. India	0	0	3	5	3	4	9	6
China vs. Japan	0	0	3	5	3	3	6	5
China vs. Korea	0	0	3	5	4	5	6	6
China vs. Netherlands	0	0	3	5	2	2	6	5
China vs. Russia	0	0	3	5	3	2	7	5
China vs. United Kingdom	1	0	3	5	2	2	5	5
India vs. Japan	0	0	3	5	4	4	6	5
India vs. Korea	0	0	3	5	5	5	6	5
India vs. Netherlands	0	0	3	5	3	2	6	4
India vs. Russia	0	0	3	5	4	2	7	5
India vs. United Kingdom	0	0	3	5	3	2	5	4
Japan vs. Korea	0	0	2	6	5	5	4	6
Japan vs. Netherlands	0	0	2	6	3	2	4	5
Japan vs. Russia	0	0	3	5	4	2	5	4
Japan vs. United Kingdom	0	0	2	6	3	2	4	5
Korea vs. Netherlands	0	0	2	6	2	2	4	6
Korea vs. Russia	0	0	3	5	3	2	5	5
Korea vs. United Kingdom	0	0	2	6	2	2	4	6
Netherlands vs. Russia	0	0	3	5	3	2	6	5
Netherlands vs. United Kingdom	0	0	2	6	2	2	4	5
Russia vs. United Kingdom	0	0	3	5	2	2	5	4
Nonsubject countries comparisons:								
United States vs. Other	1	0	2	5	3	5	10	4
Brazil vs. Other	0	0	2	5	2	2	6	4
China vs. Other	0	0	2	5	2	3	6	5
India vs. Other	0	0	2	5	2	3	6	4
Japan vs. Other	0	0	2	5	3	3	5	4
Korea vs. Other	0	0	2	5	2	2	5	5
Netherlands vs. Other	0	0	2	5	2	2	5	4
Russia vs. Other	0	0	2	5	2	2	6	4
United Kingdom vs. Other	0	0	2	5	2	2	5	4

Note.--A = Always, F = Frequently, S = Sometimes, N = Never.

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

U.S. producer *** stated that differences can include “Buy America” compliance requirements, lead-time requirements, and customer service. Importer *** stated that different factors such as quality, availability, and lead times are frequently significant. With respect to product from the United Kingdom, importers *** stated that “the product imported from Tata Steel UK is continuously annealed, which imparts certain characteristics to the steel, including flatter surfaces, cleaner surfaces, and hardness, making it better suited than batch annealed cold-rolled steel for certain applications. Conversely, batch annealed cold rolled steel has better deep drawing capability than continuously annealed product.” Importer *** stated that the quality, size range, and availability of cold-rolled steel produced by some producers in China is more favorable than that of West Coast U.S. domestic producers. Importer *** reported that lead time, quality, shipment reliability, and technical support place products from both China and India at a disadvantage.

PART III: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, AND EMPLOYMENT

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in Part I of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part IV and Part V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of twelve firms that accounted for the vast majority of U.S. production of cold-rolled steel during 2015.[1]

U.S. PRODUCERS

The Commission issued a U.S. producer questionnaire to 24 firms based on information contained in the petition, and review of industry reports. Twelve firms provided useable data on their productive operations.[2] Staff believes that these responses represent the vast majority of U.S. production of cold-rolled steel.

Table III-1 lists U.S. producers of cold rolled-steel, their production locations, positions on the petition, and shares of total production in 2014.

[1] The coverage estimate is based on total production of cold-rolling in the United States of *** short tons as reported by ***.

[2] One firm, *** submitted a late questionnaire response but with data that was not useable. Eleven firms, which are believed to be processors of cold-rolled steel, (***) did not respond to the Commission's questionnaire.

Table III-1
Cold-rolled steel: U.S. producers of cold-rolled steel, their positions on the petition, production locations, production, and shares of reported production, 2014

Firm	Position on petition	Production location(s)	Share of production (percent)
AK Steel	Support	Ashland, KY Butler, PA Dearborn, MI Middletown, OH Rockport, IN	***
ArcelorMittal, USA	Support	Burns Harbor, IN Cleveland, OH East Chicago, IN Weirton, WV New Carlisle, IN Calvert, AL	***
Blair	***	New Castle, PA	***
CSI	***	Fontana, CA	***
CSN	***	Terre Haute, IN	***
Nucor	Support	Blytheville, AR Berkeley, SC Trinity, AL Crawfordsville, IN	***
Steel Dynamics	Support	Butler, IN Columbus, MS	***
Steelscape	***	Kalama, Washington	***
Thomas	***	Warren, OH	***
U.S. Steel	Support	Fairfield, AL Gary, IN East Chicago, IN Portage, IN Granite City, IL Ecorse, MI West Mifflin, PA	***
USS-POSCO	***	Pittsburg, CA	***
Worthington Steel	***	Columbus, OH Cleveland, OH	***
Total			***

Note.— ***. ***.

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

Table III-2 presents information on U.S. producers' ownership and related and/or affiliated firms.

Table III-2
Cold-rolled steel: U.S. producers' ownership and related and/or affiliated firms.

* * * * * * *

As indicated in table III-2, four U.S. producers (***) are related to foreign producers of the subject merchandise, and one U.S. producer (***) is related to U.S. importers of the subject merchandise. In addition, as discussed in greater detail below, four U.S. producers (***) directly imported the subject merchandise, while no U.S. producers purchased the subject merchandise from U.S. importers.

Tolling operations and joint ventures

Two domestic producers reported tolling operations, ***. *** reported that ***. *** reported that ***.

Changes in operations

Table III-3 summarizes more recent important events that have taken place in the U.S. cold-rolled industry.

Table III-3
Cold-rolled steel: Important industry events since January 1, 2012

Date		Company	Action
Year	Month		
2012	April	Severstal	A new labor agreement with the United Auto Workers was ratified covering Severstal's Dearborn, Michigan operations. The Dearborn Works is an integrated steelmaking facility that produces flat-rolled products including cold-rolled steel, as well as other products.
	July	AK Steel	A new labor agreement with the United Auto Workers was ratified on July 17, 2012 covering workers at the Butler, Pennsylvania operations. The Butler facility produces carbon steel slabs which are finished (i.e. rolled) at other locations, as well as products outside the scope of these investigations such as stainless steel and electrical steel, The previous agreement was due to expire on September 30, 2012 and the new agreement will expire on October 1, 2016.
	October	ArcelorMittal	A new labor agreement with the United Steelworkers union was ratified on October 12, 2012 as negotiations continued past the September 1, 2012 expiration date of the previous agreement.

Table continued on next page.

Table III-3--*Continued*
Cold-rolled steel: Important industry events since January 1, 2012

Date		Company	Action
Year	**Month**		
2013	June	AK Steel	The blast furnace at the Middletown, Ohio Works had an unplanned outage on June 22, 2013 and restarted on July 12, 2013. As a result of the unplanned outage, the company's steelmaking production during the quarter was reduced, resulting in a delay of shipments to some carbon steel spot market customers and an overall reduction in shipments during the third quarter of 2013.
	August		A new labor agreement is ratified with the United Auto Workers covering workers at the Rockport, Indiana Works. The previous agreement was set to expire on September 30, 2013 and the new agreement will expire on September 30, 2017. The Rockport Works is a finishing operation only (i.e. does not make steel) and produces cold-rolled steel as well as products outside of the product scope of these investigations such as coated and stainless steel flat-rolled products.
2014	February	ArcelorMittal	Acquires, in a joint venture with Nippon Steel & Sumitomo Metal Corp., ThyssenKrupp Steel USA, which is a steel processing plant in Calvert, Alabama, The Calvert, Alabama plant produces hot rolled, cold rolled, and coated steel.
		AK Steel	The blast furnace at the Ashland, Kentucky facility had an unplanned outage on February 22, 2014 and resumed operation in March.
	June		A new labor agreement with the International Association of Machinists and Aerospace Workers was ratified covering workers at the Middletown, Ohio Works. The previous agreement was set to expire on September 15, 2014 and the new agreement will expire on March 15, 2018.
	July		Announced an unplanned blast furnace outage at its Ashland, Kentucky facility. An announcement was made on September 3, 2014 that the blast furnace was back in operation although at reduced production levels. AK Steel also stated that it would compensate for the lower production levels by purchasing slabs on the open market, boosting slab output at its Butler, Pennsylvania operations, and using output from its recently acquired Dearborn, Michigan facility.
	September		Acquired the former Severstal plant in Dearborn, Michigan. The Dearborn Works is an integrated steelmaking facility that produces flat-rolled products including hot- and cold-rolled steel, galvanized steel, as well as other products.

Table continued on next page.

Table III-3--*Continued*
Cold-rolled steel: Important industry events since January 1, 2012

Date		Company	Action
2014	September	Steel Dynamics	Acquired the former Severstal steel mill in Columbus, Mississippi for $1.6 billion. The Columbus plant produced a range of flat-rolled products including hot-rolled, cold-rolled, and coated steel.
	October	U.S. Steel	Announced its intent to install an electric arc furnace at its Fairfield Works in Alabama with a projected start date in 2017. The plan is to replace the blast furnace at Fairfield with an electric arc furnace.
	December	AK Steel	A new labor agreement with the United Steel Workers is ratified on December 12. The agreement covers workers at the Ashland Kentucky Works and became effective after the expiration of the old contract on March 1, 2015 and will expire on September 1, 2018. The Ashland Works has steelmaking and casting operations but not cold-rolling operations.
2015	January	Worthington Steel	Acquired Rome Strip Steel Co., Inc. located in Rome, N.Y. Rome manufactures cold rolled steel to extremely tight tolerances, primarily for the automotive industry. The business will add a high- value-added, cold rolling and annealing production facility to the Company.
	March	U.S. Steel	Announced plans to begin construction of an electric arc furnace at its Fairfield, Alabama facility in the second quarter of 2015 with a projected completion date of third quarter of 2016. The electric arc furnace represents an investment of $230 million. The company planned to continue steelmaking and finishing operations during the construction to serve both the tubular and flat-rolled industry segments.
	August	ArcelorMittal, U.S. Steel	As of August 31, 2015, labor contract negotiations continue at ArcelorMittal and U.S. Steel with the United Steel Workers union as the labor contracts at both companies expire at 11:59 pm. September 1, 2015. According to at least one industry source, the parties are “far apart” on several issues.
		U.S. Steel	Announced the intent to permanently close the blast furnace, the hot strip mill, the pickle line, the cold mill, annealing facility and stretch and temper line (in other words, all equipment to make flat-rolled products including cold-rolled steel) at its Fairfield Works in Fairfield, Alabama, on or after November 17, 2015. The decision does not impact Fairfield Tubular Operations or the electric arc furnace construction project.

Source: Compiled from information obtained from various news articles and company websites.

Nine responding domestic producers reported changes in their operations related to the production of cold-rolled steel since January 1, 2012. Such changes are presented in table III-4.

Table III-4
Cold-rolled steel: Reported changes in operations by U.S. producers

* * * * * * *

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-5 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. Domestic producers' aggregate capacity was relatively stable, increasing by less than 0.1 percent from 2012 to 2014.[3] Reported capacity was 0.3 percent lower in interim 2015 compared with interim 2014. Production increased by 1.0 percent from 2012 to 2014, but was 9.0 percent lower in interim 2015 compared with interim 2014. Capacity utilization was 0.8 percentage points higher in 2014 than in 2012, but was 6.0 percentage points lower in interim 2015 compared with interim 2014. Line shutdowns and production curtailments reported by six of the responding U.S. producers, including ***, mostly in 2014 and 2015 (see table III-3), did not result in a substantial decline in the reported aggregate capacity data or the aggregate production data during 2012-14, but were reflected in the lower aggregate production reported during interim 2015.

Table III-5
Cold-rolled steel: U.S. producers' production, capacity, and capacity utilization, 2012-14, January-June 2014, and January-June 2015

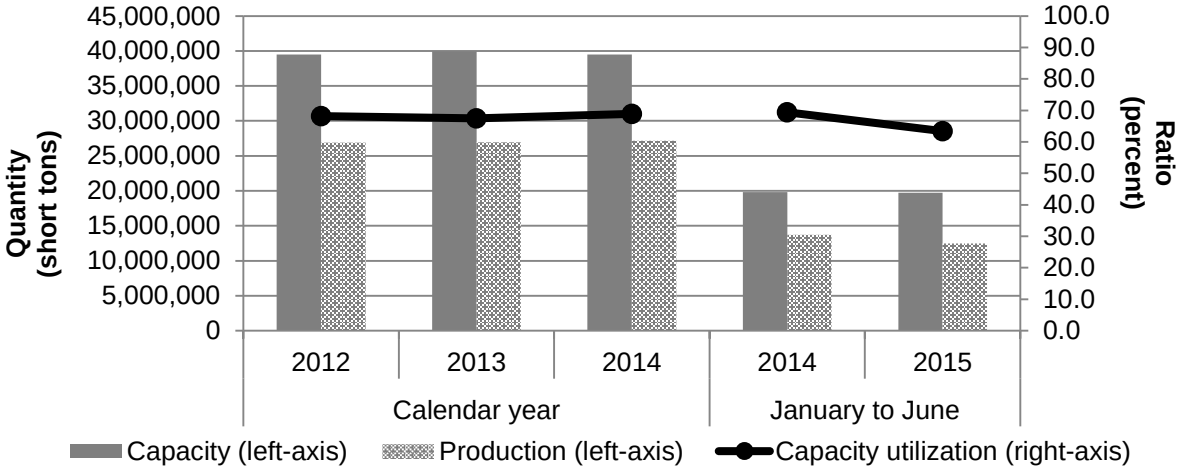
Item	Calendar year			January-June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Capacity[1]	39,514,662	39,961,225	39,510,948	19,802,264	19,738,901
Production	26,925,495	26,969,346	27,205,722	13,752,234	12,517,060
	Ratio (percent)				
Capacity utilization	68.1	67.5	68.9	69.4	63.4

[1] ***.

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

[3] U.S. producer ***. Email from ***, August 26, 2015.

Figure III-1
Cold-rolled steel: U.S. producers' production, capacity, and capacity utilization, 2012-14, January-June 2014, and January-June 2015



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

Alternative products

As shown in table III-6, the majority of product produced by U.S. producers is subject cold-rolled steel. Production of cold-rolled steel accounted for 65.7 percent of total production on common equipment in 2014, while hot-rolled steel accounted for 27.2 percent and all other products accounted for 7.1 percent.[4] The share of production represented by cold-rolled steel declined between 2012 and 2014, while the share of hot-rolled steel and other products increased. A majority of responding firms reported that they do not produce alternative products on the same equipment or using the same employees as cold-rolled steel. Firms that reported alternative products included ***.

[4] Other products included coated steel (***) and tin mill products (***).

Table III-6
Cold-rolled steel: U.S. producers' overall plant capacity and production on the same equipment as subject production, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January-June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Overall production capacity	53,971,596	54,285,596	54,274,937	27,774,842	27,575,883
Production:					
Cold-rolled steel products	26,925,495	26,969,346	27,205,722	13,752,234	12,517,060
Hot-rolled steel products	10,770,293	11,006,368	11,268,931	5,698,712	4,958,279
Other products	2,713,446	2,879,266	2,940,449	1,490,560	1,378,823
Total production	40,409,234	40,854,980	41,415,102	20,941,506	18,854,162
	Ratios and shares (percent)				
Overall capacity utilization	74.9	75.3	76.3	75.4	68.4
Share of production:					
Cold-rolled steel products	66.6	66.0	65.7	65.7	66.4
Hot-rolled steel products	26.7	26.9	27.2	27.2	26.3
Other products	6.7	7.0	7.1	7.1	7.3
Total production	100.0	100.0	100.0	100.0	100.0

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

U.S. PRODUCERS' U.S. SHIPMENTS AND EXPORTS

Table III-7 presents U.S. producers' U.S. shipments, export shipments, and total shipments. These data show that total shipments increased in each period during 2012-14, but were lower in interim 2015 compared with interim 2014. The increase between 2012 and 2014 was solely due to increased internal consumption, while commercial U.S. shipments, transfers to related firms, and export shipments declined over this period. All but export shipments were lower in interim 2015 compared with interim 2014.

Internal consumption accounted for between *** percent of total shipments, with all but two domestic producers (***) reporting internal consumption. All but two firms (***) reported export shipments, *** to principal markets Canada and Mexico. *** accounted for *** percent of domestic producers' exports in 2014, followed by *** accounting for *** percent. Exports accounted for 1.8 percent of U.S. producers' total shipments in 2014.

Table III-7
Cold-rolled steel: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January-June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Commercial U.S. shipments	10,626,500	10,499,751	10,159,430	5,235,015	4,655,436
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	26,248,822	26,401,707	26,715,176	13,598,524	12,329,780
Export shipments	677,934	596,852	480,642	256,403	259,720
Total shipments	26,926,756	26,998,559	27,195,818	13,854,927	12,589,500
	Value (1,000 dollars)				
Commercial U.S. shipments	8,307,673	7,832,378	7,980,297	4,112,284	3,344,518
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	19,644,331	18,807,033	19,864,129	10,158,602	8,325,975
Export shipments	601,889	520,701	443,052	234,801	222,024
Total shipments	20,246,220	19,327,734	20,307,181	10,393,403	8,547,999
	Unit value (dollars per short ton)				
Commercial U.S. shipments	782	746	786	786	718
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	748	712	744	747	675
Export shipments	888	872	922	916	855
Total shipments	752	716	747	750	679
	Share of quantity (percent)				
Commercial U.S. shipments	39.5	38.9	37.4	37.8	37.0
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	97.5	97.8	98.2	98.1	97.9
Export shipments	2.5	2.2	1.8	1.9	2.1
Total shipments	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
Commercial U.S. shipments	41.0	40.5	39.3	39.6	39.1
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Subtotal, U.S. shipments	97.0	97.3	97.8	97.7	97.4
Export shipments	3.0	2.7	2.2	2.3	2.6
Total shipments	100.0	100.0	100.0	100.0	100.0

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

CAPTIVE CONSUMPTION

Section 771(7)(C)(iv) of the Act states that–[5]

> *If domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, and the Commission finds that–*
>
> *(I) the domestic like product produced that is internally transferred for processing into that downstream article does not enter the merchant market for the domestic like product,*
>
> *(II) the domestic like product is the predominant material input in the production of that downstream article, and*
>
> *then the Commission, in determining market share and the factors affecting financial performance . . ., shall focus primarily on the merchant market for the domestic like product.*

Internal transfers and merchant market sales

Internal consumption accounted for *** percent of U.S. producers' U.S. shipments of cold-rolled steel during January 2012-June 2015. Transfers to related firms accounted for an additional *** percent. Commercial shipments accounted for the remaining 39.2 percent during this 42-month period.

First statutory criterion in captive consumption

The first requirement for application of the captive consumption provision is that the domestic like product that is internally transferred for processing into that downstream article not enter the merchant market for the domestic like product. U.S. producers reported internal consumption of cold-rolled steel for the production of coated steel. No U.S. producer, however, reported diverting cold-rolled steel intended for internal consumption to the merchant market. *** reported sales of limited volumes of cold-rolled steel (***) that were transferred to related firms.

Table III-11 presents the U.S. producers' share of internal consumption and transfers to related firms by end-use in 2014. The vast majority of internal consumption is processed into coated steel, followed by tin milled products, while vast majority of transfers to related firms were processed into other (largely construction-related) products, with a smaller share sold as cold-rolled steel or processed into coated steel.

[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

Table III-11
Cold rolled steel: U.S. producers' share of internal consumption and transfers to related firms by end-use, 2014

* * * * * * *

Second statutory criterion in captive consumption

The second criterion of the captive consumption provision concerns whether the domestic like product is the predominant material input in the production of the downstream article that is captivity produced. With respect to the downstream articles resulting from captive production, all but one of the eight responding domestic producers reported that cold-rolled steel comprises between 80 and 87 percent of the finished cost of coated products.[6] Three responding U.S. producers estimated that cold-rolled steel compromises 68-84 percent of the finished cost of tin mill products, while two responding producers estimated that cold-rolled steel accounted for 78-90 percent of other products.

U.S. PRODUCERS' INVENTORIES

Table III-8 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. These data show that inventories fluctuated between 2012 and 2014, ending 2.0 percent lower in 2014, than in 2012, and were 3.5 percent higher in interim 2015 compared with interim 2014. U.S. producers' inventories were equivalent to between 4.3 and 4.4 percent of U.S. producers' U.S. production and total shipments, and between 4.4 and 4.5 percent of U.S. shipments, during 2012-14. While all U.S. producers reported inventories, the majority (more than *** percent) of domestic producers' inventories were reported by two firms (***). ***'s inventories increased 2012-14 and were higher in interim 2015, while ***'s inventories declined in 2012-14 and were lower in interim 2015.

[6] *** reported that cold-rolled steel accounted for *** percent of coated products.

Table III-8
Cold-rolled steel: U.S. producers' inventories, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January-June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
U.S. producers' end-of-period inventories	1,193,312	1,163,147	1,169,857	1,059,422	1,096,561
	Ratio (percent)				
Ratio of inventories to.--					
U.S. production	4.4	4.3	4.3	3.9	4.4
U.S. shipments	4.5	4.4	4.4	3.9	4.4
Total shipments	4.4	4.3	4.3	3.8	4.4

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

Table III-9 presents U.S. producers' imports and purchases of cold-rolled steel. One U.S. producer, *** directly imported cold-rolled steel from subject countries. Three other U.S. producers, ***, are related to U.S. importers that imported cold-rolled steel from subject countries. Four other U.S. producers imported or purchased cold-rolled steel imported from nonsubject countries.

Table III-9
Cold-rolled steel: U.S. producers' U.S. production, imports and purchases, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

U.S. producer *** imported from *** in 2014 and interim 2015. These imports accounted for *** percent of U.S. production, respectively. U.S. producer *** is related to ***. These imports were equivalent to *** percent of U.S. production in any given time period. U.S. producer *** is related to ***. The total imports of *** were equivalent to between *** percent of *** U.S. production. None of these importers listed *** as one of their top ten customers for cold-rolled steel in 2014, and *** did not report any purchases of imports or direct imports. U.S. producer USS-POSCO is a joint venture between U.S. Steel and Korean producer POSCO. POSCO is the *** of U.S. importers POSCO America and POSCO-AAPC. The total imports of cold-rolled steel from Korea of both of these importer were equivalent to between *** percent of USS-POSCO's U.S. production of cold-rolled steel. Neither of these importers ***.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-10 shows U.S. producers' employment-related data. U.S. producers' employment measured by PRWs decreased overall from 2012 to 2014, and was lower in interim 2015 compared with interim 2014. *** accounted for the vast majority of the decline in employment in 2012-14, while *** accounted for much of the reduced employment in interim 2015. Total hours worked declined between 2012 and 2014, but at a lower rate than PRWs, resulting in increased hours worked per PRW. Total hours worked was lower in interim 2015 compared with interim 2014, as was hours worked per PRW. Wages paid and hourly wages increased each period during 2012-14, but both were lower in interim 2015 than interim 2014. Productivity increased each period during 2012-14, but was lower in interim 2015 compared with interim 2014. Productivity did not keep pace with wage rates, resulting in rising unit labor costs.

Table III-10
Cold-rolled steel: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January-June	
	2012	2013	2014	2014	2015
Production and related workers (PRWs) (number)	11,193	11,108	10,935	11,119	10,794
Total hours worked (1,000 hours)	25,075	25,086	24,699	12,820	12,084
Hours worked per PRW (hours)	2,240	2,258	2,259	1,153	1,120
Wages paid ($1,000)	933,381	937,883	964,280	498,185	465,967
Hourly wages (per hour)	$37.22	$37.39	$39.04	$38.86	$38.56
Productivity (short tons per 1,000 hours)	1,073.8	1,075.1	1,101.5	1,072.7	1,035.8
Unit labor costs (per short ton)	$34.67	$34.78	$35.44	$36.23	$37.23

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

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

U.S. IMPORTERS

The Commission issued an importer questionnaire to 68 firms believed to be importers of subject cold-rolled steel, as well as to all U.S. producers of cold-rolled steel.[1] Usable questionnaire responses were received from 50 companies, representing 93.7 percent of official U.S. imports from Brazil, 77.1 percent from China, 62.4 percent from India, 95.8 percent from Japan, 94.3 percent from Korea, 99.7 percent from the Netherlands, 65.5 percent from Russia, 99.2 percent from United Kingdom, and 79.0 percent from nonsubject countries between January 2012 and May 2015 (last month for which data were available from ***).[2] [3] In light of less-than-complete coverage of data from several subject countries provided in Commission questionnaires, import data in this report are based on official Commerce statistics for cold-rolled steel, as adjusted to include alloy cold-rolled steel data collected separately in questionnaire responses. Table IV-1 lists all responding U.S. importers of cold-rolled steel, their locations, and their shares of U.S. imports, in 2014.

Table IV-1
Cold-rolled steel: U.S. importers by source, 2014

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U.S. IMPORTS

Table IV-2 and figure IV-1 present data for U.S. imports of cold-rolled steel from Brazil, China, India, Japan, Korea, the Netherlands, Russia, the United Kingdom, Canada (largest nonsubject source) and all other sources. Imports of cold-rolled steel from subject countries, by quantity, declined 8.5 percent between 2012 and 2013 and then increased 167.8 percent in 2014, ending 144.8 percent higher than in 2012. U.S. imports from subject countries were 34.2

[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by ***, may have accounted for more than five percent of total imports under the non-alloy or alloy cold-rolled steel HTS statistical reporting numbers during 2012-14.

[2] The coverage estimates presented are based on the share of total imports under alloy and non-alloy cold-rolled steel HTS numbers (from data provided by ***) accounted for by each responding importer. The HTS numbers include 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17,0030, 7209.17.0060, 7209.17,0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8015, 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050.

[3] In addition, nine firms reported that they had not imported cold-rolled steel from any country at any time since January 1, 2012.

percent higher in interim 2015 compared with interim 2014. While U.S. imports from each subject country were higher in 2014 than in 2012, the majority of the increase was U.S. imports from China, while the higher level of imports in interim 2015 was due to U.S. imports from Brazil followed by imports from China and Korea.[4] As a share of the quantity of total imports, subject imports decreased from 53.4 percent in 2012 to 50.9 percent in 2013, and then rose to 64.1 percent in 2014, ending 10.7 percentage points higher than in 2012. Subject imports were also 9.8 percentage points higher in interim 2015 compared with interim 2014. The average unit values of subject imports, which were lower than those reported for nonsubject imports, decreased by $115 per short ton or 13.8 percent from 2012 to 2014,[5] [6] and were $84 per short ton or 11.3 percent lower in interim 2015 compared with interim 2014.

Canada was the largest nonsubject source for U.S. imports of cold-rolled steel, accounting for *** percent of the quantity of total U.S. imports of cold-rolled steel in 2014. U.S. imports from all nonsubject countries combined declined by *** percent from 2012 to 2014, and were *** percent lower in interim 2015 compared with interim 2014. The average unit values of nonsubject imports decreased 4.0 percent ($36 per short ton) from 2012 to 2014, and were 4.5 percent lower ($38 per short ton) in interim 2015 compared with interim 2014.

[4] Petitioners note that U.S. imports of cold-rolled steel from Russia increased (from 0 short tons in 2012 and 222 short tons in 2013) after the suspension agreement on hot-rolled steel was terminated and the issuance of an antidumping order in December 2014. Arcelor Mittal USA's postconference brief, p. 35 and U.S. Steel's postconference brief, p. 47 n. 191. A suspension agreement between Russia and the United States on imports of hot-rolled steel was negotiated effective on July 12, 1999. *Suspension of Antidumping Duty Investigation: Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From the Russian Federation*, 64 FR 38642, July 19, 1999. The agreement was terminated effective on December 19, 2014. *Termination of the Suspension Agreement on Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From the Russian Federation, Rescission of 2013–2014 Administrative Review, and Issuance of Antidumping Duty Order,* 79 FR 77455, December 24, 2014.

[5] This reflects, in part, the relatively stable quantity of imports from Japan (with the highest subject unit values in 2014) and the substantial growth in the quantity of imports from China (with the lowest subject unit values in 2014).

[6] The average unit values of U.S. imports from the United Kingdom in 2012 and 2013 were substantially higher than from other sources and during other periods, due to the smaller quantity of U.S. imports, mainly by U.S. importer ***.

Table IV-2
Cold-rolled steel: U.S. imports by source, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January - June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
U.S. imports from.--					
Brazil	97,559	32,953	98,755	29,928	125,335
China	277,087	266,627	865,816	322,093	371,638
India	7,656	17,537	85,640	46,655	64,530
Japan	119,576	133,537	129,907	69,085	74,561
Korea	***	***	***	***	***
Russia	0	222	89,385	28,851	34,759
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	680,133	621,823	1,665,149	650,307	872,914
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	594,565	600,001	933,254	450,482	393,641
Total U.S. imports	1,274,698	1,221,823	2,598,403	1,100,789	1,266,555
	Value (1,000 dollars)				
U.S. imports from.--					
Brazil	66,430	20,925	68,100	19,878	70,526
China	191,993	166,752	545,679	206,656	214,386
India	9,420	15,066	61,803	33,998	41,477
Japan	129,691	134,843	135,558	73,831	71,462
Korea	***	***	***	***	***
Russia	0	127	58,969	19,902	22,114
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	568,088	491,766	1,198,908	485,532	578,314
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	548,223	519,352	827,353	397,884	332,790
Total U.S. imports	1,116,311	1,011,118	2,026,262	883,416	911,104

Table continued on next page.

Table IV-2 --*Continued*
Cold-rolled steel: U.S. imports by source, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January - June	
	2012	2013	2014	2014	2015
	Unit value (dollars per short ton)				
U.S. imports from.--					
Brazil	681	635	690	664	563
China	693	625	630	642	577
India	1,230	859	722	729	643
Japan	1,085	1,010	1,044	1,069	958
Korea	***	***	***	***	***
Russia	--	573	660	690	636
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	835	791	720	747	663
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	922	866	887	883	845
Total U.S. imports	876	828	780	803	719
	Share of quantity (percent)				
U.S. imports from.--					
Brazil	7.7	2.7	3.8	2.7	9.9
China	21.7	21.8	33.3	29.3	29.3
India	0.6	1.4	3.3	4.2	5.1
Japan	9.4	10.9	5.0	6.3	5.9
Korea	***	***	***	***	***
Russia	0.0	0.0	3.4	2.6	2.7
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	53.4	50.9	64.1	59.1	68.9
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	46.6	49.1	35.9	40.9	31.1
Total U.S. imports	100.0	100.0	100.0	100.0	100.0

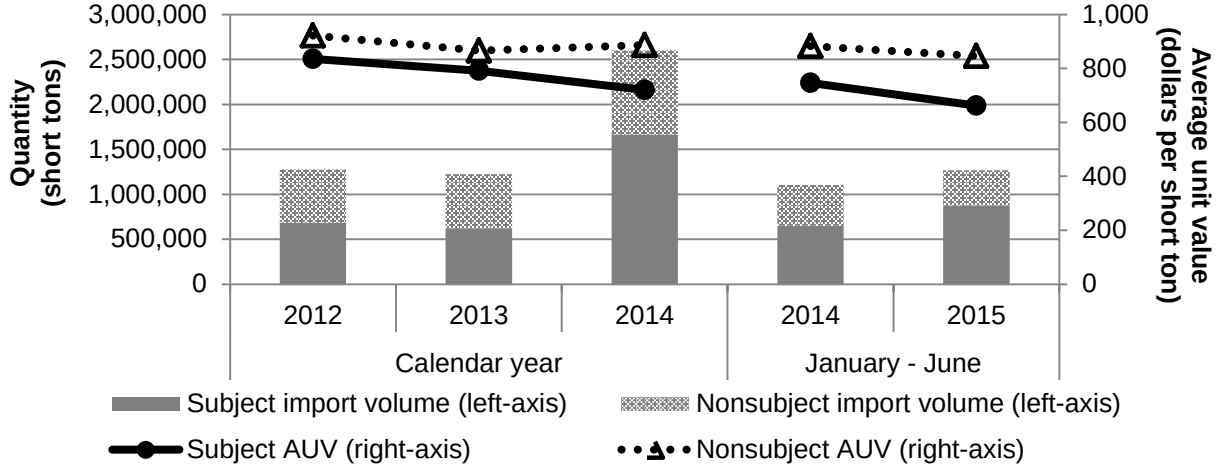
Table continued on next page.

Table IV-2 --*Continued*
Cold-rolled steel: U.S. imports by source, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January - June	
	2012	2013	2014	2014	2015
	Share of value (percent)				
U.S. imports from.--					
Brazil	6.0	2.1	3.4	2.3	7.7
China	17.2	16.5	26.9	23.4	23.5
India	0.8	1.5	3.1	3.8	4.6
Japan	11.6	13.3	6.7	8.4	7.8
Korea	***	***	***	***	***
Russia	0.0	0.0	2.9	2.3	2.4
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	50.9	48.6	59.2	55.0	63.5
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	49.1	51.4	40.8	45.0	36.5
Total U.S. imports	100.0	100.0	100.0	100.0	100.0
	Ratio to production (percent)				
U.S. imports from.--					
Brazil	0.4	0.1	0.4	0.2	1.0
China	1.0	1.0	3.2	2.3	3.0
India	0.0	0.1	0.3	0.3	0.5
Japan	0.4	0.5	0.5	0.5	0.6
Korea	***	***	***	***	***
Russia	0.0	0.0	0.3	0.2	0.3
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	2.5	2.3	6.1	4.7	7.0
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	2.2	2.2	3.4	3.3	3.1
Total U.S. imports	4.7	4.5	9.6	8.0	10.1

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

Figure IV-1
Cold-rolled steel: U.S. imports, by source, 2012-14, January-June 2014, and January-June 2015



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

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[7] Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[8] The statute further provides that, in the case of countervailing duty investigations involving developing countries, the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.[9]

Table IV-3 presents U.S. imports for July 2014-June 2015 based on official U.S. import statistics for non-alloy cold-rolled steel adjusted to include alloy cold-rolled steel data collected separately in questionnaire responses.[10] Table IV-4 presents U.S. imports for July 2014-June

[7] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

[8] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

[9] Section 771 (24)(B) of the Act (19 U.S.C § 1677(24)(B)).

[10] Exclusive of U.S. imports of black plate (under HTS 7209.18.2520 and 7209.18.2580), U.S. imports of cold-rolled steel from the subject countries accounted for the following percentages of total U.S. imports: Brazil – 7.4 percent, China- 34.7 percent, India- 3.9, Japan- 4.3, Korea-*** percent,

(*continued*...)

2015 based on official U.S. import statistics for non-alloy and alloy cold-rolled steel.[11] [12] Imports from the Netherlands, the subject country that accounted for the smallest share of total imports, represented *** percent of total quantity of imports of cold-rolled steel as measured by official U.S. import statistics adjusted to include alloy cold-rolled steel collected in questionnaire responses during July 2014-June 2015 and 2.7 percent of total quantity of imports of cold-rolled steel as measured by unadjusted official import statistics of non-alloy and alloy cold-rolled steel. Imports from Russia represented 3.4 percent and 3.2 percent of total imports of cold-rolled steel by quantity during July 2014-June 2015, for official statistics augmented by alloy questionnaire data and official statistics for non-alloy and alloy cold-rolled steel, respectively. Imports from India represented 3.7 percent and 3.5 percent of total imports of cold-rolled steel by quantity during July 2014-June 2015, for official statistics augmented by alloy questionnaire data and official statistics for non-alloy and alloy cold-rolled steel, respectively. Imports from India and the Netherlands, combined, accounted for *** percent and 6.2 percent of total imports of cold-rolled steel by quantity during July 2014-June 2015, for official statistics augmented by alloy questionnaire data and official statistics for non-alloy and alloy cold-rolled steel, respectively.[13] [14] [15] All other subject sources accounted for more than 4 percent of total imports by either measure.

(…*continued*)
Netherlands- ***, Russia- 3.6, and United Kingdom- *** percent. U.S. imports of cold-rolled steel from India and the Netherlands, combined, accounted for 6.6 percent of total U.S. imports.

[11] These include carbon cold-rolled steel HTS statistical reporting numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000. These also include certain alloy cold-rolled steel HTS statistical reporting numbers: 7225.50.6000, 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050.

[12] Exclusive of U.S. imports of black plate (under HTS 7209.18.2520 and 7209.18.2580), U.S. imports of cold-rolled steel from the subject countries accounted for the following percentages of total U.S. imports: Brazil - 6.8 percent, China- 32.3 percent, India- 3.6, Japan- 4.6, Korea-7.1 percent, Netherlands- 2.8, Russia- 3.4, and United Kingdom- 5.0 percent. U.S. imports of cold-rolled steel from India and the Netherlands, combined, accounted for 6.4 percent of total U.S. imports.

[13] The quantity of U.S. imports, by month and source for January 2012 – June 2015 is presented in appendix F.

[14] Tata Steel Ijmuiden reported that *** U.S. imports from the United Kingdom under alloy cold-rolled HTS numbers, ***, were of nonsubject polymer-coated tin-free sheet (under HTS statistical reporting number 7225.99.0090, a basket category).

[15] As noted in Part VII, the responding foreign producer from India, which reported to be *** percent of cold-rolled production in India and *** percent of Indian exports to the United States in 2014, reported exports to the United States equivalent to *** percent of U.S. imports from India, by quantity, during 2012-14 and January-June 2015.

Table IV-3
Cold-rolled steel: Monthly U.S. imports by source, July 2014 - June 2015 (adjusted)

Source	Quantity (short tons)	Share of quantity (percent)
	July 2014 - June 2015	
U.S. imports from.--		
Brazil	194,162	7.0
China	915,362	33.1
India	103,515	3.7
Japan	135,382	4.9
Korea	***	***
Netherlands	***	***
Russia	95,293	3.4
United Kingdom	***	***
Subject sources	1,887,757	68.3
Canada	***	***
All other sources	***	***
Subtotal, nonsubject sources	876,413	31.7
Total U.S. imports	2,764,170	100.0
Netherlands and India, combined	173,876	***

Note.—The share of U.S. imports of subject alloy steel accounted for the following: Brazil - 0.0 percent; China - 0.0 percent; India - 0.0 percent; Japan - 51.1 percent; Korea - *** percent; Netherlands - *** percent; Russia - 0.0 percent; United Kingdom - *** percent; Subject sources - 9.7 percent; Canada - *** percent; and All other sources - *** percent.

Source: Compiled from Official U.S. imports statistics (non-alloy HTS numbers) and data submitted in response to Commission questionnaires.

Table IV-4
Cold-rolled steel: Monthly U.S. imports by source, July 2014 - June 2015 (official)

Source	Quantity (short tons)	Share of quantity (percent)
	July 2014 - June 2015	
U.S. imports from.--		
Brazil	194,182	6.5
China	921,107	30.9
India	103,690	3.5
Japan	153,255	5.1
Korea	288,667	9.7
Netherlands	80,218	2.7
Russia	95,293	3.2
United Kingdom	142,012	4.8
Subject sources	1,978,424	66.5
Canada	460,356	15.5
All other sources	538,369	18.1
Subtotal, nonsubject sources	998,726	33.5
Total U.S. imports	2,977,150	100.0
Netherlands and India, combined	183,909	6.2

Note.—The share of U.S. imports of alloy steel accounted for the following: Brazil - 0.0 percent; China - 0.6 percent; India- 0.2 percent; Japan - 56.8 percent; Korea - 30.9 percent; Netherlands- 43.4 percent; Russia - 0.0 percent; United Kingdom- 40.5 percent; Subject sources - 13.9 percent; Canada - 22.3 percent; and All other sources - 28.9 percent.

Source: Compiled from Official U.S. imports statistics (non-alloy and alloy HTS numbers).

CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Shipments of cold-rolled steel, by end use

Table IV-5 presents data for U.S. producers' and U.S. importers' commercial U.S. shipments of cold-rolled steel, by end use. U.S. producers reported that cold-rolled steel is sold mainly for other end uses (particularly construction) followed by automotive end uses.[16] The data show that during 2012-14, *** percent of U.S. commercial shipments of U.S.-produced cold-rolled steel was sold for other end uses, *** percent of shipments was sold for automotive end uses, *** percent was sold for appliance end uses, and the remaining *** percent was for container end uses. U.S. commercial shipments of U.S. imports from the Netherlands were largely to automotive and appliance end uses during 2012-14. U.S. commercial shipments of U.S. imports from the United Kingdom were largely to other end uses in 2012-13, but with an increase in imports in 2014, shifted to automotive and appliance end uses during 2014. Japan and Korea were the only other subject countries that reported a higher share of its commercial U.S. shipments to a non-other end use, namely automotive end use in each year each period, although the share for automotive end uses declined and the share for container end uses increased from 2012 to 2014.

[16] Other end uses listed by U.S. producers include service centers, pipe and tube, construction, industrial, machinery and equipment, and converters.

Table IV-5
Cold-rolled steel: U.S. shipments by end use, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Presence in the market

Table IV-6 presents information on the monthly presence of U.S. imports in the United States during 2012-14, January-June 2014, and January-June 2015. These data show that imports of cold-rolled steel from the subject countries were present in the U.S. market in every month during January 2012 to June 2015, except for Brazil (in 2013) and Russia.[17]

Table IV-6
Cold-rolled steel: Monthly presence of U.S. imports, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January - June	
	2012	2013	2014	2014	2015
	Months present (number)				
U.S. imports from.--					
Brazil	12	9	12	6	6
China	12	12	12	6	6
India	12	12	12	6	6
Japan	12	12	12	6	6
Korea	12	12	12	6	6
Netherlands	12	12	12	6	6
Russia	0	1	10	5	4
United Kingdom	12	12	12	6	6
Subject sources	12	12	12	6	6
Canada	12	12	12	6	6
All other sources	12	12	12	6	6
Subtotal, nonsubject sources	12	12	12	6	6
Total U.S. imports	12	12	12	6	6

Source: Compiled from official Commerce statistics (alloy and non-alloy HTS numbers).

Geographical markets

As noted previously, cold-rolled steel production occurs throughout the United States and cold-rolled steel is shipped nationwide. As illustrated in table IV-7, the New Orleans, Los Angeles, and Philadelphia Customs districts accounted for more than half of the imports of cold-rolled steel from the subject countries during 2014.

[17] The quantity of U.S. imports, by month and source for January 2012 – June 2015 is presented in appendix F.

Table IV-7
Cold-rolled steel: Major customs districts of entry for U.S. imports, 2014

Source and district of entry	Calendar year 2014	
	Quantity (short tons)	Share of quantity (percent)
U.S. imports from Brazil.--		
Philadelphia, PA	27,741	28.1
New Orleans, LA	24,070	24.4
Boston, MA	23,677	24.0
Tampa, FL	9,934	10.1
Houston-Galveston, TX	8,264	8.4
All other districts	5,073	5.1
Subtotal, imports from Brazil	98,760	100.0
U.S. imports from China.--		
Los Angeles, CA	301,425	34.5
New Orleans, LA	296,081	33.9
Houston-Galveston, TX	120,446	13.8
Boston, MA	65,475	7.5
Philadelphia, PA	58,190	6.7
All other districts	31,698	3.6
Subtotal, imports from China	873,316	100.0
U.S. imports from India.--		
Houston-Galveston, TX	24,396	28.5
Philadelphia, PA	23,778	27.8
Boston, MA	10,382	12.1
Savannah, GA	9,456	11.0
New Orleans, LA	7,497	8.8
All other districts	10,139	11.8
Subtotal, imports from India	85,647	100.0
U.S. imports from Japan.--		
Savannah, GA	54,719	38.0
Philadelphia, PA	21,505	14.9
New Orleans, LA	18,394	12.8
San Francisco, CA	12,637	8.8
Los Angeles, CA	11,678	8.1
All other districts	25,126	17.4
Subtotal, imports from Japan	144,059	100.0
U.S. imports from Korea.--		
Mobile, AL	92,375	35.8
New Orleans, LA	77,420	30.0
Philadelphia, PA	24,651	9.6
Charlotte, NC	21,301	8.3
Los Angeles, CA	21,240	8.2
All other districts	21,138	8.2
Subtotal, imports from Korea	258,126	100.0

Table continued on following page.

Table IV-7--*Continued*
Cold-rolled steel: Major customs districts of entry for U.S. imports, 2014

Source and district of entry	Calendar year 2014	
	Quantity (short tons)	Share of quantity (percent)
U.S. imports from Russia.--		
New Orleans, LA	54,474	60.9
Chicago, IL	21,951	24.6
Houston-Galveston, TX	10,541	11.8
Tampa, FL	1,513	1.7
Charleston, SC	502	0.6
All other districts	403	0.5
Subtotal, imports from Russia	89,385	100.0
U.S. imports from United Kingdom.--		
Chicago, IL	48,283	39.4
Philadelphia, PA	39,632	32.3
Detroit, MI	14,576	11.9
Cleveland, OH	7,868	6.4
Boston, MA	5,506	4.5
All other districts	6,724	5.5
Subtotal, imports from United Kingdom	122,589	100.0
U.S. imports from subject sources less Netherlands.--		
New Orleans, LA	477,947	28.6
Los Angeles, CA	334,476	20.0
Philadelphia, PA	195,497	11.7
Houston-Galveston, TX	173,391	10.4
Boston, MA	105,050	6.3
All other districts	385,520	23.1
Subtotal, Imports from subject sources less Netherlands	1,671,882	100.0
U.S. imports from Netherland.--		
Philadelphia, PA	25,237	30.2
Chicago, IL	20,577	24.6
Cleveland, OH	19,475	23.3
Milwaukee, WI	7,497	9.0
Laredo, TX	7,457	8.9
All other districts	3,328	4.0
Subtotal, imports from Netherlands	83,572	100.0
U.S. imports from all subject sources.--		
New Orleans, LA	477,947	27.2
Los Angeles, CA	334,476	19.1
Philadelphia, PA	220,734	12.6
Houston-Galveston, TX	174,088	9.9
Boston, MA	106,582	6.1
All other districts	441,626	25.2
Subtotal, Imports from all subject sources	1,755,454	100.0

Table continued on following page.

Table IV-7--*Continued*
Cold-rolled steel: Major customs districts of entry for U.S. imports, 2014

Source and district of entry	Calendar year 2014	
	Quantity (short tons)	Share of quantity (percent)
U.S. imports from Canada.--		
Detroit, MI	414,168	83.5
Buffalo, NY	79,581	16.0
Baltimore, MD	827	0.2
Cleveland, OH	589	0.1
Ogdensburg, NY	344	0.1
All other districts	448	0.1
Subtotal, imports from Canada	495,956	100.0
U.S. imports from all other sources.--		
Laredo, TX	191,648	35.8
Philadelphia, PA	81,211	15.2
Chicago, IL	59,487	11.1
Detroit, MI	43,448	8.1
Cleveland, OH	27,595	5.2
All other sources	131,958	24.6
Subtotal, imports from all other sources	535,348	100.0
U.S. imports from nonsubject sources.--		
Detroit, MI	457,617	44.4
Laredo, TX	191,648	18.6
Philadelphia, PA	81,211	7.9
Buffalo, NY	79,873	7.7
Chicago, IL	59,487	5.8
All other sources	161,468	15.7
Subtotal, imports from nonsubject sources	1,031,304	100.0
U.S. imports from all sources.--		
New Orleans, LA	492,153	17.7
Detroit, MI	478,211	17.2
Los Angeles, CA	353,374	12.7
Philadelphia, PA	301,946	10.8
Laredo, TX	204,885	7.4
All other sources	956,189	34.3
Total U.S. imports	2,786,757	100.0

Source: Official U.S. imports statistics using HTS statistical reporting numbers 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.8050 and 7226.99.0180 (both non-alloy and alloy HTS numbers), accessed August 7, 2015.

APPARENT U.S. CONSUMPTION

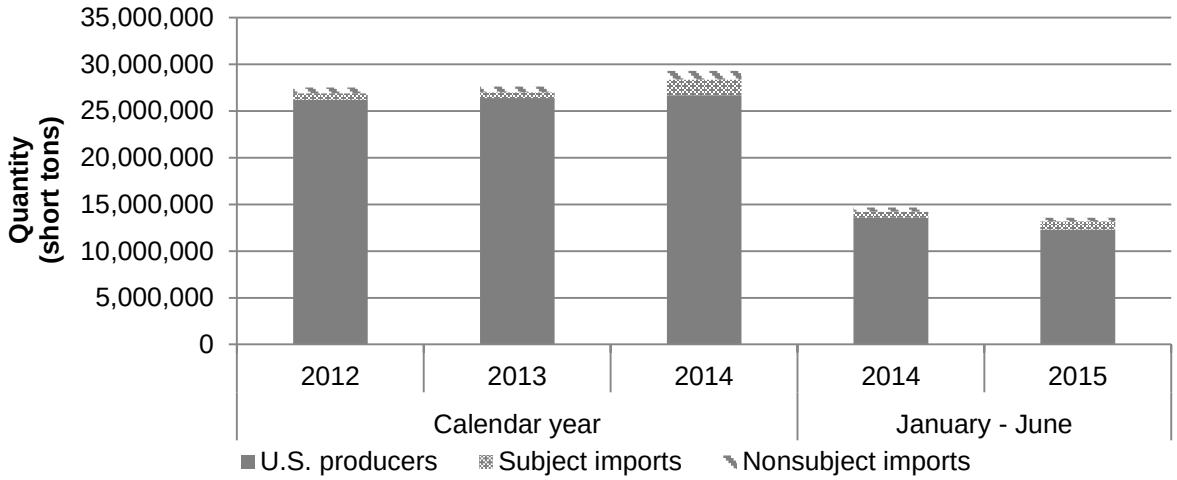
Table IV-8 and figure IV-2 present data on apparent U.S. consumption and U.S. market shares for cold-rolled steel. These data show that apparent U.S. consumption, by quantity, increased by 6.5 percent from 2012 to 2014, but was 7.6 percent lower in interim 2015 compared with interim 2014. The value of apparent U.S. consumption increased 5.4 percent from 2012 to 2014, but was 16.3 percent lower in interim 2015 compared with interim 2014.

Table IV-8
Cold-rolled steel: Apparent U.S. consumption, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January - June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
U.S. producers' U.S. shipments	26,248,822	26,401,707	26,715,176	13,598,524	12,329,780
U.S. imports from.--					
Brazil	97,559	32,953	98,755	29,928	125,335
China	277,087	266,627	865,816	322,093	371,638
India	7,656	17,537	85,640	46,655	64,530
Japan	119,576	133,537	129,907	69,085	74,561
Korea	***	***	***	***	***
Russia	0	222	89,385	28,851	34,759
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	680,133	621,823	1,665,149	650,307	872,914
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	594,565	600,001	933,254	450,482	393,641
Total U.S. imports	1,274,698	1,221,823	2,598,403	1,100,789	1,266,555
Apparent U.S. consumption	27,523,520	27,623,530	29,313,579	14,699,313	13,596,335
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	19,644,331	18,807,033	19,864,129	10,158,602	8,325,975
U.S. imports from.--					
Brazil	66,430	20,925	68,100	19,878	70,526
China	191,993	166,752	545,679	206,656	214,386
India	9,420	15,066	61,803	33,998	41,477
Japan	129,691	134,843	135,558	73,831	71,462
Korea	***	***	***	***	***
Russia	0	127	58,969	19,902	22,114
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	568,088	491,766	1,198,908	485,532	578,314
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	548,223	519,352	827,353	397,884	332,790
Total U.S. imports	1,116,311	1,011,118	2,026,262	883,416	911,104
Apparent U.S. consumption	20,760,642	19,818,151	21,890,391	11,042,018	9,237,079

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

Figure IV-2
Cold-rolled steel: Apparent U.S. consumption, 2012-14, January-June 2014, and January-June 2015



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

Merchant market

Table IV-9 and figure IV-3 present data on apparent U.S. consumption and U.S. market shares for merchant market cold-rolled steel. These data show that merchant market apparent U.S. consumption, by quantity, increased by 7.2 percent from 2012 to 2014, but was 6.5 percent lower in interim 2015 compared with interim 2014.[18] The value of merchant market apparent U.S. consumption, increased by 6.2 percent from 2012 to 2014, but was 14.8 percent lower in interim 2015 compared with interim 2014.

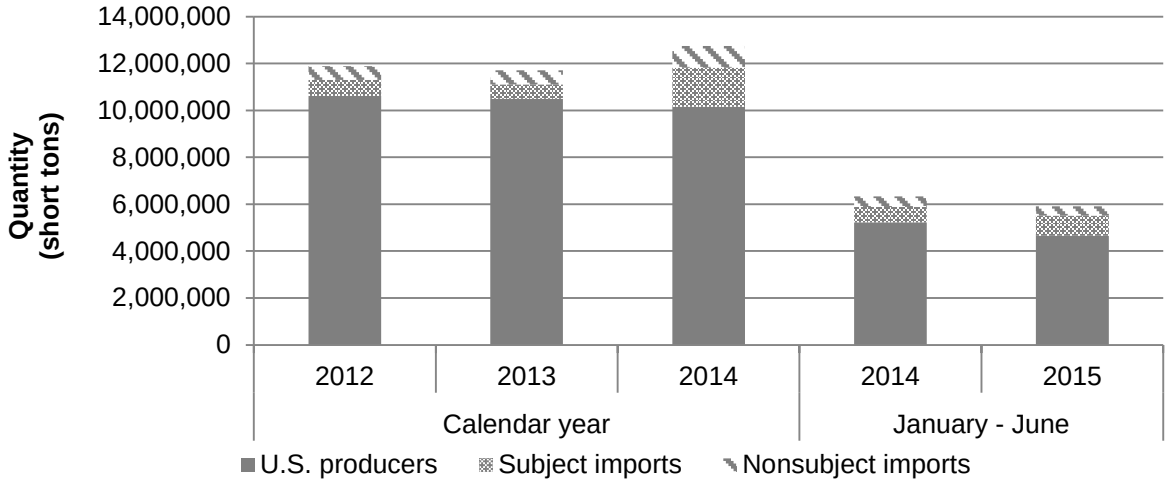
[18] Petitioners' argue that the lower apparent U.S. consumption in interim 2015 was a reflection of a buildup in importer, service center, and end user inventories, following the increase in imports in 2014, rather than a decline in actual demand. Nucor's postconference brief, p. 8.

Table IV-9
Cold-rolled steel: Apparent U.S. merchant market consumption, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January - June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
U.S. producers' commercial U.S. shipments	10,626,500	10,499,751	10,159,430	5,235,015	4,655,436
U.S. imports from.--					
Brazil	97,559	32,953	98,755	29,928	125,335
China	277,087	266,627	865,816	322,093	371,638
India	7,656	17,537	85,640	46,655	64,530
Japan	119,576	133,537	129,907	69,085	74,561
Korea	***	***	***	***	***
Russia	0	222	89,385	28,851	34,759
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	680,133	621,823	1,665,149	650,307	872,914
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	594,565	600,001	933,254	450,482	393,641
Total U.S. imports	1,274,698	1,221,823	2,598,403	1,100,789	1,266,555
Apparent U.S. merchant market consumption	11,901,198	11,721,574	12,757,833	6,335,804	5,921,991
	Value (1,000 dollars)				
U.S. producers' commercial U.S. shipments	8,307,673	7,832,378	7,980,297	4,112,284	3,344,518
U.S. imports from.--					
Brazil	66,430	20,925	68,100	19,878	70,526
China	191,993	166,752	545,679	206,656	214,386
India	9,420	15,066	61,803	33,998	41,477
Japan	129,691	134,843	135,558	73,831	71,462
Korea	***	***	***	***	***
Russia	0	127	58,969	19,902	22,114
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	568,088	491,766	1,198,908	485,532	578,314
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	548,223	519,352	827,353	397,884	332,790
Total U.S. imports	1,116,311	1,011,118	2,026,262	883,416	911,104
Apparent U.S. merchant market consumption	9,423,984	8,843,496	10,006,559	4,995,700	4,255,622

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

Figure IV-3
Cold-rolled steel: Apparent U.S. merchant market consumption, 2012-14, January-June 2014, and January-June 2015



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

U.S. MARKET SHARES

U.S. market share data for cold-rolled steel are presented in table IV-10. These data show that U.S. producers' market share declined by 4.2 percentage points from 2012 to 2014, while the market share held by subject sources increased by 3.2 percentage points during the same period. U.S. producers' market share was also 1.8 percentage points lower in interim 2015 compared with interim 2014, while U.S. imports from subject countries were 2.0 percentage points higher. Measured by value, U.S. producers' market share of the cold-rolled steel merchant market decreased 3.9 percentage points between 2012 and 2014, while the market share of subject imports was 2.7 percentage points higher. U.S. producers' market share was 1.9 percentage points lower in interim 2015 compare with 2014, while subject imports market share was 1.9 percentage points higher.

Table IV-10
Cold-rolled steel: U.S. consumption and market shares, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January - June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Apparent U.S. consumption	27,523,520	27,623,530	29,313,579	14,699,313	13,596,335
	Share of quantity (percent)				
U.S. producers' U.S. shipments	95.4	95.6	91.1	92.5	90.7
U.S. imports from.--					
Brazil	0.4	0.1	0.3	0.2	0.9
China	1.0	1.0	3.0	2.2	2.7
India	0.0	0.1	0.3	0.3	0.5
Japan	0.4	0.5	0.4	0.5	0.5
Korea	***	***	***	***	***
Russia	0.0	0.0	0.3	0.2	0.3
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	2.5	2.3	5.7	4.4	6.4
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	2.2	2.2	3.2	3.1	2.9
Total U.S. imports	4.6	4.4	8.9	7.5	9.3
	Value (1,000 dollars)				
Apparent U.S. consumption	20,760,642	19,818,151	21,890,391	11,042,018	9,237,079
	Share of value (percent)				
U.S. producers' U.S. shipments	94.6	94.9	90.7	92.0	90.1
U.S. imports from.--					
Brazil	0.3	0.1	0.3	0.2	0.8
China	0.9	0.8	2.5	1.9	2.3
India	0.0	0.1	0.3	0.3	0.4
Japan	0.6	0.7	0.6	0.7	0.8
Korea	***	***	***	***	***
Russia	0.0	0.0	0.3	0.2	0.2
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	2.7	2.5	5.5	4.4	6.3
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	2.6	2.6	3.8	3.6	3.6
Total U.S. imports	5.4	5.1	9.3	8.0	9.9

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

Merchant market

U.S. market share data for the cold-rolled steel merchant market are presented in table IV-11. These data show that U.S. producers' market share declined by 9.7 percentage points from 2012 to 2014, while the market share held by subject sources increased by 7.3 percentage points during the same period. U.S. producers' market share was also 4.0 percentage points lower in interim 2015 compared with interim 2014, while U.S. imports from subject countries were 4.5 percentage points higher. Measured by value, U.S. producers' market share of the cold-rolled steel merchant market decreased 8.4 percentage points between 2012 and 2014, while the market share of subject imports was 6.0 percentage points higher. U.S. producers' market share was 3.7 percentage points lower in interim 2015 compare with 2014, while subject imports market share was 3.9 percentage points higher.

Table IV-11
Cold-rolled steel: Apparent U.S. merchant market consumption and market shares, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January - June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Apparent U.S. merchant market consumption	11,901,198	11,721,574	12,757,833	6,335,804	5,921,991
	Share of quantity (percent)				
U.S. producers' commercial U.S. shipments	89.3	89.6	79.6	82.6	78.6
U.S. imports from.--					
Brazil	0.8	0.3	0.8	0.5	2.1
China	2.3	2.3	6.8	5.1	6.3
India	0.1	0.1	0.7	0.7	1.1
Japan	1.0	1.1	1.0	1.1	1.3
Korea	***	***	***	***	***
Russia	0.0	0.0	0.7	0.5	0.6
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	5.7	5.3	13.1	10.3	14.7
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	5.0	5.1	7.3	7.1	6.6
Total U.S. imports	10.7	10.4	20.4	17.4	21.4
	Value (1,000 dollars)				
Apparent U.S. merchant market consumption	9,423,984	8,843,496	10,006,559	4,995,700	4,255,622
	Share of value (percent)				
U.S. producers' commercial U.S. shipments	88.2	88.6	79.8	82.3	78.6
U.S. imports from.--					
Brazil	0.7	0.2	0.7	0.4	1.7
China	2.0	1.9	5.5	4.1	5.0
India	0.1	0.2	0.6	0.7	1.0
Japan	1.4	1.5	1.4	1.5	1.7
Korea	***	***	***	***	***
Russia	0.0	0.0	0.6	0.4	0.5
United Kingdom	***	***	***	***	***
Subtotal	***	***	***	***	***
Netherlands	***	***	***	***	***
Subtotal, all subject sources	6.0	5.6	12.0	9.7	13.6
Canada	***	***	***	***	***
All other sources	***	***	***	***	***
Subtotal, nonsubject sources	5.8	5.9	8.3	8.0	7.8
Total U.S. imports	11.8	11.4	20.2	17.7	21.4

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

PART V: PRICING DATA

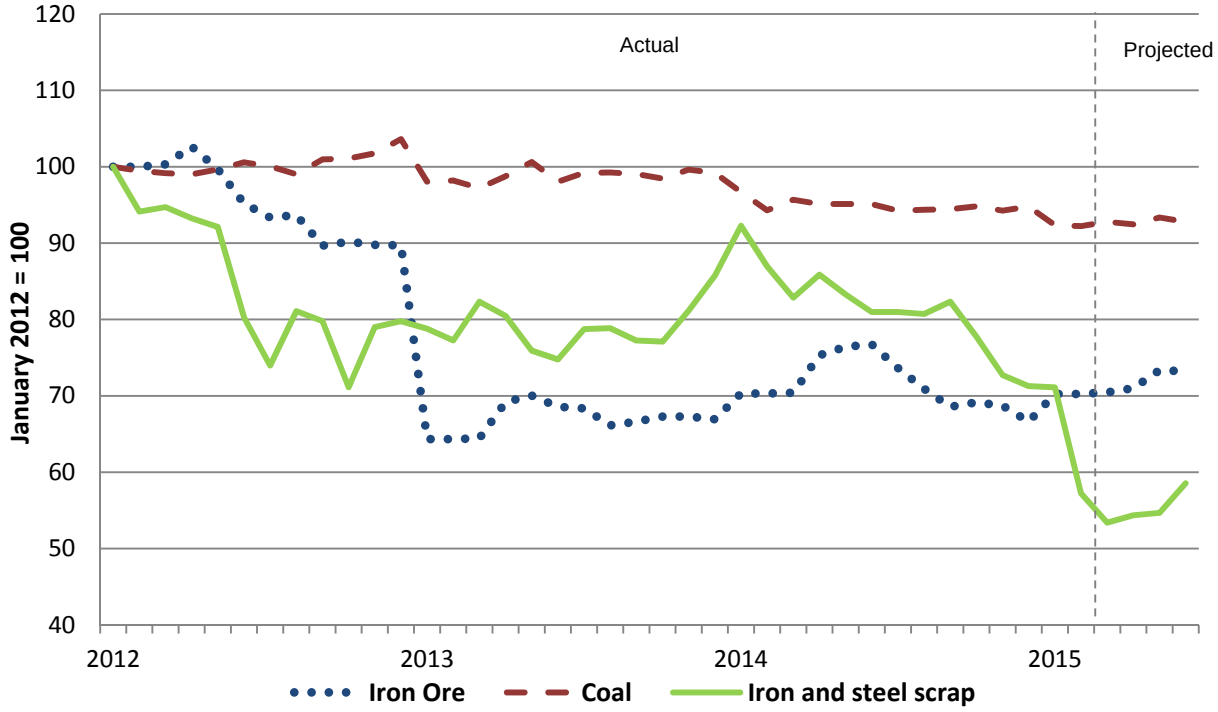
FACTORS AFFECTING PRICES

Raw material costs

The primary raw material inputs used to produce cold-rolled steel include iron ore, coal, and iron and steel scrap. Prices for these raw materials fluctuated during January 2012-June 2015, though the prices for each input showed an overall decrease. U.S. producers' raw material costs as a share of the cost of goods sold ("COGS") decreased from 69.1 percent in 2012 to 63.6 percent in 2014, and was 57.0 percent in January-June 2015 (compared to 61.4 percent during January-June 2014).

Prices for iron ore, coal, and iron and steel scrap decreased by 26.8 percent, 7.2 percent, and 41.4 percent, respectively, between January 2012 and June 2015 (figure V-1).

Figure V-1
Raw material costs: Producer price indexes of iron ore, coal, and iron and steel scrap in the United States, monthly, January 2012- June 2015[1]



Source: U.S. Bureau of Labor Statistics, August 11, 2015.

[1] Data for March-June 2015 is projected, as final Bureau of Labor Statistics data are not yet available.

The immediate upstream input to cold-rolled steel is hot-rolled steel. According to *** data, between January 2012 and June 2015 prices of hot-rolled coil decreased by *** percent and prices of cold-rolled coil decreased by *** percent (figure V-2). Prices for both cold-rolled and hot-rolled steel coil rose slightly in July 2015, and according to *** prices are projected to continue to increase, despite high levels of Chinese exports.[2]

Figure V-2
Raw material costs: Steel sheet product prices, USA Midwest, January 2012-July 2015, monthly

* * * * * * *

Nearly all firms reported that raw material prices had either fluctuated or decreased since January 2012. Five of 11 responding U.S. producers reported that raw material prices fluctuated with no clear trend, while six firms reported that they had decreased.[3] Two U.S. producers, ***, reported that raw material prices have declined due to oversupply.

Twenty-two of 45 responding importers reported that raw material prices had fluctuated since January 2012, while 22 reported that prices had decreased, and one reported that they had not changed. The importers that reported a decrease in raw material costs since January 2012 cited decreases in iron ore, coking coal, and scrap prices.

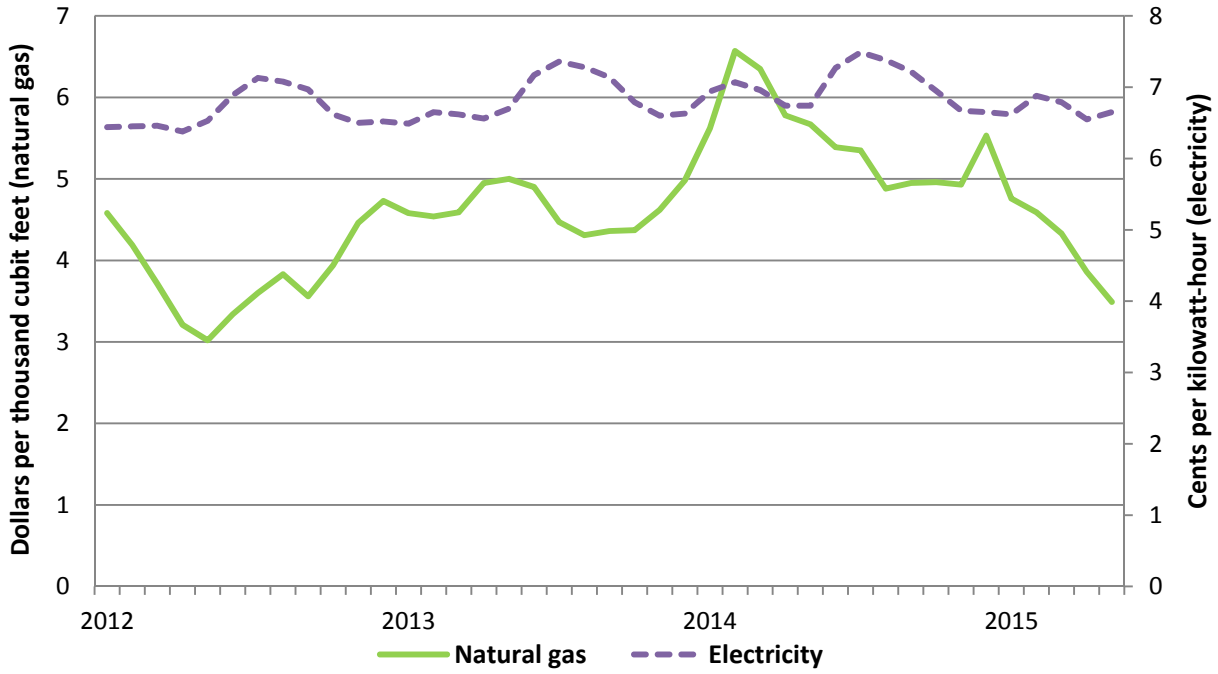
Energy costs

Energy costs are also an important factor in cold-rolled steel production costs. Electricity prices fluctuated slightly from January 2012 to May 2015, but increased overall by 3.3 percent (figure V-3). Natural gas prices fluctuated between a low of $3.02 per thousand cubic feet in May 2012 and a high of $6.57 per thousand cubic feet in February 2014, and showed an overall decrease in price between January 2012 and May 2015 of 23.8 percent.

[2] *** attributes this forecasted rise in U.S. prices to *** and "***." "***." ***, August 2015; ***, April 2015.

[3] In April 2015, during U.S. producer Nucor's quarterly earnings conference call, it was noted by the firm's president and CEO that their St. James Parish facility – which produces direct-reduced iron ("DRI") – produced 1.3 million tons of DRI during the previous year, and that this was a "meaningful factor supporting February {2015}'s dramatic downward adjustment of more than $100 per ton in scrap pricing." Nucor Corporation's Q1 2015 Earnings conference call transcript, available at http://s.t.st/media/xtranscript/2015/Q2/13125011.pdf.

Figure V-3
Industrial natural gas and electricity: Monthly prices, January 2012-May 2015[1]



[1] Data for June 2015 are not yet available.

Source: Short Term Energy Outlook, Energy Information Administration, www.eia.gov, August 11, 2015.

U.S. inland transportation costs

Eight of 10 responding U.S. producers and 20 of 39 importers reported that they typically arrange transportation to their customers.[4] U.S. producers reported that their U.S. inland transportation costs ranged from 3 to 8 percent of the total delivered costs, while importers reported U.S. inland transportation costs of 1 to 10 percent.[5] [6]

[4] Importer *** reported that it sometimes delivers to its customers and sometimes the customers pick up the steel at the port.

[5] One importer, ***, reported inland transportation costs of 17 percent.

[6] U.S. producers reported that the majority of their sales were between 101 and 1,000 miles from their production facility, while importers reported that the majority of their sales of subject product were within 100 miles of their U.S. point of shipment (see also Part II of this report).

PRICING PRACTICES

Pricing methods

U.S. producers reported primarily using transaction-by-transaction negotiations, contracts, or a combination of these methods for determining the prices they charge for sales of cold-rolled steel (table V-1). The majority of U.S. producers reported using contracts for their sales to automotive end users and using transaction-by-transaction negotiations for their sales to distributors and service centers. *** reported that they also set prices by reference to competing foreign import prices, and *** reported that it has informal volume arrangements that adjust during the year based on CRU or Platt's indices.

Importers reported primarily using transaction-by-transaction negotiations and contracts, or a combination of the two. The majority of importers reported using contracts for their sales to automotive end users and using transaction-by-transaction negotiations for their sales to other end users and to distributors and service centers.

Table V-1

Cold-rolled steel: U.S. producers' and importers' reported price setting methods, by customer type, by number of responding firms[1]

Price setting method	Customer type		
	Automotive end users	Other end users	Distributors and service centers
	U.S. producers		
Transaction-by-transaction	5	11	11
Contracts	8	11	9
Set price lists	0	0	0
Other	2	3	3
Total	9	11	11
	Importers		
Transaction-by-transaction	11	26	32
Contracts	13	13	12
Set price lists	1	0	4
Other	0	0	0
Total	21	31	34

[1] The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

U.S. producers reported selling the majority of their product through contracts (80.1 percent), while importers reported selling the majority of their product on the spot market (58.7 percent). For U.S. producers' sales to automotive end users in 2014, 92.4 percent was sold through either annual or long-term contracts, while their sales to other end users and steel service centers were mostly through annual contracts (table V-2). Most of U.S. producers' spot sales, by quantity, were to steel service centers and distributors.

Importers reported selling most of their product to automotive end users through annual or short-term contracts (75.0 percent), while the majority of their sales to other end users and steel service centers were through the spot market.

Table V-2

Cold-rolled steel: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2014

Type of sale	Customer type		
	Automotive end users	Other end users	Steel service centers and distributors
U.S. producers			
Long-term contracts	33.9	2.8	4.0
Annual contracts	58.5	78.7	59.2
Short-term contracts	3.4	1.4	3.1
Spot sales	4.1	17.1	33.7
Total	100.0	100.0	100.0
Importers			
Long-term contracts	4.0	0.0	0.0
Annual contracts	43.1	1.6	9.7
Short-term contracts	31.9	42.7	22.8
Spot sales	21.0	55.7	67.4
Total	100.0	100.0	100.0

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

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

A majority of responding U.S. producers (8 of 11) and importers (21 of 23) reported using short-term contracts. Most of those U.S. producers as well as a plurality of importers reported that the average duration of their short-term contracts was 90 days.[7] A majority of U.S. producers and importers reported that price could not be renegotiated during the contract period and that their short-term contracts did not include meet-or-release provisions. Half of U.S. producers and 12 of 21 importers reported that their short-term contracts fixed both quantity and price.

A majority of responding U.S. producers (9 of 11) also reported using annual contracts. Most (6 of 9) of these U.S. producers reported that price could not be renegotiated during the annual contract period, and more than half reported that their contracts did not include meet-or-release provisions. Four of nine U.S. producers also reported that their annual contracts

[7] Five of eight U.S. producers reported an average contract duration of 90 days, one reported an average contract duration of 30-90 days, one reported an average contract duration of 90-180 days, and one reported an average contract duration of 180 days.

Nine of 23 importers reported an average contract duration of 90 days, four reported an average contract duration of 180 days, two reported an average contract duration of 120 days, and one firm each reported average contract durations of the following numbers of days: 30, 60, and 90-180.

fixed both quantity and price. Most U.S. importers did not offer annual contracts. Of the importers that did, a majority (7 of 8) reported that price could not be renegotiated during the contract period, and all responding importers reported that their annual contracts did not include meet-or-release provisions.

Six of 11 U.S. producers reported offering long-term contracts. Four of these six U.S. producers reported that their typical long-term contracts were for 2 years, one reported that they were for three years, and one reported that they were for *** days. Half of those firms reported that price could not be renegotiated during the contract period, and a majority (4 of 6) of U.S. producers reported that their long-term contracts did not include meet-or-release provisions. Of the two importers that reported offering long-term contracts, only one reported the average duration for its long-term contracts, which was *** days. Both of these importers reported that price could not be renegotiated during the contract period. One of the importers also reported that its long-term contracts fixed both quantity and price, and one reported that its long-term contracts did not include meet-or-release provisions.

Petitioners and domestic interested party USS-POSCO reported that contract pricing is closely tied to the spot market through indexing to publications such as CRU or Platt's. They argue that as contract renegotiations come up for renewal, U.S. producers have been forced to accept much lower prices or to reduce previously agreed-upon volumes due to low spot prices.[8] U.S. producer *** also reported that there are no binding agreements between the firm and its customers to purchase specific volumes, and that prices can adjust monthly or quarterly based on customers' requests.[9]

Sales terms and discounts

U.S. producers reported that they typically quote prices on an f.o.b. basis, with typical sales terms of either net 30 days (7 of 11 firms) or ½ - 10 net 30 days (five firms). Among responding importers, 19 reported quoting prices on a delivered basis and 20 reported quoting prices on an f.o.b. basis. The larger majority of importers reported typical sales terms of net 30 days (34 of 39).

Most responding U.S. producers and importers reported offering no discounts, regardless of customer type (table V-3). Some U.S. producers reported offering quantity and/or total volume discounts, and others reported that while their firms do not have a set discount policy, they offer volume incentive programs or rebates that are negotiated on a case-by-case basis.

[8] Conference transcript, pp. 53 (Mull), 61-62 (Lauschke), 115-116 (Blume), 116-117 (Mull), 117-118, and 120 (Kopf); USS-POSCO's postconference brief, pp. 12-13; AK Steel's postconference brief, pp. 31-32 and exhibit 11; Nucor's postconference brief, pp. 10-14.

[9] *** U.S. producer questionnaire response, question IV-3 and attachment 33-A.

Table V-3
Cold-rolled steel: U.S. producers' and importers' discount policy type, by customer type, and by number of responding firms[1]

Customer type	Number of U.S. producers reporting				Number of importers reporting			
	Quantity discounts	Annual total volume discounts	No discount	Other discounts	Quantity discounts	Annual total volume discounts	No discount	Other discounts
Automotive	1	2	7	2	1	0	23	0
Other end user	4	5	7	2	3	1	29	2
Distributors and service centers	4	4	8	2	3	1	32	1
Total	9	11	22	6	7	2	84	3

[1] The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following cold-rolled steel products shipped to unrelated U.S. customers during January 2012-June 2015.

Product 1.-- Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 24" to 48" in width, 0.0120" to 0.0219" in thickness. *Non-contract sales* (i.e. sales not pursuant to annual or longer-term contracts).

Product 2.-- Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0220" to 0.0849" in thickness. *Non-contract sales* (i.e. sales not pursuant to annual or longer-term contracts).

Product 3.-- Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0220" to 0.0849" in thickness. *Contract sales* (i.e. sales pursuant to annual or longer-term contracts).

Product 4.-- Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0850" to 0.1350" in thickness. *Non-contract sales* (i.e. sales not pursuant to annual or longer-term contracts).

Seven U.S. producers and 26 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[10] [11] Pricing data reported by these firms accounted for approximately 16.5 percent of U.S. producers' U.S. commercial shipments of cold-rolled steel and the following percentages of U.S. commercial shipments of imports from subject countries in 2014: Brazil- 98.4 percent, China-

[10] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[11] U.S. producer *** provided pricing data for products 1 and 2, but the average unit values (AUV) of its reported data ranged from $*** per ton to $*** per ton. Staff contacted ***, but did not receive revised pricing data; accordingly its pricing data are not included in these pricing tables and analyses.

Several firms provided price data which contained product that was produced by a different annealing process (continuous annealing) than that defined in the pricing definitions (box or "batch" annealing). The continuous annealing process tends to yield cold-rolled steel that is generally flatter, has more uniform coil properties, is easier to bend, and allows for the potential to produce higher strength steels (due to a fast quenching step), which is not possible with box/batch annealed product. Firms reported that these separate processes often, but do not always, translate to different pricing structures. U.S. producer *** reported that the continuous annealed product that it produces commands comparable prices to box annealed product, while importer *** reported that the continuous annealed product that it produces is not functionally interchangeable with box annealed product (see also part II of this report). The pricing data that *** provided was also consistent with other reported U.S. producer prices. Accordingly, the data provided by *** has been included in this pricing analysis, while the data provided by *** has not.

Staff notes that several firms initially reported pricing data that included products that fall under the ASTM A-1008 classification but not the "commercial quality" designation identified by ASTM. After staff contacted several firms, U.S. producer *** reported that it produces little to none of the commercial quality product; importer *** reported that their Korean product falls under the *** designation and contains additional value added due to ***; importer *** provided a shipping receipt identifying its Korean product as micro-alloyed grade high strength steel; importer *** reported that while some of its Korean product was commercial grade, some was "higher grade with {a} higher price"; importer *** reported that its Japanese imports were "high value because {they were} high tensile or high-strength low-alloy steel"; and importer *** reported that its Japanese imports were "quite different from Chinese product as the quality attributes {were} much more refined than a typical commodity product."

For these non-commercial grade and higher value products, the AUVs reported ranged from roughly $*** per ton to $*** per ton more than the vast majority of reported AUVs. While staff did not receive revised data from importer ***, the firm's AUVs for its Japanese imports were similarly priced. Based on these *** pricing differences, the data for all non-commercial quality cold-rolled steel are not included in these pricing tables and analyses.

Staff also notes that it received revisions from some but not all firms. Accordingly, some of the pricing data may include both commercial and higher quality steel.

79.9 percent, India- 50.9 percent, Japan- 2.7 percent, Korea- 25.4 percent, Netherlands- 13.8 percent, and Russia- 19.1 percent.[12]

Price data for products 1-4 are presented in tables V-4 to V-7 and figures V-4 to V-7. Nonsubject country prices for Canada are presented in Appendix D.

[12] The Commission did not receive usable pricing product import data for product 1 from Japan, the Netherlands, or the United Kingdom; for product 2 from the United Kingdom; for product 3 from Brazil, Korea, or the United Kingdom; or for product 4 from Japan, Korea, or the United Kingdom.

Table V-4

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States		Brazil			China		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012: Jan.-Mar.	826.67	3,618	***	***	***	***	***	***
Apr.-Jun.	823.17	5,094	***	***	***	824.31	1,786	(0.1)
Jul.-Sep.	756.91	4,586	***	***	***	812.71	1,195	(7.4)
Oct.-Dec.	744.95	4,713	***	***	***	***	***	***
2013: Jan.-Mar.	744.22	2,571	***	***	***	724.79	2,400	2.6
Apr.-Jun.	745.85	3,224	***	***	***	748.78	963	(0.4)
Jul.-Sep.	736.00	2,438	***	***	***	681.54	335	7.4
Oct.-Dec.	722.34	3,789	***	***	***	673.90	955	6.7
2014: Jan.-Mar.	801.98	2,319	***	***	***	793.98	2,048	1.0
Apr.-Jun.	746.23	2,656	***	***	***	732.95	1,842	1.8
Jul.-Sep.	***	***	***	***	***	706.36	3,276	***
Oct.-Dec.	781.77	1,896	***	***	***	706.03	4,901	9.7
2015: Jan.-Mar.	682.11	2,720	***	***	***	673.65	4,291	1.2
Apr.-Jun.	602.55	1,680	***	***	***	666.73	938	(10.7)

Period	India			Japan		
	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012: Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2013: Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	***	***	***	--	--	--
2014: Jan.-Mar.	***	***	***	--	--	--
Apr.-Jun.	***	***	***	--	--	--
Jul.-Sep.	***	***	***	--	--	--
Oct.-Dec.	***	***	***	--	--	--
2015: Jan.-Mar.	***	***	***	--	--	--
Apr.-Jun.	***	***	***	--	--	--

[1] Product 1: Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 24" to 48" in width, 0.0120" to 0.0219" in thickness. *Non-contract sales* (i.e. sales not pursuant to annual or longer-term contracts).

Table continued on next page.

Table V-4 *Continued*

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States		Korea			Netherlands		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:								
Jan.-Mar.	826.67	3,618	***	***	***	--	--	--
Apr.-Jun.	823.17	5,094	***	***	***	--	--	--
Jul.-Sep.	756.91	4,586	***	***	***	--	--	--
Oct.-Dec.	744.95	4,713	--	--	--	--	--	--
2013:								
Jan.-Mar.	744.22	2,571	***	***	***	--	--	--
Apr.-Jun.	745.85	3,224	***	***	***	--	--	--
Jul.-Sep.	736.00	2,438	--	--	--	--	--	--
Oct.-Dec.	722.34	3,789	--	--	--	--	--	--
2014:								
Jan.-Mar.	801.98	2,319	***	***	***	--	--	--
Apr.-Jun.	746.23	2,656	***	***	***	--	--	--
Jul.-Sep.	***	***	***	***	***	--	--	--
Oct.-Dec.	781.77	1,896	***	***	***	--	--	--
2015:								
Jan.-Mar.	682.11	2,720	***	***	***	--	--	--
Apr.-Jun.	602.55	1,680	***	***	***	--	--	--

Period	Russia			United Kingdom		
	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2013:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2014:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2015:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	***	***	***	--	--	--

[1] Product 1: Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 24" to 48" in width, 0.0120" to 0.0219" in thickness. *Non-contract sales* (i.e. sales not pursuant to annual or longer-term contracts).

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

Table V-5

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States		Brazil			China		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:								
Jan.-Mar.	773.21	195,505	***	***	***	725.70	20,404	6.1
Apr.-Jun.	772.77	173,210	***	***	***	725.12	40,187	6.2
Jul.-Sep.	719.08	174,999	***	***	***	722.04	31,814	(0.4)
Oct.-Dec.	700.84	162,616	***	***	***	668.12	29,829	4.7
2013:								
Jan.-Mar.	708.71	142,112	***	***	***	654.90	57,805	7.6
Apr.-Jun.	696.68	135,656	700.15	9,435	(0.5)	676.93	32,261	2.8
Jul.-Sep.	691.17	149,596	***	***	***	672.18	31,127	2.7
Oct.-Dec.	715.33	152,703	***	***	***	655.02	50,734	8.4
2014:								
Jan.-Mar.	749.75	158,034	***	***	***	678.56	58,723	9.5
Apr.-Jun.	757.94	156,029	***	***	***	684.49	110,632	9.7
Jul.-Sep.	767.37	128,860	***	***	***	665.41	128,600	13.3
Oct.-Dec.	757.80	118,650	***	***	***	671.44	134,581	11.4
2015:								
Jan.-Mar.	697.38	89,518	***	***	***	649.90	82,452	6.8
Apr.-Jun.	603.29	104,825	***	***	***	634.57	85,278	(5.2)

Period	India			Japan		
	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	***	***	***	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2013:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	***	***	***
Jul.-Sep.	--	--	--	***	***	***
Oct.-Dec.	705.07	602	1.4	--	--	--
2014:						
Jan.-Mar.	681.45	7,919	9.1	***	***	***
Apr.-Jun.	690.67	5,958	8.9	--	--	--
Jul.-Sep.	703.25	6,233	8.4	***	***	***
Oct.-Dec.	***	***	***	--	--	--
2015:						
Jan.-Mar.	693.76	7,397	0.5	--	--	--
Apr.-Jun.	***	***	***	***	***	***

[1] Product 2: Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0220" to 0.0849" in thickness. *Non-contract sales* (i.e. sales not pursuant to annual or longer-term contracts).

Table continued on next page.

Table V-5 *Continued*

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States		Korea			Netherlands		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:								
Jan.-Mar.	773.21	195,505	***	***	***	***	***	***
Apr.-Jun.	772.77	173,210	***	***	***	***	***	***
Jul.-Sep.	719.08	174,999	--	--	--	--	--	--
Oct.-Dec.	700.84	162,616	--	--	--	--	--	--
2013:								
Jan.-Mar.	708.71	142,112	--	--	--	***	***	***
Apr.-Jun.	696.68	135,656	--	--	--	***	***	***
Jul.-Sep.	691.17	149,596	--	--	--	--	--	--
Oct.-Dec.	715.33	152,703	--	--	--	--	--	--
2014:								
Jan.-Mar.	749.75	158,034	***	***	***	***	***	***
Apr.-Jun.	757.94	156,029	***	***	***	***	***	***
Jul.-Sep.	767.37	128,860	***	***	***	***	***	***
Oct.-Dec.	757.80	118,650	***	***	***	***	***	***
2015:								
Jan.-Mar.	697.38	89,518	***	***	***	***	***	***
Apr.-Jun.	603.29	104,825	***	***	***	--	--	--

Period	Russia			United Kingdom		
	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2013:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	***	***	***	--	--	--
2014:						
Jan.-Mar.	***	***	***	--	--	--
Apr.-Jun.	***	***	***	--	--	--
Jul.-Sep.	719.93	3,646	6.2	--	--	--
Oct.-Dec.	***	***	***	--	--	--
2015:						
Jan.-Mar.	***	***	***	--	--	--
Apr.-Jun.	607.87	2,523	(0.8)	--	--	--

[1] Product 2: Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0220" to 0.0849" in thickness. *Non-contract sales* (i.e. sales not pursuant to annual or longer-term contracts).

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

Table V-6

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States		Brazil			China		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:								
Jan.-Mar.	768.54	270,778	--	--	--	***	***	***
Apr.-Jun.	792.15	218,661	--	--	--	***	***	***
Jul.-Sep.	749.71	198,092	--	--	--	***	***	***
Oct.-Dec.	752.06	173,112	--	--	--	***	***	***
2013:								
Jan.-Mar.	710.08	293,219	--	--	--	***	***	***
Apr.-Jun.	707.80	217,891	--	--	--	***	***	***
Jul.-Sep.	705.66	266,447	--	--	--	***	***	***
Oct.-Dec.	723.69	258,448	--	--	--	***	***	***
2014:								
Jan.-Mar.	755.06	307,665	--	--	--	***	***	***
Apr.-Jun.	761.25	243,309	--	--	--	***	***	***
Jul.-Sep.	776.00	257,110	--	--	--	***	***	***
Oct.-Dec.	768.88	224,747	--	--	--	***	***	***
2015:								
Jan.-Mar.	722.37	222,853	--	--	--	***	***	***
Apr.-Jun.	657.71	228,643	--	--	--	***	***	***

Period	India			Japan		
	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2013:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2014:						
Jan.-Mar.	***	***	***	--	--	--
Apr.-Jun.	***	***	***	--	--	--
Jul.-Sep.	***	***	***	--	--	--
Oct.-Dec.	***	***	***	--	--	--
2015:						
Jan.-Mar.	***	***	***	--	--	--
Apr.-Jun.	***	***	***	***	***	***

[1] Product 3: Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0220" to 0.0849" in thickness. *Contract sales* (i.e. sales pursuant to annual or longer-term contracts).

Table continued on next page.

Table V-6 *Continued*

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States		Korea			Netherlands		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:								
Jan.-Mar.	768.54	270,778	--	--	--	***	***	***
Apr.-Jun.	792.15	218,661	--	--	--	***	***	***
Jul.-Sep.	749.71	198,092	--	--	--	***	***	***
Oct.-Dec.	752.06	173,112	--	--	--	***	***	***
2013:								
Jan.-Mar.	710.08	293,219	--	--	--	***	***	***
Apr.-Jun.	707.80	217,891	--	--	--	***	***	***
Jul.-Sep.	705.66	266,447	--	--	--	***	***	***
Oct.-Dec.	723.69	258,448	--	--	--	***	***	***
2014:								
Jan.-Mar.	755.06	307,665	--	--	--	***	***	***
Apr.-Jun.	761.25	243,309	--	--	--	***	***	***
Jul.-Sep.	776.00	257,110	--	--	--	***	***	***
Oct.-Dec.	768.88	224,747	--	--	--	***	***	***
2015:								
Jan.-Mar.	722.37	222,853	--	--	--	***	***	***
Apr.-Jun.	657.71	228,643	--	--	--	***	***	***

Period	Russia			United Kingdom		
	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2013:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2014:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	***	***	***	--	--	--
Jul.-Sep.	***	***	***	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2015:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	***	***	***	--	--	--

[1] Product 3: Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0220" to 0.0849" in thickness. *Contract sales* (i.e. sales pursuant to annual or longer-term contracts).

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

Table V-7

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States		Brazil			China		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:								
Jan.-Mar.	793.90	23,551	***	***	***	799.05	1,940	(0.6)
Apr.-Jun.	798.33	17,419	***	***	***	801.79	3,476	(0.4)
Jul.-Sep.	739.38	17,906	***	***	***	775.56	1,731	(4.9)
Oct.-Dec.	715.22	18,386	***	***	***	788.52	1,696	(10.2)
2013:								
Jan.-Mar.	720.04	16,708	***	***	***	695.21	1,867	3.4
Apr.-Jun.	709.14	13,149	***	***	***	697.31	1,427	1.7
Jul.-Sep.	709.83	14,041	***	***	***	683.94	910	3.6
Oct.-Dec.	719.44	18,924	***	***	***	671.72	2,207	6.6
2014:								
Jan.-Mar.	759.05	17,378	***	***	***	672.86	2,931	11.4
Apr.-Jun.	768.30	18,119	***	***	***	699.90	5,186	8.9
Jul.-Sep.	771.75	18,542	***	***	***	661.92	4,992	14.2
Oct.-Dec.	772.68	13,987	***	***	***	688.48	4,151	10.9
2015:								
Jan.-Mar.	716.71	10,487	***	***	***	***	***	***
Apr.-Jun.	614.50	15,253	***	***	***	652.02	1,958	(6.1)

Period	India			Japan		
	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2013:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	***	***	***	--	--	--
2014:						
Jan.-Mar.	***	***	***	--	--	--
Apr.-Jun.	***	***	***	--	--	--
Jul.-Sep.	***	***	***	--	--	--
Oct.-Dec.	***	***	***	--	--	--
2015:						
Jan.-Mar.	***	***	***	--	--	--
Apr.-Jun.	***	***	***	--	--	--

[1] Product 4: Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0850" to 0.1350" in thickness. *Non-contract sales* (i.e. sales not pursuant to annual or longer-term contracts).

Table continued on next page.

Table V-7 *Continued*

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States		Korea			Netherlands		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:								
Jan.-Mar.	793.90	23,551	--	--	--	--	--	--
Apr.-Jun.	798.33	17,419	--	--	--	--	--	--
Jul.-Sep.	739.38	17,906	--	--	--	--	--	--
Oct.-Dec.	715.22	18,386	--	--	--	--	--	--
2013:								
Jan.-Mar.	720.04	16,708	--	--	--	--	--	--
Apr.-Jun.	709.14	13,149	--	--	--	--	--	--
Jul.-Sep.	709.83	14,041	--	--	--	--	--	--
Oct.-Dec.	719.44	18,924	--	--	--	***	***	***
2014:								
Jan.-Mar.	759.05	17,378	--	--	--	--	--	--
Apr.-Jun.	768.30	18,119	--	--	--	***	***	***
Jul.-Sep.	771.75	18,542	--	--	--	--	--	--
Oct.-Dec.	772.68	13,987	--	--	--	***	***	***
2015:								
Jan.-Mar.	716.71	10,487	--	--	--	***	***	***
Apr.-Jun.	614.50	15,253	--	--	--	***	***	***

Period	Russia			United Kingdom		
	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
2012:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2013:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	--	--	--	--	--	--
Jul.-Sep.	--	--	--	--	--	--
Oct.-Dec.	***	***	***	--	--	--
2014:						
Jan.-Mar.	***	***	***	--	--	--
Apr.-Jun.	***	***	***	--	--	--
Jul.-Sep.	***	***	***	--	--	--
Oct.-Dec.	--	--	--	--	--	--
2015:						
Jan.-Mar.	--	--	--	--	--	--
Apr.-Jun.	***	***	***	--	--	--

[1] Product 4: Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0850" to 0.1350" in thickness. *Non-contract sales* (i.e. sales not pursuant to annual or longer-term contracts).

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

Figure V-4

Cold-rolled steel: Weighted-average prices and quantities of domestic and imported product 1, by quarter, January 2012-June 2015

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Figure V-5

Cold-rolled steel: Weighted-average prices and quantities of domestic and imported product 2, by quarter, January 2012-June 2015

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Figure V-6

Cold-rolled steel: Weighted-average prices and quantities of domestic and imported product 3, by quarter, January 2012-June 2015

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Figure V-7

Cold-rolled steel: Weighted-average prices and quantities of domestic and imported product 4, by quarter, January 2012-June 2015

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Price trends

Overall, prices decreased during January 2012-June 2015. Table V-8 summarizes the price trends, by country and by product. Domestic price decreases ranged from 14.4 percent to 27.1 percent during January 2012-June 2015.[13] Import price decreases ranged from 5.4 percent to 30.4 percent.[14]

According to respondents, the decrease in cold-rolled steel prices is due to the decline in raw material costs,[15] as well as the strengthening of the U.S. dollar since January 2012.[16] Korean

[13] The smallest decline in domestic prices was for product 3 – the only price item requesting contract sales data.

[14] The Commission did not receive import pricing data for the first and last quarters of the period of investigation (January-March 2012 and April-June 2015) for all products and all subject countries. In the cases where the Commission received data for interim periods only, these date ranges and pricing trends are detailed in the footnotes to table V-8.

[15] Conference transcript, pp. 32 (Cameron), 168 and 171 (Maleshevich), 174-175 (Dougan), 186-187 (Weiner), and 190-191 (Hori) ; CSN's postconference brief, p. 14; Tata UK's postconference brief, exhibit

(*continued*...)

producers also contend that the domestic price declines for cold-rolled steel were not the result of any subject imports, but due rather to competition within the domestic industry.[17]

Petitioners argue that the decline in raw material costs was not the primary driver of the drop in domestic prices for cold-rolled steel, but that the price decline was the result of the increased level of imported subject product and the global oversupply – primarily from Chinese producers – of cold-rolled steel.[18] Petitioners also argue that the recent devaluation of the Chinese RMB and subsequent price cuts by Chinese producers of cold-rolled steel have put pressure on other exporters to reduce their prices in order to compete and threaten to have a negative impact on domestic prices.[19]

Table V-8

Cold-rolled steel: Summary of weighted-average f.o.b. prices for products 1-4 from the United States and subject countries

Item	Number of quarters	Low price (per short ton)	High price (per short ton)	Change in price[1] (percent)
Product 1 (non-contract)[2]				
United States	14	602.55	826.67	(27.1)
Brazil	14	***	***	***
China	14	666.73	***	***
India	7	***	***	---
Japan	---	---	---	---
Korea	11	***	***	***
Netherlands	---	---	---	---
Russia	1	***	***	---

[1] Percentage change from the first quarter of 2012 to the second quarter of 2015.
[2] For product 1, prices for imports from India ***.

Table continued on next page.

(…*continued*)
1 pp. 6-7, and attachment 1 pp. 4-6; Korean producers postconference brief, pp. 18, 21, 35, and exhibit 6.

[16] Conference transcript, pp. 171 (Maleshevich), 186-187 (Weiner), and 190-191 (Hori); Japanese mills' postconference brief, p. 14).

[17] Korean producers' postconference brief, p. 20.

[18] Conference transcript, pp. 28-29 (Rosenthal), 132 (Mull), 133 (Price), and 153-154 (Kopf); Nucor's postconference brief, pp. 9 and 32. AK Steel's postconference brief, pp. 30-31; U.S. Steel's postconference brief, pp. 31-32 and exhibit 26; ArcelorMittal's postconference brief, pp. 41-43 and exhibit 24. These and other firms also argue that the price of cold-rolled steel declined more rapidly and fell further than raw material price cost declines. Conference transcript, pp. 129-130 (Schagrin), 131 and 153 (Blume); USS-POSCO's postconference brief, p. 10; Nucor's postconference brief, pp. 15-16 and 32-36; ArcelorMittal's postconference brief, pp. 9 and 14.

[19] Conference transcript, pp. 43, 122-124 (Price), and 124-125 (Cannon); Nucor's postconference brief, exhibit 1 pp. 31-32, and exhibits 2K-2U; ArcelorMittal's postconference brief, p. 38 and exhibit 1.

Table V-8 *Continued*

Cold-rolled steel: Summary of weighted-average f.o.b. prices for products 1-4 from the United States and subject countries

Item	Number of quarters	Low price (per short ton)	High price (per short ton)	Change in price[1] (percent)
Product 2 (non-contract)[2]				
United States	14	603.29	773.21	(22.0)
Brazil	14	***	***	***
China	14	634.57	725.70	(12.6)
India	8	***	***	---
Japan	5	***	***	---
Korea	8	***	***	***
Netherlands	9	***	***	***
Russia	7	***	***	---
Product 3 (contract)[3]				
United States	14	657.71	792.15	(14.4)
Brazil	---	---	---	---
China	14	***	***	***
India	6	***	***	---
Japan	1	***	***	---
Korea	---	---	---	---
Netherlands	14	***	***	***
Russia	3	***	***	---
Product 4 (non-contract)[4]				
United States	14	614.50	798.33	(22.6)
Brazil	14	***	***	***
China	14	652.02	801.79	(18.4)
India	7	***	***	---
Japan	---	---	---	---
Korea	---	---	---	---
Netherlands	5	***	***	---
Russia	5	***	***	---

[1] Percentage change from the first quarter of 2012 to the second quarter of 2015.
[2] For product 2, prices for imports from India ***; prices for imports from Japan ***; and prices for imports from Russia ***.
[3] For product 3, prices for imports from India ***; and prices for imports from Russia ***.
[4] For product 4, prices for imports from India ***; prices for imports from the Netherlands ***; and prices for imports from Russia ***.

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

Price comparisons

As shown in table V-9, prices for cold-rolled steel imported from subject countries were below those for U.S.-produced product in 124 of 195 instances (totaling approximately 1.0

million short tons); margins of underselling ranged from 0.1 to 18.9 percent. In the remaining 71 instances (totaling approximately 0.3 million short tons), prices for cold-rolled steel from subject countries were between 0.03 and 48.1 percent above prices for the domestic product.[20]

The greatest number of instances of underselling occurred during 2014. By year, prices for subject country product was below U.S.-produced product in 13 instances during 2012, 31 instances during 2013, 66 instances during 2014, and 14 instances during the first two quarters of 2015.[21]

Table V-9

Cold-rolled steel: Instances of underselling/overselling and the range and average of margins, by country, January 2012-June 2015[1]

Source	Underselling				
	Number of quarters	Quantity[2] (units)	Average margin (percent)	Margin range (percent)	
				Min	Max
Brazil	22	***	***	***	***
China	34	***	***	***	***
India	19	***	***	***	***
Japan	4	***	***	***	***
Korea	7	***	***	***	***
Netherlands	24	***	***	***	***
Russia	14	***	***	***	***
Total	124	1,032,589	6.2	0.1	18.9
Source	**(Overselling)**				
	Number of quarters	Quantity[2] (units)	Average margin (percent)	Margin range (percent)	
				Min	Max
Brazil	20	***	***	***	***
China	22	***	***	***	***
India	9	***	***	***	***
Japan	2	***	***	***	***
Korea	12	***	***	***	***
Netherlands	4	***	***	***	***
Russia	2	***	***	***	***
Total	71	282,847	(7.2)	(0.03)	(48.1)

[1] As noted above, staff received revisions from some but not all firms. Accordingly, some of these pricing data may include both commercial and higher quality steel.

[2] These data include only quarters in which there is a comparison between the U.S. and subject product.

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

[20] Excluding the Netherlands, prices for cold-rolled steel imported from subject countries were below those for U.S.-produced product in 100 of 167 instances; the ranges of both underselling and overselling margins remain unchanged.

[21] Excluding the Netherlands, prices for subject country product was below U.S.-produced product in 8 instances during 2012, 24 instances during 2013, 57 instances during 2014, and 11 instances during the first two quarters of 2015.

LOST SALES AND LOST REVENUE

The Commission requested U.S. producers of cold-rolled steel to report any instances of lost sales or revenue they experienced due to competition from imports of cold-rolled steel from subject countries since January 1, 2012. Of the 12 responding U.S. producers, seven reported that they had to either reduce prices or roll back announced price increases, and seven firms reported that they had lost sales. Five of these producers provided usable lost sales and/or lost revenue information.[22]

Seventeen lost sales allegations were made against imports from China, four against imports from Brazil, one against imports from Russia, and one against imports from both China and Russia. Four lost revenue allegations were made against imports from China and two against imports from Brazil. The 23 lost sales allegations totaled $52.3 million and involved 80,805 tons of cold-rolled steel, and the six lost revenue allegations totaled $1.1 million and involved 19,150 tons of cold-rolled steel. Staff contacted 16 purchasers, and a summary of the information obtained follows in tables V-10 and V-11.

Table V-10
Cold-rolled steel: U.S. producers' lost sales allegations

* * * * * * *

Table V-11
Cold-rolled steel: U.S. producers' lost revenue allegation

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Purchasers responding to the lost sales allegations were also asked whether they shifted their purchases of cold-rolled steel from U.S. producers to suppliers of cold-rolled steel from subject countries since January 1, 2012. In addition, they were asked whether U.S. producers reduced their prices in order to compete with suppliers of cold-rolled steel from subject countries (table V-12). One of the two responding purchasers reported that it had shifted purchases of cold-rolled steel from U.S. producers to subject imports since January 1, 2012 and reported that price was the reason for the shift. One purchaser reported that U.S. producers had reduced their prices in order to compete with the prices of subject imports since 2012.

[22] Four of these firms also provided eight lost sales allegations and one lost revenue allegations that contained missing values or numerical errors that the Commission was unable to verify as of the publication of this report.

Table V-12
Product: Purchasers' responses regarding shifting supply and price reductions

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"***."

"***."

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"***."

"***."

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

BACKGROUND

Twelve firms reported usable financial data on cold-rolled steel, which are presented in this section of the report.[1] As discussed earlier in Part III, these firms either internally consumed or transferred to related parties a substantial portion of their cold-rolled steel to produce further manufactured products, such as types of corrosion-resistant steel or tin- and chromium-coated steel sheet. A majority of overall operations is composed of U.S. producers that manufacture and further process their own steel, while a smaller share reflects operations in which the underlying steel was purchased from related and/or unrelated sources.[2] On a value basis in 2014, internal consumption accounted for approximately *** percent of total sales, commercial sales of cold-rolled steel products accounted for approximately 41 percent of total sales in 2014, and the small amount of transfers to related firms, which are generally coating lines, accounted for less than *** percent (based on table VI-1).

Three firms, *** accounted for approximately two-thirds of the quantity and value, of total sales of cold-rolled steel (based on table VI-1) in 2014. Four U.S. producers purchased the plant and equipment of other firms in 2014 and 2015: ArcelorMittal USA purchased the assets of the Calvert, Alabama mill from ThyssenKrupp, forming a joint venture with Nippon Steel and Sumitomo; AK Steel purchased the Dearborn, Michigan mill from Severstal; SDI purchased the Columbus, Mississippi mill from Severstal. These acquisitions occurred in 2014 and ThyssenKrupp and Severstal exited the U.S. steel industry. Finally, Worthington acquired an independent processor of cold-rolled steel, Rome Strip Steel, in Rome, New York, in January 2015. These investments are discussed later.

OPERATIONS ON COLD-ROLLED STEEL

Tables VI-1, VI-2, and VI-3 present aggregated data on U.S. producers' operations in relation to cold-rolled steel. Each of the three tables provides information on sales and costs of the reporting firm's commercial sales, and the data for quantity and value of commercial sales are the same in each table. Besides the data for commercial sales, tables VI-1 and VI-2 provide data for internal consumption and transfers to related firms but differ in how U.S. producers were asked to estimate the value of those two categories of sales. Table VI-1 presents data with internal consumption and transfers to related parties valued based upon constructed fair

[1] With the exception of Steelscape, which reported on the basis of International Financial Reporting Standards ("IFRS"), U.S. producers reported their financial results on the basis of accounting principles generally accepted in the United States ("GAAP"). The majority of annual financial results were also reported on a calendar-year ("CY") basis. ***.

[2] Purchased/transferred-in steel reflects primarily hot-rolled steel.

market value.[3] Table VI-2 presents data for cold-rolled steel with internal consumption and transfers to related parties valued based upon a share of the gross profit of the downstream product (cost plus share of downstream profit).[4] While the data for quantity of sales and the costs are the same in tables VI-1 and VI-2, the value of internal consumption and transfers differs. Finally, table VI-3 presents data on only commercial sales (including exports) and costs (so-called "merchant market" or "open market") aggregated for the industry.

[3] The Commission's questionnaire asked U.S. producers to report the value of internal consumption and transfers to related firms at the same per-unit values as the firm's commercial sales. Firms were instructed to adjust the per-unit-values if their internal consumption and transfers differed from their commercial sales because of factors like product mix, or physical, or quality differences. This adjustment for differences in value was labeled "operations on cold-rolled steel with internal consumption and transfers to related parties valued based upon differences in cost (constructed fair market value)." *See* section III-9 of the U.S. producers' questionnaire.

[4] The Commission's questionnaire asked U.S. producers to report the value of internal consumption and transfers to related firms based upon a calculation using the gross profit margin of the downstream product (e.g., coated steel), adjusted for the percentage of relative costs of producing cold-rolled steel and the downstream product. This adjustment for differences in value was labeled "operations on cold-rolled steel with internal consumption and transfers to related parties based upon the gross profit of the downstream product (cost plus share of downstream profit)." *See* section III-10 of the U.S. producers' questionnaire.

Table VI-1
Cold-rolled steel: Results of operations of U.S. producers with internal consumption and transfers valued at constructed fair market value, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Commercial sales	11,309,745	11,106,450	10,646,771	5,494,644	4,917,078
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	26,917,521	27,008,406	27,202,517	13,858,154	12,591,423
	Value (1,000 dollars)				
Commercial sales	8,926,786	8,370,066	8,442,724	4,356,989	3,569,554
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	20,462,831	19,598,764	20,735,965	10,571,243	8,739,916
Cost of goods sold.-- Raw materials	14,185,668	12,816,375	12,971,236	6,563,225	5,149,271
Direct labor	1,746,624	1,789,412	1,831,266	915,086	896,324
Other factory costs	4,201,791	4,760,407	5,048,980	2,849,989	2,566,791
Total COGS	20,134,083	19,366,194	19,851,482	10,328,300	8,612,386
Gross profit	328,748	232,570	884,483	242,943	127,530
SG&A expense	524,206	537,670	629,379	328,014	317,558
Operating income or (loss)	(195,458)	(305,100)	255,104	(85,071)	(190,028)
Other expense or (income), net	351,657	208,515	232,268	114,312	200,141
Net income or (loss)	(547,115)	(513,615)	22,836	(199,383)	(390,169)
Depreciation/amortization	459,669	454,009	401,150	210,635	211,270
Cash flow	(87,446)	(59,606)	423,986	11,252	(178,899)

Table continued on the next page.

Table VI-1--*Continued*
Cold-rolled steel: Results of operations of U.S. producers with internal consumption and transfers valued at constructed fair market value, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Ratio to total net sales (percent)				
Cost of goods sold.-- Raw materials	69.3	65.4	62.6	62.1	58.9
Direct labor	8.5	9.1	8.8	8.7	10.3
Other factory costs	20.5	24.3	24.3	27.0	29.4
Average COGS	98.4	98.8	95.7	97.7	98.5
Gross profit	1.6	1.2	4.3	2.3	1.5
SG&A expense	2.6	2.7	3.0	3.1	3.6
Operating income or (loss)	(1.0)	(1.6)	1.2	(0.8)	(2.2)
Net income or (loss)	(2.7)	(2.6)	0.1	(1.9)	(4.5)
	Ratio to total COGS (percent)				
Raw materials	70.5	66.2	65.3	63.5	59.8
Direct labor	8.7	9.2	9.2	8.9	10.4
Other factory costs	20.9	24.6	25.4	27.6	29.8
	Average unit value (dollars per short ton)				
Commercial sales	789	754	793	793	726
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	760	726	762	763	694
Cost of goods sold.-- Raw materials	527	475	477	474	409
Direct labor	65	66	67	66	71
Other factory costs	156	176	186	206	204
Average COGS	748	717	730	745	684
Gross profit	12	9	33	18	10
SG&A expense	19	20	23	24	25
Operating income or (loss)	(7)	(11)	9	(6)	(15)
Net income or (loss)	(20)	(19)	1	(14)	(31)
	Number of firms reporting				
Operating losses	6	5	3	2	5
Net losses	6	6	3	3	7
Data	12	12	12	12	12

Note.—Firm-by-firm financial data are in appendix E.

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

Table VI-2
Cold-rolled steel: Results of operations of U.S. producers with internal consumption and transfers valued at cost plus share of downstream profit, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Commercial sales	11,309,745	11,106,450	10,646,771	5,494,644	4,917,078
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales[1]	26,917,521	27,008,406	27,202,517	13,858,154	12,591,423
	Value (1,000 dollars)				
Commercial sales	8,926,786	8,370,066	8,442,724	4,356,989	3,569,554
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales[1]	20,967,337	20,347,168	21,136,392	10,799,154	8,937,502
Cost of goods sold.-- Raw materials	14,185,668	12,816,375	12,971,236	6,563,225	5,149,271
Direct labor	1,746,624	1,789,412	1,831,266	915,086	896,242
Other factory costs	4,201,790	4,760,407	5,048,980	2,850,337	2,566,792
Total COGS	20,134,082	19,366,194	19,851,482	10,328,648	8,612,305
Gross profit	833,255	980,974	1,284,910	470,506	325,197
SG&A expense	524,206	537,671	629,379	328,015	317,557
Operating income	309,049	443,303	655,531	142,491	7,640
Other expense or (income), net	351,297	208,515	232,269	114,311	197,825
Net income or (loss)	(42,248)	234,788	423,262	28,180	(190,185)
Depreciation/amortization	459,668	454,009	401,150	210,635	211,270
Cash flow	417,420	688,797	824,412	238,815	21,085
	Ratio to total net sales (percent)				
Cost of goods sold.-- Raw materials	67.7	63.0	61.4	60.8	57.6
Direct labor	8.3	8.8	8.7	8.5	10.0
Other factory costs	20.0	23.4	23.9	26.4	28.7
Average COGS	96.0	95.2	93.9	95.6	96.4
Gross profit	4.0	4.8	6.1	4.4	3.6
SG&A expense	2.5	2.6	3.0	3.0	3.6
Operating income	1.5	2.2	3.1	1.3	0.1
Net income or (loss)	(0.2)	1.2	2.0	0.3	(2.1)

Table continued on the next page.

Table VI-2--*Continued*
Cold-rolled steel: Results of operations of U.S. producers with internal consumption and transfers valued at cost plus share of downstream profit, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Ratio to total COGS (percent)				
Raw materials	70.5	66.2	65.3	63.5	59.8
Direct labor	8.7	9.2	9.2	8.9	10.4
Other factory costs	20.9	24.6	25.4	27.6	29.8
	Average unit value (dollars per short ton)				
Commercial sales	789	754	793	793	726
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales[1]	779	753	777	779	710
Cost of goods sold.-- Raw materials	527	475	477	474	409
Direct labor	65	66	67	66	71
Other factory costs	156	176	186	206	204
Average COGS	748	717	730	745	684
Gross profit	31	36	47	34	26
SG&A expense	19	20	23	24	25
Operating income	11	16	24	10	1
Net income or (loss)	(2)	9	16	2	(15)
	Number of firms reporting				
Operating losses	5	3	4	2	5
Net losses	6	4	4	2	6
Data	12	12	12	12	12

Note.—Firm-by-firm financial data are in appendix E.

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

Table VI-3
Cold-rolled steel: Results of commercial operations only of U.S. producers, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Total net sales	11,309,745	11,106,450	10,646,771	5,494,644	4,917,078
	Value (1,000 dollars)				
Total net sales	8,926,786	8,370,066	8,442,724	4,356,989	3,569,554
Cost of goods sold.-- Raw materials	5,945,661	5,246,289	4,978,066	2,544,446	1,950,335
Direct labor	797,013	798,394	790,585	402,037	404,649
Other factory costs	1,860,130	2,033,213	2,062,369	1,197,941	1,068,504
Total COGS	8,602,804	8,077,896	7,831,020	4,144,424	3,423,488
Gross profit	323,982	292,170	611,704	212,565	146,066
SG&A expense	243,284	237,554	262,221	136,046	130,836
Operating income	80,698	54,616	349,483	76,519	15,230
Other expense or (income), net	175,667	83,891	72,513	43,961	82,175
Net income or (loss)	(94,969)	(29,275)	276,970	32,558	(66,945)
Depreciation/amortization	198,295	196,004	165,699	88,051	87,207
Cash flow	103,326	166,729	442,669	120,609	20,262
	Ratio to net sales (percent)				
Cost of goods sold.-- Raw materials	66.6	62.7	59.0	58.4	54.6
Direct labor	8.9	9.5	9.4	9.2	11.3
Other factory costs	20.8	24.3	24.4	27.5	29.9
Average COGS	96.4	96.5	92.8	95.1	95.9
Gross profit	3.6	3.5	7.2	4.9	4.1
SG&A expense	2.7	2.8	3.1	3.1	3.7
Operating income	0.9	0.7	4.1	1.8	0.4
Net income or (loss)	(1.1)	(0.3)	3.3	0.7	(1.9)

Table continued on the next page.

Table VI-3--*Continued*
Cold-rolled steel: Results of commercial operations only of U.S. producers, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Ratio to total COGS (percent)				
Raw materials	69.1	64.9	63.6	61.4	57.0
Direct labor	9.3	9.9	10.1	9.7	11.8
Other factory costs	21.6	25.2	26.3	28.9	31.2
	Average unit value (dollars per short ton)				
Total net sales	789	754	793	793	726
Cost of goods sold.-- Raw materials	526	472	468	463	397
Direct labor	70	72	74	73	82
Other factory costs	164	183	194	218	217
Average COGS	761	727	736	754	696
Gross profit	29	26	57	39	30
SG&A expense	22	21	25	25	27
Operating income	7	5	33	14	3
Net income or (loss)	(8)	(3)	26	6	(14)
	Number of firms reporting				
Operating losses	5	5	4	3	5
Net losses	4	4	5	4	5
Data	11	11	11	11	11

Note.—***. Firm-by-firm financial data are in appendix E.

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

Net sales quantity and value

As the data in tables VI-1 and VI-2 indicate, total sales increased between 2012 and 2014 and were lower in January-June 2015 than in January-June 2014 on a quantity and value basis. The increase between 2012 and 2014 was primarily attributable to the higher quantity and value of reported internal consumption of cold-rolled steel by five reporting firms. ***.[5] Commercial sales declined between 2012 and 2014 on a quantity and value basis, and lower sales reported by ***. Commercial sales, internal consumption, and transfers to related firms were each lower in January-June 2015 than in the same period one year earlier. Average unit values of commercial sales (table VI-3) and internal consumption (table VI-1) increased *** irregularly between 2012 and 2014, while those of transfers fell. The average unit values of each category were *** lower in January-June 2015 compared with January-June 2014.

Operating costs and expenses

Raw material costs represent the single largest component of overall COGS, accounting for 60 percent or more of total COGS, but declined between 2012 and 2014, and into 2015. Raw material costs also represent approximately 60 percent of net sales value, but declined over the same period. Raw material costs fell between 2012 and 2014 on a dollar basis and were lower in January-June 2015 than in January-June 2014; likewise, the average unit value of raw material costs fell from 2012 to 2014 and were lower in January-June 2015 than in the same period one year earlier. With respect to their U.S. operations, several producers reported that they purchase inputs from related parties: AK Steel ***; ArcelorMittal ***; CSI ***; CSN ***; Nucor ***;[6] Steel Dynamics ***; Steelscape ***; U.S. Steel ***; and USS-POSCO ***. [7]

Other factory costs are the second largest component of total COGS and consist of many allocated variable costs as well as fixed costs of production. These costs increased on a dollar basis, as a share of total COGS and as a percentage of total net sales, and on per-unit basis from 2012 to 2014. The changes were ***. Other factory costs were lower in January-June 2015 than in January-June 2014 on a dollar basis and slightly lower or flat on a per-unit basis. These changes were ***.[8]

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[5] Financial information on a firm-by-firm basis is shown in app. E.

[6] See Nucor's postconference brief, exh. 1, answers to staff questions, p. 33 for additional information about Nucor's ***.

[7] The Commission's current practice requires that relevant cost information associated with input purchases from related suppliers correspond to the manner in which this information is reported in the U.S. producer's own accounting books and records. See *1,1,1,2-Tetrafluoroethane from China, Inv. Nos. 701-TA-509 and 731-TA-1244 (Final),* USITC Publication 4503, December 2014, pp. 23 and 37.

[8] *** reported prolonged shutdowns or curtailment of operations in their questionnaire responses and the industry as a whole reported lower capacity utilization when produced cold-rolled steel. See tables III-3 and III-4, presented earlier. Reduced production or idled capacity typically leads to higher fixed costs per unit produced. This is true as well in a multi-product plant as fixed costs are spread over a smaller base. As stated at the staff conference, "production of cold-rolled steel involves significant fixed

(*continued*...)

Total SG&A expenses, which are composed of both variable and fixed company overhead costs increased on a dollar basis from 2012 to 2014 and were lower in January-June 2015 than in January-June 2014. These expenses increased as a ratio to total net sales and on a per-unit of sales basis from 2012 to 2014 and were higher in January-June 2015 than in the same period one year earlier.[9]

*** firms reported non-recurring charges at the operating level, classified in either other factory costs within COGS or within general and administrative (G&A) expenses. These charges included inventory adjustments, impairment charges to the value of plant and equipment (including closure charges), pensions, and "idle plant costs." *** in the category of other factory costs. Classified in general and administrative expenses, ***.

Profitability

Tables VI-1, VI-2, and VI-3 show that the industry's gross profit, on an absolute and relative basis, was at its highest level in 2014. Notwithstanding variability in average direct labor and other factory costs, changes in the industry's gross profit margin primarily reflect the extent to which changes in average raw material costs were or were not offset by corresponding changes in average sales value. Like gross profit, operating income rose substantially from 2012 to 2014 (table VI-1 shows the operating loss increasing from 2012 to 2013 but becoming a positive number in 2014; tables VI-2 and VI-3 depict an increase in operating income during 2012-14). In each table operating income is substantially lower in January-June 2015 compared with the same period one year earlier. These trends are the same when operating income/(loss) is calculated as a ratio to sales or on a per-unit basis. The number of firms reporting operating losses was lower in 2014 than in 2012 but greater in January-June 2015 than in January-June 2014.[10] ***.

Classified below the operating income level are interest expense, other expense, and other income, which are usually allocated to the product line from high levels in the corporation. In each of the three preceding tables, these items are aggregated and only the net amount is shown. Based on the data reported for table VI-1, interest charges ranged from $***. The category of other expense includes certain non-recurring charges that are not part of operating expenses, which were reported by ***.[11] In addition, ***. Other income was insubstantial in any period, ranging from ***.

(…*continued*)
costs." Conference transcript, p. 45 (Matthews). Also, see discussion of non-recurring charges in this section of the report.

[9] Commission staff notes that very few firms maintain records for SG&A expenses on a product-line basis and that the data reported in questionnaire responses usually represents an allocation of these costs to a subset of the firm's overall operations.

[10] Two firms, ***. Three firms, *** reported operating profits in each of the periods.

[11] Lawsuits were filed in 2007-08 and in 2010. Details concerning the court-approved settlement in October 2014 of the "Standard Iron Works" litigation are provided in ArcelorMittal's Annual Report for 2014, p. 149. Reportedly, eight U.S. steelmakers were named by plaintiffs, who alleged that the named steelmakers engaged in anticompetitive activities with respect to the production and sale of steel. Five

(*continued*...)

As may be seen from the data in the three tables, net income and cash flow (net income plus depreciation expenses) followed the trend of operating income.

Variance analysis

A variance analysis for the operations of U.S. producers of cold-rolled steel is presented in tables VI-4, VI-5, and VI-6.[12] The information for these variance analyses is derived from tables VI-1, VI-2, and VI-3, respectively. The analysis in table VI-4 (constructed fair market value) indicates that from 2012 to 2014, operating income rose by approximately $450.6 million (from a loss to income) because of favorable variances on price and net cost/expense (unit prices rose while unit costs/expenses declined), while net income increased due to decreased financial expenses. Lower operating income in January-June 2015 relative to January-June 2014 was due to an unfavorable variance on price (unit sales values fell) that overwhelmed a favorable net cost/expense variance. Calculated variance at the net income level reflects the same dynamic. The variance analyses in table VI-5 (cost plus a share of gross profit) and VI-6 (merchant market) are similar that those of table VI-4.

(…*continued*)
of the eight defendants have reached court-approved settlements with plaintiffs. According to Nucor's 2014 Form 10-K, Nucor has not reached a settlement, nor has it recorded any reserves or contingencies related to this legal matter. Nucor's 2014 Form 10-K, p. 15. Although U.S. Steel refers to its settlement in these cases and a payment of $58 million in June 2014, ***. U.S. Steel's 2014 Form 10-K, pp. F-57-58 (as filed). Although AK Steel refers to its settlement in these cases and a payment of $5.8 million in settlement, ***. AK Steel Holding Co., 2014 Form 10-K, p. 71 (as filed).

[12] The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. As summarized at the bottom of the table, the price variance is from sales, the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Table VI-4
Cold-rolled steel: Variance analysis on the operations of U.S. producers, with internal consumption and transfers valued at constructed fair market value, 2012-14, January-June 2014, and January-June 2015

Item	Between fiscal years			January-Jun
	2012-14	2012-13	2013-14	2014-15
Commercial sales:				
Price variance	39,224	(396,259)	419,082	(329,453)
Volume variance	(523,286)	(160,461)	(346,424)	(457,982)
Commercial sales variance	(484,062)	(556,720)	72,658	(787,435)
Internal consumption:				
Price variance	***	***	***	***
Volume variance	***	***	***	***
Internal consumption variance	***	***	***	***
Transfers to related firms:				
Price variance	***	***	***	***
Volume variance	***	***	***	***
Transfers to related firms variance	***	***	***	***
Net sales:				
Price variance	56,479	(933,158)	996,344	(865,042)
Volume variance	216,655	69,091	140,857	(966,285)
Net sales variance	273,134	(864,067)	1,137,201	(1,831,327)
COGS:				
Price variance	495,776	835,870	(346,102)	771,836
Volume variance	(213,175)	(67,981)	(139,186)	944,078
COGS variance	282,601	767,889	(485,288)	1,715,914
Gross profit variance	555,735	(96,178)	651,913	(115,413)
SG&A expenses:				
Cost/expense variance	(99,623)	(11,694)	(87,845)	(19,527)
Volume variance	(5,550)	(1,770)	(3,864)	29,983
Total SG&A expense variance	(105,173)	(13,464)	(91,709)	10,456
Operating income variance	450,562	(109,642)	560,204	(104,957)
Operating income summarized as:				
Price variance	56,479	(933,158)	996,344	(865,042)
Net cost/expense variance	396,153	824,176	(433,947)	752,309
Net volume variance	(2,069)	(660)	(2,193)	7,776
Financial expenses:				
Cost/expense variance	123,112	144,329	(22,254)	(96,278)
Volume variance	(3,723)	(1,187)	(1,499)	10,449
Total SG&A expense variance	119,389	143,142	(23,753)	(85,829)
Net income variance	569,951	33,500	536,451	(190,786)
Net income summarized as:				
Price variance	56,479	(933,158)	996,344	(865,042)
Net cost/expense variance	519,265	968,506	(456,201)	656,031
Net volume variance	(5,793)	(1,847)	(3,691)	18,225

Note.—The variance analysis shown here is consistent with the data in table VI-1. Unfavorable variances are shown in parentheses, all others are favorable.

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

Table VI-5
Cold-rolled steel: Variance analysis on the operations of U.S. producers with internal consumption and transfers to related firms valued at share of gross profit, 2012-14, January-June 2014, and January-June 2015

Item	Between fiscal years			January-Jun
	2012-14	2012-13	2013-14	2014-15
Commercial sales:				
Price variance	39,224	(396,259)	419,082	(329,453)
Volume variance	(523,286)	(160,461)	(346,424)	(457,982)
Commercial sales variance	(484,062)	(556,720)	72,658	(787,435)
Internal consumption:				
Price variance	***	***	***	***
Volume variance	***	***	***	***
Internal consumption variance	***	***	***	***
Transfers to related firms:				
Price variance	***	***	***	***
Volume variance	***	***	***	***
Transfers to related firms variance	***	***	***	***
Net sales:				
Price variance	(52,942)	(690,964)	642,988	(874,535)
Volume variance	221,997	70,795	146,236	(987,117)
Net sales variance	169,055	(620,169)	789,224	(1,861,652)
COGS:				
Price variance	495,775	835,869	(346,102)	772,233
Volume variance	(213,175)	(67,981)	(139,186)	944,110
COGS variance	282,600	767,888	(485,288)	1,716,343
Gross profit variance	451,655	147,719	303,936	(145,309)
SG&A expenses:				
Cost/expense variance	(99,623)	(11,695)	(87,844)	(19,525)
Volume variance	(5,550)	(1,770)	(3,864)	29,983
Total SG&A expense variance	(105,173)	(13,465)	(91,708)	10,458
Operating income variance	346,482	134,254	212,228	(134,851)
Operating income summarized as:				
Price variance	(52,942)	(690,964)	642,988	(874,535)
Net cost/expense variance	396,152	824,174	(433,946)	752,708
Net volume variance	3,272	1,043	3,186	(13,025)
Financial expenses:				
Cost/expense variance	122,747	143,968	(22,255)	(93,963)
Volume variance	(3,719)	(1,186)	(1,499)	10,449
Total SG&A expense variance	119,028	142,782	(23,754)	(83,514)
Net income variance	465,510	277,036	188,474	(218,365)
Net income summarized as:				
Price variance	(52,942)	(690,964)	642,988	(874,535)
Net cost/expense variance	518,899	968,142	(456,201)	658,746
Net volume variance	(447)	(143)	1,687	(2,576)

Note.—The variance analysis shown here is consistent with the data in table VI-2. Unfavorable variances are shown in parentheses, all others are favorable.

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

Table VI-6
Cold-rolled steel: Variance analysis on the open market operations of U.S. producers, 2012-14, January-June 2014, and January-June 2015

Item	Between fiscal years			January-Jun
	2012-14	2012-13	2013-14	2014-15
Commercial sales:				
Price variance	39,224	(396,259)	419,082	(329,453)
Volume variance	(523,286)	(160,461)	(346,424)	(457,982)
Commercial sales variance	(484,062)	(556,720)	72,658	(787,435)
COGS:				
Price variance	267,490	370,271	(87,456)	285,298
Volume variance	504,294	154,637	334,332	435,638
COGS variance	771,784	524,908	246,876	720,936
Gross profit variance	287,722	(31,812)	319,534	(66,499)
SG&A expenses:				
Cost/expense variance	(33,198)	1,357	(34,499)	(9,090)
Volume variance	14,261	4,373	9,832	14,300
Total SG&A expense variance	(18,937)	5,730	(24,667)	5,210
Operating income variance	268,785	(26,082)	294,867	(61,289)
Operating income summarized as:				
Price variance	39,224	(396,259)	419,082	(329,453)
Net cost/expense variance	234,292	371,628	(121,955)	276,207
Net volume variance	(4,730)	(1,451)	(2,260)	(8,043)
Financial expenses:				
Cost/expense variance	92,856	88,618	7,906	(42,835)
Volume variance	10,298	3,158	3,472	4,621
Total SG&A expense variance	103,154	91,776	11,378	(38,214)
Net income variance	371,939	65,694	306,245	(99,503)
Net income summarized as:				
Price variance	39,224	(396,259)	419,082	(329,453)
Net cost/expense variance	327,148	460,246	(114,049)	233,372
Net volume variance	5,567	1,707	1,212	(3,422)

Note.—The variance analysis shown here is consistent with the data in table VI-3. 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 (R&D) EXPENSES

Capital expenditures and acquisitions (discussed next in assets and return on investment) are among the largest single items in the section "cash flows from investing activities" in the statement of cash flows of a firm. In accounting terms, both capital expenditures and acquisitions increase the value of specific plant and equipment and total assets, while charges for depreciation and amortization (in the case of intangible assets), impairments, and divestitures decrease the value of assets. Capital expenditures are made and R&D expenses are incurred to achieve improvements in equipment and the quality of products produced. Acquisitions are typically made to expand a company's production of an existing product, enter into a new product line, access technology, and the like.[13]

Six firms responded to the question concerning the nature or focus of their capital expenditures. ArcelorMittal USA reported capital expenditures ***.[14] Blair stated that the firm***. CSN stated that it invested to ***. Nucor stated that its capital expenditures were with respect to a ***. Steel Dynamics indicated that it invested to ***. Finally, USS-POSCO stated that ***. In addition, AK Steel stated that ***.[15] [16] Nucor also listed ***.[17]

Table VI-7 presents capital expenditures and R&D expenses by firm. Total capital expenditures were less than reported total depreciation in 2013 (by $144.0 million) and 2014 (by $90.6 million) and in both interim periods (by $88.8 million and $26.0 million in January-June 2014 and January-June 2015, respectively). On a firm-by-firm basis, capital expenditures were less than depreciation charges for the majority of reporting firms; exceptions were ***. As shown in table VI-4, ***.

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[13] Nucor notes that it may be the sole U.S. steelmaker whose debt is considered investment-grade, which means that the firm has greater access to investment capital, enjoys lower interest rates on its borrowing, and its stock price is higher.

[14] Email from ***, August 19, 2015.

[15] Postconference brief of AK Steel, Answers to questions, p. 4.

[16] ArcelorMittal USA stated ***. ArcelorMittal USA's postconference brief, exh. 1, answers to questions, p. 7 and exh. 7 (Declaration of ***).

[17] These are ***. Nucor's postconference brief, exh. 1, answers to staff questions, p. 28.

Table VI-7
Cold-rolled steel: Capital expenditures and R&D expenses of U.S. producers, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Capital expenditures (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	528,326	314,950	314,677	123,970	187,648
	R & D expenses (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	***	***	***	***	***

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

ASSETS AND RETURN ON ASSETS

Table VI-8 presents data on the U.S. producers' total assets[18] and the ratio of operating income or (loss) and net income or (loss) to assets. As reported by the U.S. industry, total assets decreased from $11.3 billion in 2012 to $9.3 billion in 2014.

[18] With respect to a company's overall operations, staff notes that a total asset value (i.e., the bottom line number on the asset side of a company's balance sheet) reflects an aggregation of a number of assets which are generally not product specific. Accordingly, high-level allocation factors were required in order to report a total asset value for cold-rolled steel.

In addition to the capital expenditures for plant modernization, health and safety, and maintenance that were described earlier, four firms purchased the plant and equipment of other firms during 2012-15. These included: Steel Dynamics, which bought the mill at Columbus, Mississippi in September 2014 from Severstal for $1.625 billion (the allocated value of the facilities producing cold-rolled steel are ***.[19] ArcelorMittal USA, which completed the purchase of the Calvert, Alabama mill from ThyssenKrupp Steel USA in February 2014 and formed a 50/50 joint venture with Nippon Steel and Sumitomo Metal Corp. to operate the plant; the total cost was $1.55 billion and the allocated value of the facility that produces cold-rolled steel was $***.[20] AK Steel, which acquired the Dearborn, Michigan integrated steel production facility from Severstal in July 2014. The overall purchase price, financed by debt and equity offering, was $690 million, of which $*** was estimated to be the value of the purchased cold-rolled steel assets.[21] [22] [23] Finally, Worthington, finalized the purchase of Rome Strip Steel, IN Rome, New York, in January 2015 for a reported purchase price of $54.5 million.[24]

In contrast to these acquisitions, U.S. Steel recently decided to permanently close its cold-rolled steel operations at Fairfield, Alabama on or after November 17, 2015. A press release issued by U.S. Steel indicated that facilities to be closed at the Fairfield, Alabama mill included the blast furnace and BOF, hot-strip mill, pickle line, cold mill, annealing facility, and the stretch and temper line.[25] As noted earlier, U.S. Steel recorded $***. The value of U.S. Steel's assets allocated to cold-rolled steel ***.

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[19] Emails from ***; SDI's and CSI's postconference brief, exh. 1, response to question at staff conference, ***.

[20] Email from ***, August 19, 2015. Also, ArcelorMittal USA's postconference brief, exh. 1, answers to questions, pp. 9-10 ***.

[21] Email from ***, August 19, 2015.

[22] In its postconference brief, AK Steel stated that ***. AK Steel's postconference brief, answers to questions, p. 4. U.S. Steel stated that "in a domestic industry with significant fixed costs . . .it is vital for producers to obtain a strong rate of return during periods of favorable demand in order to make up for difficulties resulting from inevitable downturns." U.S. Steel's postconference brief, p. 18.

[23] Reportedly, ThyssenKrupp recorded impairment charges of €3.6 billion (approximately US$4.0 billion at current exchange rates) in connection with the sale of its Calvert, Alabama mill in 2013; similarly, Severstal sold its Dearborn, Michigan plant for approximately half of what it had invested for renovation two years earlier. Nucor's postconference brief, p. 20, footnote 79 (examples of plant being sold by firms exiting the industry for "pennies on the dollar").

[24] Worthington Industries, Annual Report, p. 2.

[25] U.S. Steel's postconference brief, response to questions from Commission staff, p. 1 and exh. 35 (declaration by Douglas Matthews). Reportedly, the decision to close the blast furnace, associated steelmaking operations, and certain finishing operations does not affect the pipe and tube operations at the mill in Fairfield, Alabama, the electric arc furnace (EAF) construction project a that mill (which is to replace the current steelmaking furnace), or the coating lines and Double G hot-dip galvanizing joint venture in Jackson, Mississippi. U.S. Steel's press release of August 17, 2015.

Table VI-8
Cold-rolled steel: U.S. producers' total assets and ratio of operating income or (loss) to total assets, by firm, fiscal years 2012-14

Firm	Fiscal years		
	2012	2013	2014
Total net assets (1,000 dollars)			
AK Steel	***	***	***
ArcelorMittal, USA	***	***	***
Blair	***	***	***
CSI	***	***	***
CSN	***	***	***
Nucor	***	***	***
Steel Dynamics	***	***	***
Steelscape	***	***	***
Thomas	***	***	***
U.S. Steel	***	***	***
USS-POSCO	***	***	***
Worthington Steel	***	***	***
Total	11,295,733	10,803,876	9,323,742
Ratio of operating income or (loss) to assets (percent)			
AK Steel	***	***	***
ArcelorMittal, USA	***	***	***
Blair	***	***	***
CSI	***	***	***
CSN	***	***	***
Nucor	***	***	***
Steel Dynamics	***	***	***
Steelscape	***	***	***
Thomas	***	***	***
U.S. Steel	***	***	***
USS-POSCO	***	***	***
Worthington Steel	***	***	***
Average	(1.7)	(2.8)	2.7
Ratio of net income or (loss) to assets (percent)			
AK Steel	***	***	***
ArcelorMittal, USA	***	***	***
Blair	***	***	***
CSI	***	***	***
CSN	***	***	***
Nucor	***	***	***
Steel Dynamics	***	***	***
Steelscape	***	***	***
Thomas	***	***	***
U.S. Steel	***	***	***
USS-POSCO	***	***	***
Worthington Steel	***	***	***
Average	(4.8)	(4.8)	0.2

Note.—Data for operating income and net income are from table VI-1 (constructed fair value).
Source: Compiled from data submitted in response to Commission questionnaires.

CAPITAL AND INVESTMENT

The Commission requested U.S. producers of cold-rolled steel to describe any actual or potential negative effects on their return on investment or their growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of cold-rolled steel from Brazil, China, India, Japan, Korea, the Netherlands, Russia, and the United Kingdom. Table VI-9 tabulates the responses on actual negative effects on investment, growth and development while table VI-10 presents responses on actual negative effects on growth of domestic producers.

Table VI-9
Cold-rolled steel: Negative effects of imports from subject sources on investment, growth, and development since January 1, 2012

Item	No	Yes
Negative effects on investment[1]	5	7
Cancellation, postponement, or rejection of expansion projects		5
Denial or rejection of investment proposal		2
Reduction in the size of capital investments		2
Return on specific investments negatively impacted		4
Other		5
Negative effects on growth and development[2]	6	6
Rejection of bank loans		0
Lowering of credit rating		2
Problem related to the issue of stocks or bonds		1
Ability to service debt		1
Other		6
Anticipated negative effects of imports[1]	5	7

[1] Five firms responded "no" to this question (***). Based on the sale data shown in tables VI-1 and E-1, the firms together accounted for *** percent, by value, of total net sales in 2012 to 2014 and *** percent, by value, of total net sales in the two interim periods.
[2] Six firms responded "no" to this question (***). Based on the sales data shown in tables VI-1 and E-1, the firms together accounted for *** percent, by value, of total net sales between 2012 and 2014, and *** percent, by value, of total net sales in the two interim periods.

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

Five U.S. producers stated that they experienced no actual or anticipated negative effects of the subject imports on their investment, while six stated that they had experienced no actual negative effects on their growth and development since January 1, 2012. Except ***, each firm stated that its response did not differ by country. ***. The comments of responding U.S. producers are shown in table VI-10.

Table VI-10
Cold-rolled steel: Narrative responses by U.S. producers regarding actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2012

Effect / Firm	Narrative
Cancellation, postponement, or rejection of expansion projects:	
***	***
***	***
***	***
Denial or rejection of investment proposal:	
***	***
Reduction in the size of capital investments:	
***	***
Return on specific investments negatively impacted:	
***	***
***	***
***	***
Other negative impact on investments:	
***	***
***	***
***	***
***	***
***	***
Lowering of credit rating:	
***	***
Problem related to the issue of stocks or bond:	
***	***
Ability to service debt:	
***	***
Other negative impact on growth and development activities:	
***	***
***	***
***	***
***	***
***	***
***	***
Anticipated effects of imports:	
***	***
***	***
Anticipated effected of imports:	
***	***
***	***
***	***
***	***
***	***

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

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(V) inventories of the subject merchandise,

(VI) 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,

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

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

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows.[3] Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

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[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

[3] Staff calculated industry coverage in the subject countries by comparing the responding mills' cold-rolling capacity as estimated by *** to ***'s estimate for total cold-rolled steel capacity in each country. Staff notes that the country-wide and mill-specific estimates aligned more closely with reported data for some industries than for others. ***'s estimates of cold-rolling capacity in the subject countries are as

(*continued*...)

THE INDUSTRY IN BRAZIL

Overview

The Commission issued foreign producers' or exporters' questionnaires to eight firms believed to produce and/or export cold-rolled steel from Brazil.[4] Useable responses to the Commission's questionnaire were received from three firms: ArcelorMittal Brasil, Companhia Siderúrgica Nacional ("CSN"), and USIMINAS. These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from Brazil, by quantity, during 2012-14 and January-June 2015. According to estimates requested of the responding Brazil producers, the production of cold-rolled steel in Brazil reported in this Part of the report accounts for approximately *** percent of overall capacity of cold-rolled steel in Brazil and all of the exports to the United States from Brazil. Based on a comparison of responses and *** estimates, staff believes that the responses provided by producers of cold-rolled steel in Brazil represent *** percent of all capacity of cold-rolled steel in Brazil during 2014.

Table VII-1 lists the responding Brazilian producers of cold-rolled steel that responded to the Commission's questionnaire and certain 2014 summary data reported in response to Commission questionnaires.

Table VII-1
Cold-rolled steel: Summary data on firms in Brazil, 2014

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
ArcelorMittal Brasil	***	***	***	***	***	***
CSN	***	***	***	***	***	***
USIMINAS	***	***	***	***	***	***
Total	***	100.0	***	100.0	***	***

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

Changes in operations

As presented in table VII-2, one producer in Brazil reported in its questionnaire response operational or organizational changes since January 1, 2012.

(…*continued*)
follow: Brazil, ***; China, ***; India, ***; Japan, ***; Korea, ***; Netherlands, ***; Russia, ***; and the UK, ***. ***.

[4] These firms were identified through a review of information submitted in the petition and contained in industry reports and proprietary *** records.

Table VII-2
Cold-rolled steel: Reported changes in operations by firms in Brazil

* * * * * * *

Operations on cold-rolled steel

Table VII-3 presents information on the cold-rolled steel operations of the responding producers and exporters in Brazil. Brazilian capacity increased by *** percent between 2012-14, while production declined by *** percent over the same period. Home market shipments and exports to all other markets declined by *** percent and by *** percent, respectively, while exports to the United States increased by *** percent between 2012 and 2014. Home markets shipments were lower while exports to both the United States and all other markets were higher in interim 2015 compared with interim 2014.

Home market sales accounted for the majority of total shipments by Brazilian producers, declined by *** percent in 2012 to *** percent in 2014, and were *** percentage points lower in interim 2015 compared with interim 2014. Exports to the United States, as a share of total shipments, increased from *** percent in 2012 to *** percent in 2014, and was *** percent in interim 2015 and *** percent in interim 2014. Exports to markets other than the United States declined from *** percent in 2012 to *** percent in 2014.[5]

[5] ***. Brazilian respondents noted that ArcelorMittal enforces a corporate policy that constrains exports to the United States from its Brazilian facility. In other proceedings, ArcelorMittal has stated that as a commercial policy the chief commercial officer in a region (such as the United States) has the control over any product that would be coming in from any of its affiliates, from a pricing and availability standpoint. Conference transcript, p. 191 (Lewis), and conference on *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom transcript*, p 116 (Mull).

Table VII-3
Cold-rolled steel: Data for producers in Brazil, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Alternative products

As shown in table VII-4, slightly less than half of the reported production on the same equipment as used in the production of cold-rolled steel by producers in Brazil is subject merchandise. *** reported producing hot-rolled steel and *** reported production of other products, namely slabs, non-oriented electrical steel, and nonsubject cold-rolled steel.[6]

Table VII-4
Cold-rolled steel: Brazil producers' overall capacity and production on the same equipment as subject production, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Exports

According to *Global Trade Atlas* ("GTA"), the top export market for cold-rolled steel from Brazil are largely South American countries (table VII-5). In 2014, the United States became the largest export destination for the Brazilian product (46.1 percent), followed by Columbia, the largest export destination in 2012 and 2013.

[6] *** reported total production greater than overall production capacity and allocated all of its capacity to cold-rolled steel. As the firm did not respond to inquiries regarding the overcapacity utilization, Staff used overall capacity as reported by the *** in the proceeding on *Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom* (Inv. Nos. 701-TA-545-547 and 731-TA-1291-1297).

Table VII-5
Cold-rolled steel: Total exports from Brazil to top destination markets and the United States, 2012-14

Destination	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Brazil's exports to the United States	58,554	33,332	113,299
Brazil's exports to other top destination markets.--			
Colombia	108,173	40,731	49,499
Venezuela	36,592	26,203	30,576
Chile	36,877	38,932	19,854
Argentina	18,274	17,683	17,934
Taiwan	2,070	5,433	3,249
Costa Rica	1,557	2,972	2,908
Germany	16,107	1,323	2,299
Mexico	2,198	3,031	2,006
Bolivia	3,663	822	1,160
All other destination markets	28,438	9,491	3,061
Total Brazil exports	312,503	179,952	245,844
	Share of quantity (percent)		
Brazil's exports to the United States	18.7	18.5	46.1
Brazil's exports to other top destination markets.--			
Colombia	34.6	22.6	20.1
Venezuela	11.7	14.6	12.4
Chile	11.8	21.6	8.1
Argentina	5.8	9.8	7.3
Taiwan	0.7	3.0	1.3
Costa Rica	0.5	1.7	1.2
Germany	5.2	0.7	0.9
Mexico	0.7	1.7	0.8
Bolivia	1.2	0.5	0.5
All other destination markets	9.1	5.3	1.2
Total Brazil exports	100.0	100.0	100.0

Source: Official exports statistics as reported by SECEX – Foreign Trade Secretariat (Brazil) in the GTIS/GTA database using HTS subheadings 7209.15, 7209.16, 7209.17, 7209.25, 7209.26, 7209.27, 7209.28 ,7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7219.18, 7225.50, and 7226.92 accessed August 6, 2015.

THE INDUSTRY IN CHINA

Overview

The Commission issued foreign producers' or exporters' questionnaires to 235 firms believed to produce and/or export cold-rolled steel from China.[7] No useable responses to the Commission's questionnaire were received from any firms.

China, the world's largest cold-rolled steel producer has a production capacity of about *** short tons with about *** entities producing cold-rolled steel. The great majority of firms have ***. The 10 largest firms accounted for *** percent of cold-rolled capacity in 2014 China (table IV-6). *** has the largest cold-rolled steel capacity which is about *** percent larger than the second largest company ***. Total capacity in China *** short tons (*** percent) during 2012-14 with the top 10 companies accounting for *** percent of the ***. While capacity at *** *** during 2012-14, several of the top ten companies had *** with *** out of top ten ***; ***.

Table VII-6
Cold-rolled steel: Capacity of 10 top firms in China, 2012-14

* * * * * * *

Data on production and consumption in China are presented in table VII-7. During 2012-14, production of cold-rolled steel ***, gross consumption increased by *** and net consumption increased by ***. The *** in gross consumption compared with net consumption indicates that consumption of downstream products such as coated sheet steel is *** that that of cold-rolled steel and that demand for cold-rolled steel was *** during the 2012-14 period. Downstream processing accounted for *** percent of gross consumption in 2012, *** percent in 2013, and *** percent in 2014.

Table VII-7
Cold-rolled steel: Production and consumption in China, 2012-14

* * * * * * *

Exports

According to GTA, the top export market for cold-rolled steel from China is Korea (table VII-8). During 2014, Korea was the top export market for cold-rolled steel from China, accounting for 20.3 percent, followed by the United States, accounting for 8.7 percent.

[7] These firms were identified through a review of information submitted in the petition and contained in industry reports and proprietary *** records.

Table VII-8
Cold-rolled steel: Total exports from China to top destination markets and the United States, 2012-14

Destination	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
China's exports to the United States	400,490	362,299	1,035,348
China's exports to other top destination markets.--			
Korea	2,171,118	1,674,431	2,420,045
Brazil	374,162	368,970	526,154
Belgium	380,910	337,038	522,007
India	370,688	201,707	485,098
Philippines	255,281	356,434	419,567
Russia	467,821	367,319	412,583
Vietnam	181,672	263,738	285,174
Colombia	128,226	181,760	269,889
Saudi Arabia	134,862	125,393	264,338
All other destination markets	4,203,586	3,973,380	5,253,152
Total China exports	9,068,816	8,212,468	11,893,356
	Share of quantity (percent)		
China's exports to the United States	4.4	4.4	8.7
China's exports to other top destination markets.--			
Korea	23.9	20.4	20.3
Brazil	4.1	4.5	4.4
Belgium	4.2	4.1	4.4
India	4.1	2.5	4.1
Philippines	2.8	4.3	3.5
Russia	5.2	4.5	3.5
Vietnam	2.0	3.2	2.4
Colombia	1.4	2.2	2.3
Saudi Arabia	1.5	1.5	2.2
All other destination markets	46.4	48.4	44.2
Total China exports	100.0	100.0	100.0

Source: Official exports statistics as reported by China Customs in the GTIS/GTA database using HTS subheadings 7209.15, 7209.16, 7209.17, 7209.25, 7209.26, 7209.27, 7209.28, 7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7219.18, 7225.50, and 7226.92 accessed August 6, 2015.

THE INDUSTRY IN INDIA

Overview

The Commission issued foreign producers' or exporters' questionnaires to 45 firms believed to produce and/or export cold-rolled steel from India.[8] Useable responses to the Commission's questionnaire were received from one firm: JSW Steel. These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from India, by quantity, during 2012-14 and January-June 2015. According to estimates requested of the responding India producer, the production of cold-rolled steel in India reported in this Part of the report accounts for approximately *** percent of overall production of cold-rolled steel in India and *** percent of the exports to the United States from India. Based on a comparison of responses and *** estimates, staff believes that the responses provided by producers of cold-rolled steel in India represent *** percent of all capacity of cold-rolled steel in India during 2014.

Table VII-9 lists the responding Indian producer of cold-rolled steel that responded to the Commission's questionnaire and certain 2014 summary data reported in response to Commission questionnaires.

Table VII-9
Cold-rolled steel: Summary data on firms in India, 2014

* * * * * * *

Changes in operations

As presented in table VII-10, JSW Steel reported in its questionnaire responses several operational or organizational changes since January 1, 2012

Table VII-10
Cold-rolled steel: Reported changes in operations by firms in India

* * * * * * *

Operations on cold-rolled steel

Table VII-11 presents information on the cold-rolled steel operations of the responding Indian producer, JSW Steel. JSW Steel's capacity, production, home market shipments, exports to United States, and exports to all other markets increased from 2012 to 2014, and were higher in interim 2015 compared with interim 2014.

[8] These firms were identified through a review of information submitted in the petition and contained in industry reports and proprietary *** records.

Table VII-11
Cold-rolled steel: Data for producers in India, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

JSW Steel's cold-rolled steel capacity increased by *** percent between 2012 and 2014 and was *** higher in interim 2015 compared with 2014, but is projected to *** in 2015 and 2016. JSW Steel ***. In addition, ***.[9] Similarly, production increased by *** percent from 2012 to 2014, and was *** percent higher in interim 2015 compare with interim 2014, and is projected to increase *** and *** percent in 2015 and 2016. Production did not increase as quickly as capacity, resulting in declining capacity utilization from *** percent in 2012 to *** percent in 2014.

While home markets shipments, both internal consumption/transfers to related firms and commercial shipments, increased *** in terms of volume, the share of total shipments represented by home market shipments (due to ***) declined *** percentage points from 2012 to 2014. In contrast, exports to the United States, ***, increased by *** percentage points, and exports to all other markets increased by *** percentage points over the same period. JSW reported that this increase in exports to the United States was due to ***. The projected decline in exports to the United States in 2015 and 2016 is due to ***.[10]

Alternative products

As shown in table VII-12, *** reported cold-rolled steel production by JSW Steel is subject merchandise.

Table VII-12
Cold-rolled steel: India producers' overall capacity and production on the same equipment as subject production, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Exports

According to GTA, the top export market for cold-rolled steel from India are largely European countries (table VII-13). During 2014, the United States was the largest export destination for India cold-rolled steel, accounting for 14.3 percent of total exports, followed by Italy, accounting for 12.1 percent, and Spain, accounting for 8.3 percent.

[9] Email from ***, August 26, 2015.
[10] Email from ***, August 26, 2015.

Table VII-13
Cold-rolled steel: Total exports from India to top destination markets and the United States, 2012-14

Destination	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
India's exports to the United States	30,394	50,336	116,525
India's exports to other top destination markets.--			
Italy	27,411	70,063	98,554
Spain	5,189	23,597	67,333
United Arab Emirates	27,612	79,615	65,109
Belgium	34,086	59,183	49,157
Thailand	12,580	42,330	46,951
Poland	721	11,505	41,429
Romania	8,471	19,634	31,817
Sri Lanka	14,611	22,135	29,153
Portugal	5,564	4,392	28,708
All other destination markets	237,124	304,643	238,760
Total India exports	403,764	687,433	813,497
	Share of quantity (percent)		
India's exports to the United States	7.5	7.3	14.3
India's exports to other top destination markets.--			
Italy	6.8	10.2	12.1
Spain	1.3	3.4	8.3
United Arab Emirates	6.8	11.6	8.0
Belgium	8.4	8.6	6.0
Thailand	3.1	6.2	5.8
Poland	0.2	1.7	5.1
Romania	2.1	2.9	3.9
Sri Lanka	3.6	3.2	3.6
Portugal	1.4	0.6	3.5
All other destination markets	58.7	44.3	29.3
Total India exports	100.0	100.0	100.0

Source: Official exports statistics as reported by Ministry of Commerce (India) in the GTIS/GTA database using HTS subheadings 7209.15, 7209.16, 7209.17, 7209.25, 7209.26, 7209.27, 7209.28, 7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7219.18, 7225.50, and 7226.92 accessed August 6, 2015.

THE INDUSTRY IN JAPAN

Overview

The Commission issued foreign producers' or exporters' questionnaires to 14 firms believed to produce and/or export cold-rolled steel from Japan.[11] Useable responses to the Commission's questionnaire were received from five firms: Hitachi Metals, JFE Steel, Kobe Steel, Nisshin Steel, and Nippon Steel & Sumitomo Metal Corporation ("NSSMC"). These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from Japan, by quantity, during 2012-14 and January-June 2015. According to estimates requested of the responding Japan producers, the production of cold-rolled steel in Japan reported in this Part of the report accounts for approximately 89 percent of overall production of cold-rolled steel in Japan and 74 percent of the exports to the United States from Japan. Based on a comparison of responses and *** estimates, staff believes that the responses provided by producers of cold-rolled steel in Japan represent *** percent of all capacity of cold-rolled steel in Japan during 2014.

Table VII-14 lists the responding Japanese producers of cold-rolled steel that responded to the Commission's questionnaire and certain 2014 summary data reported in response to Commission questionnaires.

Table VII-14
Cold-rolled steel: Summary data on firms in Japan, 2014

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Hitachi Metals	***	***	***	***	***	***
JFE Steel	***	***	***	***	***	***
Kobe Steel	***	***	***	***	***	***
Nisshin Steel	***	***	***	***	***	***
NSSMC	***	***	***	***	***	***
Total	22,472,815	100.0	107,536	100.0	***	***

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

[11] These firms were identified through a review of information submitted in the petition and contained in industry reports and proprietary *** records.

Changes in operations

As presented in table VII-15, one Japanese producer reported in its questionnaire response operational or organizational changes since January 1, 2012.

Table VII-15
Cold-rolled steel: Reported changes in operations by firms in Japan

* * * * * * *

Operations on cold-rolled steel

Table VII-16 presents information on the cold-rolled steel operations of the responding producers and exporters in Japan. Japanese production, capacity utilization, inventories, home market commercial shipments increased from 2012 to 2014, whereas capacity, internal consumption, exports to the United States, and exports to other markets declined. Inventories and exports to the United States were higher in interim 2015 compared with interim 2014, whereas capacity, production, internal consumption, home market commercial shipments, and exports to all other markets were lower.

Home market shipments, mainly internal consumption/transfers to related parties, accounted for *** percent to total shipments by the producers in Japan during 2014 and exports to markets other than the United States accounted for *** percent, while exports to the United States accounted for the remaining *** percent. These shares of total shipments are projected to remain roughly the same in 2015 and 2016. Exports to United States were primarily by ***. *** which represented ***, reported that the firm's trend in exports follow trends in U.S. demand.

Table VII-16
Cold-rolled steel: Data for producers in Japan, 2012-14, January-June 2014, and January-June 2015

Item	Actual experience					Projections	
	Calendar year			January - June		Calendar year	
	2012	2013	2014	2014	2015	2015	2016
	Quantity (short tons)						
Capacity	27,709,680	26,715,294	26,449,793	13,309,289	12,671,787	25,178,790	24,945,659
Production	22,366,085	22,298,039	22,472,815	11,522,060	10,546,384	21,546,802	21,598,834
End-of-period inventories	538,188	566,492	583,526	564,723	609,833	596,466	651,466
Shipments:							
Home market shipments:							
Internal consumption/ transfers	13,381,889	13,214,733	13,224,412	6,839,096	6,245,719	12,795,755	12,866,928
Commercial shipments	4,861,262	4,783,828	5,406,490	2,723,272	2,486,737	5,089,177	5,059,177
Subtotal, home market shipments	18,243,151	17,998,561	18,630,902	9,562,368	8,732,456	17,884,932	17,926,105
Export shipments to:							
United States	117,942	97,005	107,536	54,294	74,579	108,166	98,466
All other markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
	Ratios and shares (percent)						
Capacity utilization	80.7	83.5	85.0	86.6	83.2	85.6	86.6
Inventories/production	2.4	2.5	2.6	2.5	2.9	2.8	3.0
Inventories/total shipments	***	***	***	***	***	***	***
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Commercial shipments	***	***	***	***	***	***	***
Subtotal, home market shipments	***	***	***	***	***	***	***
Export shipments to:							
United States	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

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

Alternative products

As shown in table VII-17, the vast majority reported cold-rolled steel production by Japan producers is subject merchandise. *** produced other products, namely ***.

Table VII-17
Cold-rolled steel: Japan producers' overall capacity and production on the same equipment as subject production, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January - June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Overall production capacity	27,710,681	26,716,293	26,450,743	13,309,814	12,672,316
Production: Cold-rolled steel	22,366,085	22,298,039	22,472,815	11,522,060	10,546,384
Hot-rolled steel	***	***	***	***	***
Other products	***	***	***	***	***
Total production	***	***	***	***	***
	Ratios and shares (percent)				
Overall capacity utilization	***	***	***	***	***
Share of production: Cold-rolled steel	***	***	***	***	***
Hot-rolled steel	***	***	***	***	***
Other products	***	***	***	***	***
Total production	***	***	***	***	***

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

Exports

According to GTA, the top export markets for cold-rolled steel from Japan are largely Asian countries (table VII-18). During 2014, Thailand was the top export market for cold-rolled steel from Japan, accounting for 18.9 percent, followed by the China, accounting for 17.9 percent. The United States accounted for 4.0 percent.

Table VII-18
Cold-rolled steel: Total exports from Japan to top destination markets and the United States, 2012-14

Destination	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Japan's exports to the United States	103,343	120,546	118,661
Japan's exports to other top destination markets.--			
Thailand	356,881	463,220	556,264
China	840,075	671,931	525,777
Indonesia	399,208	409,294	345,141
Mexico	152,714	188,411	313,249
India	279,046	335,419	247,525
Malaysia	166,453	150,628	204,553
Vietnam	103,092	134,388	132,589
Korea	260,528	177,372	115,711
Singapore	49,678	65,104	79,605
All other destination markets	301,734	408,970	298,472
Total Japan exports	3,012,751	3,125,284	2,937,547
	Share of quantity (percent)		
Japan's exports to the United States	3.4	3.9	4.0
Japan's exports to other top destination markets.--			
Thailand	11.8	14.8	18.9
China	27.9	21.5	17.9
Indonesia	13.3	13.1	11.7
Mexico	5.1	6.0	10.7
India	9.3	10.7	8.4
Malaysia	5.5	4.8	7.0
Vietnam	3.4	4.3	4.5
Korea	8.6	5.7	3.9
Singapore	1.6	2.1	2.7
All other destination markets	10.0	13.1	10.2
Total Japan exports	100.0	100.0	100.0

Source: Official exports statistics as reported by Ministry of Finance (Japan) in the GTIS/GTA database using HTS subheadings 7209.15, 7209.16, 7209.17, 7209.25, 7209.26, 7209.27, 7209.28, 7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7219.18, 7225.50, and 7226.92 accessed August 6, 2015.

THE INDUSTRY IN KOREA

Overview

The Commission issued foreign producers' or exporters' questionnaires to ten firms believed to produce and/or export cold-rolled steel from Korea.[12] Useable responses to the Commission's questionnaire were received from four firms: Dongbu Steel, Dongkuk Steel Mill Co., Ltd. ("Dongkuk Steel") (merged with Union Steel on January 1, 2015),[13] Hyundai Steel, and POSCO. These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from Korea, by quantity, during 2012-14 and January-June 2015. According to estimates requested of the responding Korea producers, the production of cold-rolled steel in Korea reported in this Part of the report accounts for approximately *** percent of overall production of cold-rolled steel in Korea and *** of the exports to the United States from Korea. Based on a comparison of responses and *** estimates, staff believes that the responses provided by producers of cold-rolled steel in Korea represent *** percent of all capacity of cold-rolled steel in Korea during 2014.

Table VII-20 lists the responding Korean producers of cold-rolled steel that responded to the Commission's questionnaire and certain 2014 summary data reported in response to Commission questionnaires.

Table VII-20
Cold-rolled steel: Summary data on firms in Korea, 2014

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Dongbu Steel	***	***	***	***	***	***
Dongkuk Steel	***	***	***	***	***	***
Hyundai Steel	***	***	***	***	***	***
POSCO	***	***	***	***	***	***
Total	***	100.0	***	100.0	***	***

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

[12] These firms were identified through a review of information submitted in the petition and contained in industry reports and proprietary *** records.

[13] "Dongkuk Steel to merge with Union Steel in January 2015," Korea Joogang Daily, found at http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=2996011, retrieved on August 27, 2015.

Changes in operations

As presented in table VII-21, two producers in Korea reported in their questionnaire responses several operational or organizational changes since January 1, 2012.

Table VII-21
Cold-rolled steel: Reported changes in operations by firms in Korea

* * * * * * *

Operations on cold-rolled steel

Table VII-22 presents information on the cold-rolled steel operations of the responding producers and exporters in Korea. Korean capacity, production, capacity utilization, inventories, exports to the United States and exports to other market increased from 2012 to 2014, whereas internal consumption, home market commercial shipments declined. Capacity, production, capacity utilization, inventories, internal consumption, home market commercial shipments, and exports to other market were lower in interim 2015 compared with interim 2014, whereas exports to the United States were higher.

Korean producers' capacity increased by *** percent from 2012 to 2014, largely due to ***. Capacity was *** percent lower in interim 2015 compared with interim 2014, and is projected to decline by *** percent from 2014 to 2015 and by *** percent in 2016. This decline in capacity was solely due to ***.[14]

Home market shipments, mainly internal consumption/transfers to related parties, accounted for *** percent to total shipments by the producers in Korea during 2014 and exports to markets other than the United States accounted for *** percent, while exports to the United States accounted for the remaining *** percent. These shares of total shipments are projected to remain roughly the same in 2015 and 2016. Exports to United States were primarily by two firms, ***. *** reported that ***.[15] *** states that ***.[16]

[14] Email from ***, August 17, 2015.
[15] Email from ***, August 18, 2015.
[16] Email from ***, August 17, 2015.

Table VII-22
Cold-rolled steel: Data for producers in Korea, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Alternative products

As shown in table VII-23, the vast majority of reported cold-rolled steel production by Korea producers is subject merchandise. Two firms (***) produced hot-rolled steel, and two firms (***) produced other products (including electrolytic galvanized steel, and galvanealed steel) on the same equipment and machinery used to produce cold-rolled steel.[17]

Table VII-23
Cold-rolled steel: Korea producers' overall capacity and production on the same equipment as subject production, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Exports

According to GTA, the top export markets for cold-rolled steel from Korea are largely Asian countries (table VII-24). During 2014, China was the top export market for cold-rolled steel from Korea, accounting for 20.6 percent, followed by the India, accounting for 15.0 percent. The United States accounted for 3.2 percent.

[17] ***, which accounted for the majority of reported production of other products, did not respond to Staff inquiries regarding this above average production of other products.

Table VII-24
Cold-rolled steel: Total exports from Korea to top destination markets and the United States, 2012-14

Destination	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Korea's exports to the United States	135,876	161,897	206,925
Korea's exports to other top destination markets.--			
China	1,116,156	1,322,992	1,314,751
India	683,662	739,738	960,443
Japan	759,245	763,614	813,096
Mexico	632,070	559,016	617,655
Indonesia	339,528	361,668	389,262
Thailand	235,056	304,343	283,576
Malaysia	263,651	180,490	187,093
Iran	174,147	40,224	143,830
Russia	154,606	165,860	127,091
All other destination markets	1,205,623	1,301,810	1,351,958
Total Korea exports	5,699,620	5,901,653	6,395,681
	Share of quantity (percent)		
Korea's exports to the United States	2.4	2.7	3.2
Korea's exports to other top destination markets.--			
China	19.6	22.4	20.6
India	12.0	12.5	15.0
Japan	13.3	12.9	12.7
Mexico	11.1	9.5	9.7
Indonesia	6.0	6.1	6.1
Thailand	4.1	5.2	4.4
Malaysia	4.6	3.1	2.9
Iran	3.1	0.7	2.2
Russia	2.7	2.8	2.0
All other destination markets	21.2	22.1	21.1
Total Korea exports	100.0	100.0	100.0

Source: Official exports statistics as reported by Customs and Trade Development Institution (Korea) in the GTIS/GTA database using HTS subheadings 7209.15, 7209.16, 7209.17, 7209.25, 7209.26, 7209.27, 7209.28 ,7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7219.18, 7225.50, and 7226.92 accessed August 6, 2015.

THE INDUSTRY IN THE NETHERLANDS

Overview

The Commission issued foreign producers' or exporters' questionnaires to one firm believed to produce and/or export cold-rolled steel from the Netherlands.[18] Useable responses to the Commission's questionnaire were received from one firm: Tata Steel Ijmuiden. These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from the Netherlands, by quantity, during 2012-14 and January-June 2015. According to estimates requested of the responding producer in the Netherlands, the production of cold-rolled steel in the Netherlands reported in this Part of the report accounts for *** of the overall production of cold-rolled steel in the Netherlands and *** of the exports to the United States from Netherlands. Based on a comparison of responses and *** estimates, staff believes that the responses provided by producers of cold-rolled steel in the Netherlands represent *** percent of all capacity of cold-rolled steel in the Netherlands during 2014.

Table VII-25 lists the responding the producers in the Netherlands of cold-rolled steel that responded to the Commission's questionnaire and certain 2014 summary data reported in response to Commission questionnaires.

Table VII-25
Cold-rolled steel: Summary data on Tata Steel Ijmuiden, 2014

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Tata Steel IJmuiden	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Changes in operations

As presented in table VII-26, Tata Steel Ijmuiden reported in its questionnaire response operational or organizational changes since January 1, 2012.

Table VII-26
Cold-rolled steel: Reported changes in operations by Tata Steel Ijmuiden

* * * * * * *

[18] This firm was identified through a review of information submitted in the petition and contained in industry reports and proprietary *** records.

Operations on cold-rolled steel

Table VII-27 presents information on the cold-rolled steel operations of Tata Steel Ijmuiden. The firm's, production, capacity utilization, internal consumption, exports to the United States, and exports to other market increased from 2012 to 2014, whereas capacity, inventories, and home market commercial shipments declined. Capacity, production, home market commercial shipments, exports to the United States, and exports to other market were higher in interim 2015 compared with interim 2014, whereas capacity utilization, inventories, internal consumption were lower.

From 2012 to 2014 Tata Steel Ijmuiden's total shipments increased by *** percent, largely due to ***. Tata Steel Ijmuiden reported that ***. In addition, the firm contends that ***.[19]

Table VII-27
Cold-rolled steel: Data for Tata Steel Ijmuiden, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Alternative products

As shown in table VII-28, *** reported cold-rolled steel production by Tata Steel Ijmuiden is subject merchandise.

Table VII-28
Cold-rolled steel: Tata Steel Ijmuiden's overall capacity and production on the same equipment as subject production, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Exports

According to GTA, the top export markets for cold-rolled steel from the Netherlands are largely European countries (table VII-29). During 2014, Belgium was the top export market for cold-rolled steel from the Netherlands, accounting for 44.1 percent, followed by the Germany, accounting for 23.8 percent. The United States accounted for 8.2 percent.

[19] Email from ***, August 19, 2015.

Table VII-29
Cold-rolled steel: Total exports from the Netherlands to top destination markets and the United States, 2012-14

Destination	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Netherlands's exports to the United States	75,270	95,478	127,617
Netherlands's exports to other top destination markets.--			
Belgium	623,426	649,060	689,760
Germany	265,675	340,553	371,755
France	48,578	58,401	57,976
Sweden	37,335	34,811	39,158
Turkey	20,449	19,094	27,559
Spain	20,526	30,723	27,235
India	8,023	11,769	25,978
Switzerland	26,627	25,706	23,592
United Kingdom	25,476	22,801	22,871
All other destination markets	182,020	131,319	150,846
Total Netherlands exports	1,333,405	1,419,714	1,564,347
	Share of quantity (percent)		
Netherlands's exports to the United States	5.6	6.7	8.2
Netherlands's exports to other top destination markets.--			
Belgium	46.8	45.7	44.1
Germany	19.9	24.0	23.8
France	3.6	4.1	3.7
Sweden	2.8	2.5	2.5
Turkey	1.5	1.3	1.8
Spain	1.5	2.2	1.7
India	0.6	0.8	1.7
Switzerland	2.0	1.8	1.5
United Kingdom	1.9	1.6	1.5
All other destination markets	13.7	9.2	9.6
Total Netherlands exports	100.0	100.0	100.0

Source: Official exports statistics as reported by Eurostat (European Union--Netherlands) in the GTIS/GTA database using HTS subheadings 7209.15, 7209.16, 7209.17, 7209.25, 7209.26, 7209.27, 7209.28 ,7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7219.18, 7225.50, and 7226.92 accessed August 6, 2015.

THE INDUSTRY IN RUSSIA

Overview

The Commission issued foreign producers' or exporters' questionnaires to eleven firms believed to produce and/or export cold-rolled steel from Russia.[20] Useable responses to the Commission's questionnaire were received from two firms: NLMK and Severstal. These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from Russia, by quantity, during 2012-14 and January-June 2015. According to estimates requested of the responding Russia producers, the production of cold-rolled steel in Russia reported in this Part of the report accounts for approximately *** percent of overall production of cold-rolled steel in Russia and *** of the exports to the United States from Russia. Based on a comparison of responses and *** estimates, staff believes that the responses provided by producers of cold-rolled steel in Russia represent *** percent of all capacity of cold-rolled steel in Russia during 2014.

Table VII-30 lists the responding Russian producers of cold-rolled steel that responded to the Commission's questionnaire and certain 2014 summary data reported in response to Commission questionnaires.

Table VII-30
Cold-rolled steel: Summary data on firms in Russia, 2014

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
NLMK	***	***	***	***	***	***
Severstal	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Changes in operations

None of the producers in Russia reported in their questionnaire responses any operational or organizational changes since January 1, 2012.

[20] These firms were identified through a review of information submitted in the petition and contained in industry reports and proprietary *** records.

Operations on cold-rolled steel

Table VII-31 presents information on the cold-rolled steel operations of the responding producers and exporters in Russia. Russian producers' capacity, production, exports to the United States, and exports to other market increased from 2012 to 2014, whereas capacity utilization, inventories, internal consumption, and home market commercial shipments declined. Capacity, inventories, internal consumption, and exports to other market were higher in interim 2015 compared with interim 2014, whereas production, capacity utilization, home market commercial shipments, and exports to the United States were lower.

Capacity and production of cold-rolled steel in Russia increased by *** and *** percent, respectively, from 2012 to 2014, and production was projected to increase by *** and *** percent in 2015 and 2016, respectively. Home market shipments, which accounted for *** percent in 2014, declined by *** percent from 2012 to 2014, and were projected to decline by *** percent in 2015 and increase by *** percent in 2016. Exports to markets other than the United States, which accounted for *** percent in 2014, increased by *** percent from 2012 to 2014, and are projected to increase by *** percent in 2015 and by *** percent in 2016. Exports to the United States increased from *** in 2012 to accounting for *** percent of total shipments in 2014, and are projected to decline by *** percent in 2015 and by *** percent in 2016. *** stated that ***. The firm noted that ***.[21] *** stated that ***.[22]

Table VII-31
Cold-rolled steel: Data for producers in Russia, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Alternative products

As shown in table VII-32, approximately *** of the reported cold-rolled steel production by the producers in Russia is subject merchandise. One firm, *** produced other products on the same equipment and machinery used to produce cold-rolled steel.[23]

Table VII-32
Russia Cold-rolled steel: Russia producers' overall capacity and production on the same equipment as subject production, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

[21] Email from ***, August 18, 2015.
[22] Email from ***, August 19, 2015.
[23] These products included ***.

Exports

According to GTA, the top export markets for cold-rolled steel from Russia are largely European countries (table VII-33). During 2014, Turkey was the top export market for cold-rolled steel from Russia, accounting for 27.5 percent, followed by Germany, accounting for 13.1 percent, and Belarus, accounting for 12.9 percent. The United States accounted for 2.3 percent.

Table VII-34
Cold-rolled steel: Total exports from Russia to top destination markets and the United States, 2012-14

Destination	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Russia's exports to the United States	1,237	440	48,023
Russia's exports to other top destination markets.--			
Turkey	189,457	241,600	565,209
Germany	192,473	272,407	269,681
Belarus	0	281,862	265,169
Poland	97,108	100,362	102,463
Latvia	59,841	83,210	99,083
Uzbekistan	115,971	96,056	88,834
Italy	352,532	415,603	87,699
Ukraine	82,826	93,786	85,745
Brazil	58,230	29,927	81,605
All other destination markets	301,976	339,928	364,420
Total Russia exports	1,451,651	1,955,179	2,057,930
	Share of quantity (percent)		
Russia's exports to the United States	0.1	0.0	2.3
Russia's exports to other top destination markets.--			
Turkey	13.1	12.4	27.5
Germany	13.3	13.9	13.1
Belarus	0.0	14.4	12.9
Poland	6.7	5.1	5.0
Latvia	4.1	4.3	4.8
Uzbekistan	8.0	4.9	4.3
Italy	24.3	21.3	4.3
Ukraine	5.7	4.8	4.2
Brazil	4.0	1.5	4.0
All other destination markets	20.8	17.4	17.7
Total Russia exports	100.0	100.0	100.0

Source: Official exports statistics as reported by Customs Committee (Russia) in the GTIS/GTA database using HTS subheadings 7209.15, 7209.16, 7209.17, 7209.25, 7209.26, 7209.27, 7209.28 ,7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7219.18, 7225.50, and 7226.92 accessed August 6, 2015.

THE INDUSTRY IN THE UNITED KINGDOM

Overview

The Commission issued foreign producers' or exporters' questionnaires to seven firms believed to produce and/or export cold-rolled steel from the United Kingdom.[24] Useable responses to the Commission's questionnaire were received from one firm: Tata Steel UK. These firms' exports to the United States were equivalent to *** percent of U.S. imports of cold-rolled steel from the United Kingdom, by quantity, during 2012-14 and January-June 2015. According to estimates requested of the responding the United Kingdom producers, the production of cold-rolled steel in the United Kingdom reported in this Part of the report accounts for approximately *** percent of overall production of cold-rolled steel in the United Kingdom and *** percent of the exports to the United States from United Kingdom. Based on a comparison of responses and *** estimates, staff believes that the responses provided by producers of cold-rolled steel in the United Kingdom represent *** percent of all capacity of cold-rolled steel in the United Kingdom during 2014.

Table VII-35 lists the responding the producer in the United Kingdom of cold-rolled steel that responded to the Commission's questionnaire and certain 2014 summary data reported in response to Commission questionnaires.

Table VII-35
Cold-rolled steel: Summary data on firms in the United Kingdom, 2014

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Tata Steel UK	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Changes in operations

As presented in table VII-36, Tata Steel UK reported in its questionnaire response operational or organizational changes since January 1, 2012.

Table VII-36
Cold-rolled steel: Reported changes in operations by Tata Steel UK

* * * * * * *

[24] These firms were identified through a review of information submitted in the petition and contained in industry reports and proprietary *** records.

Operations on cold-rolled steel

Table VII-37 presents information on the cold-rolled steel operations of Tata Steel UK. Tata Steel UK's production, capacity utilization, inventories, internal consumption, exports to the United States, and exports to other market increased from 2012 to 2014, whereas capacity and home market commercial shipments declined. Capacity and exports to the United States were higher in interim 2015 compared with interim 2014, whereas production, capacity utilization, inventories, internal consumption, home market commercial shipments, and exports to other market production were lower.

Table VII-37
Cold-rolled steel: Data for Tata Steel UK, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Tata Steel UK's production increased by *** percent from 2012 to 2014 while capacity ***, resulting in increased capacity utilization from *** percent to *** percent over the same period. Tata Steel UK ***.[25]

Tata Steek UK's total shipments increased by *** percent, partially due to ***. The share of total shipments represented by home market commercial shipments declined from *** percent in 2012 to *** percent in 2014, or by *** percentage points. In contrast, exports to markets other than the United States increased by *** percentage points, from *** percent of total shipments in 2012 to *** percent in 2014, and were projected to increase *** percentage points in 2015, falling in 2016 to *** percent. This increase is primarily due to ***. Similarly, exports to the United States increased by *** percentage points, accounting for *** percent of total shipments in 2014. Tata Steel UK reported that ***. Exports to the United States are projected to decline in 2015 due to ***.[26]

Alternative products

As shown in table VII-38, *** reported production by Tata Steel UK is subject merchandise.

Table VII-38
Cold-rolled steel: Tata Steel UK's overall capacity and production on the same equipment as subject production, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

[25] Email from ***, August 19, 2015.
[26] Email from ***, August 19, 2015.

Exports

According to GTA, the top export markets for cold-rolled steel from the United Kingdom are largely European countries (table VII-39). During 2014, France was the top export market for cold-rolled steel from the United Kingdom, accounting for 22.7 percent, followed by the Netherlands, accounting for 21.1 percent. The United States accounted for 10.7 percent.

Table VII-39
Cold-rolled steel: Total exports from the United Kingdom to top destination markets and the United States, 2012-14

Destination	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
United Kingdom's exports to the United States	5,903	9,666	73,293
United Kingdom's exports to other top destination markets.--			
France	96,245	157,344	155,901
Netherlands	102,405	163,120	145,083
Germany	55,143	87,001	73,271
Spain	10,754	44,684	48,717
Belgium	45,844	41,133	41,945
Ireland	37,725	32,345	33,044
Russia	15,529	18,396	15,518
Poland	10,831	22,351	15,487
Turkey	5,446	7,806	10,607
All other destination markets	67,097	61,778	73,530
Total United Kingdom exports	452,921	645,624	686,396
	Share of quantity (percent)		
United Kingdom's exports to the United States	1.3	1.5	10.7
United Kingdom's exports to other top destination markets.--			
France	21.2	24.4	22.7
Netherlands	22.6	25.3	21.1
Germany	12.2	13.5	10.7
Spain	2.4	6.9	7.1
Belgium	10.1	6.4	6.1
Ireland	8.3	5.0	4.8
Russia	3.4	2.8	2.3
Poland	2.4	3.5	2.3
Turkey	1.2	1.2	1.5
All other destination markets	14.8	9.6	10.7
Total United Kingdom exports	100.0	100.0	100.0

Source: Official exports statistics as reported by Eurostat (European Union--United Kingdom) in the GTIS/GTA database using HTS subheadings 7209.15, 7209.16, 7209.17, 7209.25, 7209.26, 7209.27, 7209.28 ,7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7219.18, 7225.50, and 7226.92 accessed August 6, 2015.

THE INDUSTRIES IN THE SUBJECT COUNTRIES

Table VII-40 presents information on the cold-rolled steel operations of the responding producers and exporters in all seven responding subject countries combined for 2012-14, January-June 2014, and January-June 2015, as well as projections for 2015-16. The data reported below do not include data for the industry in China.

Table VII-40
Cold-rolled steel: Data on the industry in the subject countries, 2012-14, January-June 2014, January-June 2015, and calendar year projections 2015 and 2016

Item	Actual experience					Projections	
	Calendar year			January - June		Calendar year	
	2012	2013	2014	2014	2015	2015	2016
	Quantity (short tons)						
Capacity	71,418,526	70,753,421	73,469,164	36,741,263	35,421,332	71,231,518	70,476,253
Production	57,261,166	58,293,859	59,517,025	30,337,640	27,913,191	59,258,430	59,753,410
End-of-period inventories	1,290,877	1,371,866	1,450,792	1,428,971	1,435,136	1,419,996	1,546,768
Shipments:							
Home market shipments:							
Internal consumption/ transfers	31,827,546	32,244,013	32,549,637	16,704,206	15,134,127	32,959,201	33,021,078
Commercial shipments	14,273,056	14,253,865	14,863,347	7,515,993	7,012,287	14,525,449	14,731,261
Subtotal, home market shipments	46,100,602	46,497,878	47,412,984	24,220,199	22,146,414	47,484,650	47,752,339
Export shipments to:							
United States	350,615	353,349	772,177	296,130	384,210	675,977	479,443
All other markets	10,691,663	11,261,256	11,178,313	5,718,066	5,380,524	10,996,018	11,338,858
Total exports	11,042,278	11,614,605	11,950,490	6,014,196	5,764,734	11,671,995	11,818,301
Total shipments	57,142,880	58,112,483	59,363,474	30,234,395	27,911,148	59,156,645	59,570,640
	Ratios and shares (percent)						
Capacity utilization	80.2	82.4	81.0	82.6	78.8	83.2	84.8
Inventories/production	2.3	2.4	2.4	2.4	2.6	2.4	2.6
Inventories/total shipments	2.3	2.4	2.4	2.4	2.6	2.4	2.6
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	55.7	55.5	54.8	55.2	54.2	55.7	55.4
Commercial shipments	25.0	24.5	25.0	24.9	25.1	24.6	24.7
Subtotal, home market shipments	80.7	80.0	79.9	80.1	79.3	80.3	80.2
Export shipments to:							
United States	0.6	0.6	1.3	1.0	1.4	1.1	0.8
All other markets	18.7	19.4	18.8	18.9	19.3	18.6	19.0
Total exports	19.3	20.0	20.1	19.9	20.7	19.7	19.8
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Table VII-41 presents information on the cold-rolled steel operations of the responding producers and exporters in the responding subject countries combined, excluding data for the Netherlands, for 2012-14, January-June 2014, and January-June 2015, as well as projections for 2015-16. The data reported below do not include data for the industry in China.

Table VII-41
Cold-rolled steel: Data on the industry in the subject countries excluding the Netherlands, 2012-14, January-June 2014, January-June 2015, and calendar year projections 2015 and 2016

* * * * * * *

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-42 presents data on U.S. importers' reported inventories of cold-rolled steel. Inventories of imports from each subject source, except from Japan and the Netherlands, increased from 2012 to 2014, and were higher in interim 2015 compared with interim 2014.

Table VII-42
Cold-rolled steel: U.S. importers' inventories, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of Cold-rolled steel from Brazil, China, India, Korea, and Russia after June 30, 2015. Forty-one firms reported data concerning such imports or arrangements of imports, 34 of which reported imports from the subject countries. Data concerning U.S. imports subsequent to June 30, 2015 are presented in table VII-43.

Table VII-43
Cold-rolled steel: U.S. imports subsequent to June 30, 2015

* * * * * * *

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

The Commission asked questionnaire recipients to identify whether the products subject to this proceeding have been the subject of any other import relief proceedings in the United States or in any other countries. Information obtained from such requests are presented in table VII-44.

Table VII-44
Cold-rolled steel: Import relief proceedings in third-country markets

Export market	Subject country	Date/measure
European Union	China Russia	May 2015: AD investigation initiated.
India	All countries	August 2015: Increased tariff on alloy steel flat products from 7.5 percent to 10 percent and 12.5 percent on non-alloy fiat products.
Indonesia	China (13.6-43.5%) Japan (18.6 - 55,6%) Korea (10.1- 11.0%)	March 2013: AD duties on non-alloy cold-rolled coil/sheet.
Indonesia	All MFN countries	May 2015: Increased tariffs on cold-rolled steel to 15 percent (from 7.5-10 percent).
Iran	All countries	March 2015: Increased import duties on cold-rolled coils from 10 percent to 15 percent; Proposal to increase import duty to 40 percent
Mexico	China (65.99- 103.41%) Russia (15%) ***	June 2015: AD duties on cold-rolled sheet and coil products imposed against China. AD duties on cold-rolled sheet and coil against Russia since 1999. ***.
Morocco	China, Japan, Netherlands, Russia, UK	May 2015: Safeguard measure on cold-rolled sheets. 22 percent duty on all imports of cold-rolled coils through Dec. 31, 2015; 20 percent during 2016; 18 percent for 2017; 16 percent for 2018; 0 percent by 2019.
Pakistan	All countries	January 2015: 5 percent duty on cold-rolled coils.
Russia	China	2012: AD duties on cold-rolled flat steel products with polymer coating; 8-22.6 percent
Thailand	China	February 2014: AD duties on cold reduced carbon steel in coils and not in coils since; 9.24 – 20.11 percent

Source: Compiled from data submitted in response to Commission questionnaires; ArcelorMittal USA's postconference brief, exh. 26.

INFORMATION ON NONSUBJECT COUNTRIES

In assessing whether the domestic industry is materially injured or threatened with material injury "by reason of subject imports," the legislative history states "that the Commission must examine all relevant evidence, including any known factors, other than the dumped or subsidized imports, that may be injuring the domestic industry, and that the Commission must examine those other factors (including non-subject imports) 'to ensure that it is not attributing injury from other sources to the subject imports.'"[27]

Table VII-45 presents data on global production. Although production increased by *** short tons (*** percent) globally during 2012-14, production did not increase in all countries. Most of the global increase during 2012-14 was accounted for by China which increased

[27] *Mittal Steel Point Lisas Ltd. v. United States*, Slip Op. 2007-1552 at 17 (Fed. Cir. Sept. 18, 2008), quoting from Statement of Administrative Action on Uruguay Round Agreements Act, H.R. Rep. 103-316, Vol. I at 851-52; *see also Bratsk Aluminum Smelter v. United States*, 444 F.3d 1369 (Fed. Cir. 2006).

production by *** short tons (*** percent). Production increased during this period for nonsubject countries other than Canada by *** short tons (*** percent) while production in Canada decreased by *** short tons (*** percent).

Table VII-45
Cold-rolled steel: Production, global by country and region, 2012-14

* * * * * * *

Table VII-46 presents data on global consumption. Gross consumption increased globally by *** short tons (*** percent). Most of the increase is accounted for by the subject countries, especially China where gross consumption increased by *** short tons (*** percent). Gross consumption in Canada decreased by *** short tons during 2012-14 but increased in the other nonsubject countries by *** short tons (*** percent). Downstream processing accounted for the larger share of gross consumption – *** percent in 2014.

Table VII-46
Cold-rolled steel: Consumption, global by country and region, 2012-14

* * * * * * *

Table VII-47 presents data on global exports of cold-rolled steel.

Table VII-47
Cold-rolled steel: Global total exports by countries subject to this proceeding and other top exporters, 2012-14

Reporting country	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
United States	1,354,322	1,193,031	1,072,752
Subject countries.--			
Brazil	312,503	179,952	245,844
China	9,068,816	8,212,468	11,893,356
India	403,764	687,433	813,497
Japan	3,012,751	3,125,284	2,937,547
Korea	5,699,620	5,901,653	6,395,681
Netherlands	1,333,405	1,419,714	1,564,347
Russia	1,451,651	1,955,179	2,057,930
United Kingdom	452,921	645,624	686,396
Exports by subject countries	21,735,431	22,127,308	26,594,598
Other top exporting countries.--			
Belgium	2,843,319	3,013,643	3,022,609
Germany	2,405,145	2,328,495	2,335,278
Taiwan	1,507,482	1,478,930	1,572,777
Italy	1,465,450	1,366,686	1,440,032
France	1,199,922	1,293,881	1,371,299
Austria	1,170,830	1,173,514	1,210,366
Ukraine	980,042	999,494	1,033,497
Slovakia	631,353	656,370	683,230
Sweden	553,019	572,810	572,365
Spain	321,729	332,328	540,452
All other exporting countries	3,717,181	3,867,573	3,678,105
Total global exports	39,885,223	40,404,061	45,127,362

Table continued on next page.

Table VII-47--*Continued*
Cold-rolled steel: Global total exports by countries subject to this proceeding and other top exporters, 2012-14

Reporting country	Calendar year		
	2012	2013	2014
	Share of quantity (percent)		
United States	3.4	3.0	2.4
Subject countries.--			
Brazil	0.8	0.4	0.5
China	22.7	20.3	26.4
India	1.0	1.7	1.8
Japan	7.6	7.7	6.5
Korea	14.3	14.6	14.2
Netherlands	3.3	3.5	3.5
Russia	3.6	4.8	4.6
United Kingdom	1.1	1.6	1.5
Exports by subject countries	54.5	54.8	58.9
Other top exporting countries.--			
Belgium	7.1	7.5	6.7
Germany	6.0	5.8	5.2
Taiwan	3.8	3.7	3.5
Italy	3.7	3.4	3.2
France	3.0	3.2	3.0
Austria	2.9	2.9	2.7
Ukraine	2.5	2.5	2.3
Slovakia	1.6	1.6	1.5
Sweden	1.4	1.4	1.3
Spain	0.8	0.8	1.2
All other exporting countries	9.3	9.6	8.2
Total global exports	100.0	100.0	100.0

Source: Official exports statistics as reported by individual countries statistical reporting authorities in the GTIS/GTA database using HTS subheadings 7209.15, 7209.16, 7209.17, 7209.25, 7209.26, 7209.27, 7209.28 ,7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7219.18, 7225.50, and 7226.92 accessed August 6, 2015.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
80 FR 46047 August 3, 2015	*Cold-Rolled Steel Flat Products From Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	http://www.gpo.gov/fdsys/pkg/FR-2015-08-03/pdf/2015-18951.pdf
80 FR 51198 August 24, 2015	*Certain Cold-Rolled Steel Flat Products From Brazil, the People's Republic of China, India, Japan, the Republic of Korea, the Netherlands, the Russian Federation, and the United Kingdom: Initiation of Less-Than-Fair-Value Investigations*	http://www.gpo.gov/fdsys/pkg/FR-2015-08-24/pdf/2015-20881.pdf
80 FR 51206 August 24, 2015	*Certain Cold-Rolled Steel Flat Products From Brazil, India, the People's Republic of China, the Republic of Korea, and the Russian Federation: Initiation of Countervailing Duty Investigations*	http://www.gpo.gov/fdsys/pkg/FR-2015-08-24/pdf/2015-20879.pdf

APPENDIX B

CALENDAR OF THE PUBLIC STAFF CONFERENCE

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

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

Subject:	Cold-Rolled Steel Flat Products from Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom
Inv. Nos.:	701-TA-540-544 and 731-TA-1283-1290 (Preliminary)
Date and Time:	August 18, 2015 - 9:30 am

Sessions were held in connection with these preliminary investigations in the ALJ Courtroom B (Room 111), 500 E Street, S.W., Washington, DC.

EMBASSY WITNESS:

Embassy of Brazil
Washington, D.C.

Carlos Henrique Angrisani, Secretary

Embassy of the Russian Federation
Washington, D.C.

Alexander Zhmykhov, Deputy Head of Economic Section

OPENING REMARKS:

Petitioners (**Paul C. Rosenthal**, Kelley Drye & Warren)
Respondents (**Donald B. Cameron**, Morris Manning & Martin LLP)

In Support of the Imposition of
Antidumping and Countervailing Duty Orders:

King & Spalding LLP
Washington, DC
on behalf of

AK Steel Corporation

Scott M. Lauschke, Vice President, Sales and Customer Service, AK Steel Corporation

J. B. Chronister, General Manager, Products, AK Steel Corporation

Joseph W. Dorn)
) – OF COUNSEL
Stephen A. Jones)

Kelley Drye & Warren
Washington, DC
on behalf of

ArcelorMittal USA LLC ("AMUSA")

Daniel Mull, Executive Vice President of Sales and Marketing, ArcelorMittal USA

Gordon O'Neill, Director, Product Control, Cold-Rolled Steel, ArcelorMittal USA

Holly Hart, Assistant to the International President *and* Legislative Director, United Steelworkers

Brad Hudgens, Economist, Georgetown Economic Services, LLC

Paul C. Rosenthal)
Kathleen W. Cannon) – OF COUNSEL
R. Alan Luberda)

In Support of the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Wiley Rein LLP
Washington, DC
on behalf of

Nucor Corporation

Rick Blume, Vice President and General Manager, Commercial, Nucor Corporation

Scott Meredith, Director of Sale and Marketing, Flat Products, Nucor Corporation

Alan H. Price)
Daniel B. Pickard) – OF COUNSEL
Laura El-Sabaawi)

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

United States Steel Corporation

Douglas R. Matthews, Senior Vice President, North American Flat-Rolled Operations, United States Steel Corporation

Robert Y. Kopf, General Manager, Revenue Management, United States Steel Corporation

Stephen P. Vaughn) – OF COUNSEL

Schagrin Associates
Washington, DC
on behalf of

California Steel Industries
Steel Dynamics, Inc.

Roger B. Schagrin) – OF COUNSEL

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:

Morris Manning & Martin LLP
Washington, DC
on behalf of

Korea Iron and Steel Association
Hyundai Steel Co., Ltd.
POSCO (collectively "Korean Producers")

Hyun Taik Lee, Manager, Steel Business Strategy Department, International Trade Affairs Group, POSCO

James A. Tennant, Chief Executive Officer, Ohio Coatings Company

Yong Sig Bin, Executive Vice President, Ohio Coatings Company

James Dougan, Vice President, Economic Consulting Services, LLC

Donald B. Cameron)
) – OF COUNSEL
Mary S. Hodgins)

Steptoe & Johnson LLP
Washington, DC
on behalf of

Tata Steel IJmuiden BV
Tata Steel UK Ltd.

Bruce Malashevich, President, Economic Consulting Services, LLC

Richard O. Cunningham)
) – OF COUNSEL
Joel D. Kaufman)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Sidley Austin LLP
Washington, DC
on behalf of

Nippon Steel & Sumitomo Metal; JFE Steel Corporation;
Kobe Steel Ltd. and Nisshin Steel Co., Ltd.
(collectively "Japanese Mills")

Yoshiro Hori, Executive Vice President *and* General Manager, Nippon Steel & Sumitomo Metal U.S.A, Inc.

Tadaaki Yamaguchi, President, JFE Steel Americas, Inc.

Scott Davidson, Vice President, Nippon Steel & Sumikin Bussan Americas, Inc.

Richard Weiner)
Neil R. Ellis)
Brenda A. Jacobs) – OF COUNSEL
Rajib Pal)
Justin Becker)

Hogan Lovells US LLP
Washington, DC
on behalf of

Companhia Siderurgica
CSN LLC

Craig A. Lewis)
) – OF COUNSEL
Jonathan T. Stoel)

Davis & Leiman P.C.
Washington, DC
on behalf of

JSW Steel Ltd.
JSW Steel Coated Products Ltd.

James Dougan, Vice President, Economic Consulting Services, LLC

REBUTTAL/CLOSING REMARKS:

Petitioners (**Stephen P. Vaughn**, Skadden, Arps, Slate,
Meagher & Flom LLP *and* **Joseph W. Dorn**, King & Spalding LLP)
Respondents (**Richard O. Cunningham**, Steptoe & Johnson LLP *and*
Donald B. Cameron, Morris Manning & Martin LLP))

APPENDIX C

SUMMARY DATA

Table C-1
Cold-rolled steel: Summary data concerning the U.S. market, 2012-14, January - June 2014, and January - June 2015
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Report data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2012	2013	2014	2014	2015	2012-14	2012-13	2013-14	2014-15
U.S. consumption quantity:									
Amount	27,523,520	27,623,530	29,313,579	14,699,313	13,596,335	6.5	0.4	6.1	(7.5)
Producers' share (fn1)	95.4	95.6	91.1	92.5	90.7	(4.2)	0.2	(4.4)	(1.8)
Importers' share (fn1):									
Brazil	0.4	0.1	0.3	0.2	0.9	(0.0)	(0.2)	0.2	0.7
China	1.0	1.0	3.0	2.2	2.7	1.9	(0.0)	2.0	0.5
India	0.0	0.1	0.3	0.3	0.5	0.3	0.0	0.2	0.2
Japan	0.4	0.5	0.4	0.5	0.5	0.0	0.0	(0.0)	0.1
Korea	***	***	***	***	***	***	***	***	***
Russia	0.0	0.0	0.3	0.2	0.3	0.3	0.0	0.3	0.1
United Kingdom	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***	***	***
Subtotal, all subject sources	2.5	2.3	5.7	4.4	6.4	3.2	(0.2)	3.4	2.0
Canada	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***
Subtotal, nonsubject sources	2.2	2.2	3.2	3.1	2.9	1.0	0.0	1.0	(0.2)
Total U.S. imports	4.6	4.4	8.9	7.5	9.3	4.2	(0.2)	4.4	1.8
U.S. consumption value:									
Amount	20,760,642	19,818,151	21,890,391	11,042,018	9,237,079	5.4	(4.5)	10.5	(16.3)
Producers' share (fn1)	94.6	94.9	90.7	92.0	90.1	(3.9)	0.3	(4.2)	(1.9)
Importers' share (fn1):									
Brazil	0.3	0.1	0.3	0.2	0.8	(0.0)	(0.2)	0.2	0.6
China	0.9	0.8	2.5	1.9	2.3	1.6	(0.1)	1.7	0.4
India	0.0	0.1	0.3	0.3	0.4	0.2	0.0	0.2	0.1
Japan	0.6	0.7	0.6	0.7	0.8	(0.0)	0.1	(0.1)	0.1
Korea	***	***	***	***	***	***	***	***	***
Russia	0.0	0.0	0.3	0.2	0.2	0.3	0.0	0.3	0.1
United Kingdom	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***	***	***
Subtotal, all subject sources	2.7	2.5	5.5	4.4	6.3	2.7	(0.3)	3.0	1.9
Canada	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***
Subtotal, nonsubject sources	2.6	2.6	3.8	3.6	3.6	1.1	(0.0)	1.2	(0.0)
Total U.S. imports	5.4	5.1	9.3	8.0	9.9	3.9	(0.3)	4.2	1.9
U.S. imports from:									
Brazil:									
Quantity	97,559	32,953	98,755	29,928	125,335	1.2	(66.2)	199.7	318.8
Value	66,430	20,925	68,100	19,878	70,526	2.5	(68.5)	225.4	254.8
Unit value	$681	$635	$690	$664	$563	1.3	(6.7)	8.6	(15.3)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
China:									
Quantity	277,087	266,627	865,816	322,093	371,638	212.5	(3.8)	224.7	15.4
Value	191,993	166,752	545,679	206,656	214,386	184.2	(13.1)	227.2	3.7
Unit value	$693	$625	$630	$642	$577	(9.0)	(9.7)	0.8	(10.1)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
India:									
Quantity	7,656	17,537	85,640	46,655	64,530	1,018.6	129.1	388.3	38.3
Value	9,420	15,066	61,803	33,998	41,477	556.0	59.9	310.2	22.0
Unit value	$1,230	$859	$722	$729	$643	(41.4)	(30.2)	(16.0)	(11.8)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Japan:									
Quantity	119,576	133,537	129,907	69,085	74,561	8.6	11.7	(2.7)	7.9
Value	129,691	134,843	135,558	73,831	71,462	4.5	4.0	0.5	(3.2)
Unit value	$1,085	$1,010	$1,044	$1,069	$958	(3.8)	(6.9)	3.3	(10.3)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Korea:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Russia:									
Quantity	0	222	89,385	28,851	34,759	fn2	fn2	40,163.5	20.5
Value	0	127	58,969	19,902	22,114	fn2	fn2	46,224.8	11.1
Unit value	$0	$573	$660	$690	$636	fn2	fn2	15.1	(7.8)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
United Kingdom:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Netherlands:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal, all subject sources									
Quantity	680,133	621,823	1,665,149	650,307	872,914	144.8	(8.6)	167.8	34.2
Value	568,088	491,766	1,198,908	485,532	578,314	111.0	(13.4)	143.8	19.1
Unit value	$835	$791	$720	$747	$663	(13.8)	(5.3)	(9.0)	(11.3)
Ending inventory quantity	***	***	***	***	***	***	***	***	***

Table continued on next page

Table C-1--Continued
Cold-rolled steel: Summary data concerning the U.S. market, 2012-14, January - June 2014, and January - June 2015
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Report data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2012	2013	2014	2014	2015	2012-14	2012-13	2013-14	2014-15
U.S. imports from:									
Canada:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other souces:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal, nonsubject sources:									
Quantity	594,565	600,001	933,254	450,482	393,641	57.0	0.9	55.5	(12.6)
Value	548,223	519,352	827,353	397,884	332,790	50.9	(5.3)	59.3	(16.4)
Unit value	$922	$866	$887	$883	$845	(3.9)	(6.1)	2.4	(4.3)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Total U.S. imports:									
Quantity	1,274,698	1,221,823	2,598,403	1,100,789	1,266,555	103.8	(4.1)	112.7	15.1
Value	1,116,311	1,011,118	2,026,262	883,416	911,104	81.5	(9.4)	100.4	3.1
Unit value	$876	$828	$780	$803	$719	(11.0)	(5.5)	(5.8)	(10.4)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity	39,514,662	39,961,225	39,510,948	19,802,264	19,738,901	(0.0)	1.1	(1.1)	(0.3)
Production quantity	26,925,495	26,969,346	27,205,722	13,752,234	12,517,060	1.0	0.2	0.9	(9.0)
Capacity utilization (fn1)	68.1	67.5	68.9	69.4	63.4	0.7	(0.7)	1.4	(6.0)
U.S. shipments:									
Quantity	26,248,822	26,401,707	26,715,176	13,598,524	12,329,780	1.8	0.6	1.2	(9.3)
Value	19,644,331	18,807,033	19,864,129	10,158,602	8,325,975	1.1	(4.3)	5.6	(18.0)
Unit value	$748	$712	$744	$747	$675	(0.6)	(4.8)	4.4	(9.6)
Export shipments:									
Quantity	677,934	596,852	480,642	256,403	259,720	(29.1)	(12.0)	(19.5)	1.3
Value	601,889	520,701	443,052	234,801	222,024	(26.4)	(13.5)	(14.9)	(5.4)
Unit value	$888	$872	$922	$916	$855	3.8	(1.7)	5.7	(6.6)
Ending inventory quantity	1,193,312	1,163,147	1,169,857	1,059,422	1,096,561	(2.0)	(2.5)	0.6	3.5
Inventories/total shipments (fn1)	4.4	4.3	4.3	3.8	4.4	(0.1)	(0.1)	(0.0)	0.5
Production workers	11,193	11,108	10,935	11,119	10,794	(2.3)	(0.8)	(1.6)	(2.9)
Hours worked (1,000s)	25,075	25,086	24,699	12,820	12,084	(1.5)	0.0	(1.5)	(5.7)
Wages paid ($1,000)	933,381	937,883	964,280	498,185	465,967	3.3	0.5	2.8	(6.5)
Hourly wages (dollars)	$37.22	$37.39	$39.04	$38.86	$38.56	4.9	0.4	4.4	(0.8)
Productivity (short tons per hour)	1,073.8	1,075.1	1,101.5	1,072.7	1,035.8	2.6	0.1	2.5	(3.4)
Unit labor costs	$34.67	$34.78	$35.44	$36.23	$37.23	2.2	0.3	1.9	2.8
Financial experience: constructed fair market value (fn3):									
Net Sales:									
Quantity	26,917,521	27,008,406	27,202,517	13,858,154	12,591,423	1.1	0.3	0.7	(9.1)
Value	20,462,831	19,598,764	20,735,965	10,571,243	8,739,916	1.3	(4.2)	5.8	(17.3)
Unit value	$760	$726	$762	$763	$694	0.3	(4.5)	5.0	(9.0)
Cost of goods sold (COGS)	20,134,083	19,366,194	19,851,482	10,328,300	8,612,386	(1.4)	(3.8)	2.5	(16.6)
Gross profit or (loss)	328,748	232,570	884,483	242,943	127,530	169.0	(29.3)	280.3	(47.5)
SG&A expenses	524,206	537,670	629,379	328,014	317,558	20.1	2.6	17.1	(3.2)
Operating income or (loss)	(195,458)	(305,100)	255,104	(85,071)	(190,028)	fn2	56.1	fn2	123.4
Net income or (loss)	(547,115)	(513,615)	22,836	(199,383)	(390,169)	fn2	(6.1)	fn2	95.7
Capital expenditures	528,326	314,950	314,677	123,970	187,648	(40.4)	(40.4)	(0.1)	51.4
Unit COGS	$748	$717	$730	$745	$684	(2.4)	(4.1)	1.8	(8.2)
Unit SG&A expenses	$19	$20	$23	$24	$25	18.8	2.2	16.2	6.6
Unit operating income or (loss)	$(7)	$(11)	$9	$(6)	$(15)	fn2	55.6	fn2	145.8
Unit net income or (loss)	$(20)	$(19)	$1	$(14)	$(31)	fn2	(6.4)	fn2	115.4
COGS/sales (fn1)	98.4	98.8	95.7	97.7	98.5	(2.7)	0.4	(3.1)	0.8
Operating income or (loss)/sales (fn1)	(1.0)	(1.6)	1.2	(0.8)	(2.2)	2.2	(0.6)	2.8	(1.4)
Net income or (loss)/sales (fn1)	(2.7)	(2.6)	0.1	(1.9)	(4.5)	2.8	0.1	2.7	(2.6)
Financial experience: cost plus share of downstream profit (fn4):									
Net Sales:									
Quantity	26,917,521	27,008,406	27,202,517	13,858,154	12,591,423	1.1	0.3	0.7	(9.1)
Value	20,967,337	20,347,168	21,136,392	10,799,154	8,937,502	0.8	(3.0)	3.9	(17.2)
Unit value	$779	$753	$777	$779	$710	(0.2)	(3.3)	3.1	(8.9)
Cost of goods sold (COGS)	20,134,082	19,366,194	19,851,482	10,328,648	8,612,305	(1.4)	(3.8)	2.5	(16.6)
Gross profit of (loss)	833,255	980,974	1,284,910	470,506	325,197	54.2	17.7	31.0	(30.9)
SG&A expenses	524,206	537,671	629,379	328,015	317,557	20.1	2.6	17.1	(3.2)
Operating income or (loss)	309,049	443,303	655,531	142,491	7,640	112.1	43.4	47.9	(94.6)
Net income or (loss)	(42,248)	234,788	423,262	28,180	(190,185)	fn2	fn2	80.3	fn2
Capital expenditures	528,326	314,950	314,677	123,970	187,648	(40.4)	(40.4)	(0.1)	51.4
Unit COGS	$748	$717	$730	$745	$684	(2.4)	(4.1)	1.8	(8.2)
Unit SG&A expenses	$19	$20	$23	$24	$25	18.8	2.2	16.2	6.6
Unit operating income or (loss)	$11	$16	$24	$10	$1	109.9	43.0	46.8	(94.1)
Unit net income or (loss)	$(2)	$9	$16	$2	$(15)	fn2	fn2	79.0	fn2
COGS/sales (fn1)	96.0	95.2	93.9	95.6	96.4	(2.1)	(0.8)	(1.3)	0.7
Operating income or (loss)/sales (fn1)	1.5	2.2	3.1	1.3	0.1	1.6	0.7	0.9	(1.2)
Net income or (loss)/sales (fn1)	(0.2)	1.2	2.0	0.3	(2.1)	2.2	1.4	0.8	(2.4)

Notes:

fn1.--Report data are in percent and period changes are in percentage points.
fn2.--Undefined.
fn3.--U.S. producers' financial experience valuing internal consumption and transfers to related firms at constructed fair market value. See part VI for details.
fn4.--U.S. producers' financial experience valuing internal consumption and transfers at cost plus a portion of the share of downstream profit. See part VI for details.

Source: Compiled from data submitted in response to Commission questionnaire and adjusted official U.S. import statistics. See Part IV for details.

Table C-2
Cold-rolled steel: Summary data concerning the U.S. merchant market, 2012-14, January - June 2014, and January - June 2015
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Report data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2012	2013	2014	2014	2015	2012-14	2012-13	2013-14	2014-15
U.S. consumption quantity:									
Amount	11,901,198	11,721,574	12,757,833	6,335,804	5,921,991	7.2	(1.5)	8.8	(6.5)
Producers' share (fn1)	89.3	89.6	79.6	82.6	78.6	(9.7)	0.3	(9.9)	(4.0)
Importers' share (fn1):									
Brazil	0.8	0.3	0.8	0.5	2.1	(0.0)	(0.5)	0.5	1.6
China	2.3	2.3	6.8	5.1	6.3	4.5	(0.1)	4.5	1.2
India	0.1	0.1	0.7	0.7	1.1	0.6	0.1	0.5	0.4
Japan	1.0	1.1	1.0	1.1	1.3	0.0	0.1	(0.1)	0.2
Korea	***	***	***	***	***	***	***	***	***
Russia	0.0	0.0	0.7	0.5	0.6	0.7	0.0	0.7	0.1
United Kingdom	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***	***	***
Subtotal, all subject sources	5.7	5.3	13.1	10.3	14.7	7.3	(0.4)	7.7	4.5
Canada	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***
Subtotal, nonsubject sources	5.0	5.1	7.3	7.1	6.6	2.3	0.1	2.2	(0.5)
Total U.S. imports	10.7	10.4	20.4	17.4	21.4	9.7	(0.3)	9.9	4.0
U.S. consumption value:									
Amount	9,423,984	8,843,496	10,006,559	4,995,700	4,255,622	6.2	(6.2)	13.2	(14.8)
Producers' share (fn1)	88.2	88.6	79.8	82.3	78.6	(8.4)	0.4	(8.8)	(3.7)
Importers' share (fn1):									
Brazil	0.7	0.2	0.7	0.4	1.7	(0.0)	(0.5)	0.4	1.3
China	2.0	1.9	5.5	4.1	5.0	3.4	(0.2)	3.6	0.9
India	0.1	0.2	0.6	0.7	1.0	0.5	0.1	0.4	0.3
Japan	1.4	1.5	1.4	1.5	1.7	(0.0)	0.1	(0.2)	0.2
Korea	***	***	***	***	***	***	***	***	***
Russia	0.0	0.0	0.6	0.4	0.5	0.6	0.0	0.6	0.1
United Kingdom	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***	***	***
Subtotal, all subject sources	6.0	5.6	12.0	9.7	13.6	6.0	(0.5)	6.4	3.9
Canada	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***
Subtotal, nonsubject sources	5.8	5.9	8.3	8.0	7.8	2.5	0.1	2.4	(0.1)
Total U.S. imports	11.8	11.4	20.2	17.7	21.4	8.4	(0.4)	8.8	3.7
U.S. imports from:									
Brazil:									
Quantity	97,559	32,953	98,755	29,928	125,335	1.2	(66.2)	199.7	318.8
Value	66,430	20,925	68,100	19,878	70,526	2.5	(68.5)	225.4	254.8
Unit value	$681	$635	$690	$664	$563	1.3	(6.7)	8.6	(15.3)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
China:									
Quantity	277,087	266,627	865,816	322,093	371,638	212.5	(3.8)	224.7	15.4
Value	191,993	166,752	545,679	206,656	214,386	184.2	(13.1)	227.2	3.7
Unit value	$693	$625	$630	$642	$577	(9.0)	(9.7)	0.8	(10.1)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
India:									
Quantity	7,656	17,537	85,640	46,655	64,530	1,018.6	129.1	388.3	38.3
Value	9,420	15,066	61,803	33,998	41,477	556.0	59.9	310.2	22.0
Unit value	$1,230	$859	$722	$729	$643	(41.4)	(30.2)	(16.0)	(11.8)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Japan:									
Quantity	119,576	133,537	129,907	69,085	74,561	8.6	11.7	(2.7)	7.9
Value	129,691	134,843	135,558	73,831	71,462	4.5	4.0	0.5	(3.2)
Unit value	$1,085	$1,010	$1,044	$1,069	$958	(3.8)	(6.9)	3.3	(10.3)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Korea:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Russia:									
Quantity	0	222	89,385	28,851	34,759	***	***	40,163.5	20.5
Value	0	127	58,969	19,902	22,114	***	***	46,224.8	11.1
Unit value	$0	$573	$660	$690	$636	***	***	15.1	(7.8)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
United Kingdom:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Netherlands									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal, all subject sources									
Quantity	680,133	621,823	1,665,149	650,307	872,914	144.8	(8.6)	167.8	34.2
Value	568,088	491,766	1,198,908	485,532	578,314	111.0	(13.4)	143.8	19.1
Unit value	$835	$791	$720	$747	$663	(13.8)	(5.3)	(9.0)	(11.3)
Ending inventory quantity	***	***	***	***	***	***	***	***	***

Table continued on next page

Table C-2--Continued
Cold-rolled steel: Summary data concerning the U.S. merchant market, 2012-14, January - June 2014, and January - June 2015
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Report data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2012	2013	2014	2014	2015	2012-14	2012-13	2013-14	2014-15
U.S. imports from:									
Canada:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other souces:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal, nonsubject sources:									
Quantity	594,565	600,001	933,254	450,482	393,641	57.0	0.9	55.5	(12.6)
Value	548,223	519,352	827,353	397,884	332,790	50.9	(5.3)	59.3	(16.4)
Unit value	$922	$866	$887	$883	$845	(3.9)	(6.1)	2.4	(4.3)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Total U.S. imports:									
Quantity	1,274,698	1,221,823	2,598,403	1,100,789	1,266,555	103.8	(4.1)	112.7	15.1
Value	1,116,311	1,011,118	2,026,262	883,416	911,104	81.5	(9.4)	100.4	3.1
Unit value	$876	$828	$780	$803	$719	(11.0)	(5.5)	(5.8)	(10.4)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers':									
U.S. commercial shipments:									
Quantity	10,626,500	10,499,751	10,159,430	5,235,015	4,655,436	(4.4)	(1.2)	(3.2)	(11.1)
Value	8,307,673	7,832,378	7,980,297	4,112,284	3,344,518	(3.9)	(5.7)	1.9	(18.7)
Unit value	$782	$746	$786	$786	$718	0.5	(4.6)	5.3	(8.5)
Financial experience: Merchant market operations									
Commerical sales:									
Quantity	11,309,745	11,106,450	10,646,771	5,494,644	4,917,078	(5.9)	(1.8)	(4.1)	(10.5)
Value	8,926,786	8,370,066	8,442,724	4,356,989	3,569,554	(5.4)	(6.2)	0.9	(18.1)
Unit value	$789	$754	$793	$793	$726	0.5	(4.5)	5.2	(8.4)
Cost of goods sold (COGS)	8,602,804	8,077,896	7,831,020	4,144,424	3,423,488	(9.0)	(6.1)	(3.1)	(17.4)
Gross profit or (loss)	323,982	292,170	611,704	212,565	146,066	88.8	(9.8)	109.4	(31.3)
SG&A expenses	243,284	237,554	262,221	136,046	130,836	7.8	(2.4)	10.4	(3.8)
Operating income or (loss)	80,698	54,616	349,483	76,519	15,230	333.1	(32.3)	539.9	(80.1)
Net income or (loss)	(94,969)	(29,275)	276,970	32,558	(66,945)	(fn2)	(69.2)	(fn2)	(fn2)
Unit COGS	$761	$727	$736	$754	$696	(3.3)	(4.4)	1.1	(7.7)
Unit SG&A expenses	$22	$21	$25	$25	$27	14.5	(0.6)	15.1	7.5
Unit operating income or (loss)	$7	$5	$33	$14	$3	360.0	(31.1)	567.5	(77.8)
Unit net income or (loss)	$(8)	$(3)	$26	$6	$(14)	(fn2)	(68.6)	(fn2)	(fn2)
COGS/sales (fn1)	96.4	96.5	92.8	95.1	95.9	(3.6)	0.1	(3.8)	0.8
Operating income or (loss)/sales (fn1)	0.9	0.7	4.1	1.8	0.4	3.2	(0.3)	3.5	(1.3)
Net income or (loss)/sales (fn1)	(1.1)	(0.3)	3.3	0.7	(1.9)	4.3	0.7	3.6	(2.6)

Notes:

fn1.--Report data are in percent and period changes are in percentage points.
fn2.--Undefined.

APPENDIX D

NONSUBJECT COUNTRY PRICE DATA

Two importers reported price data for nonsubject country Canada for cold-rolled steel. Price data reported by these firms accounted for *** percent of U.S. imports from Canada during January 2012-June 2015. These pricing items and accompanying data are comparable to those presented in tables V-4 to V-7. Price and quantity data for Canada are shown in table D-1 and in figures D-1 to D-4 (along with domestic and subject source data).

In comparing nonsubject country pricing data with U.S. producer pricing data, prices for product imported from Canada were lower than prices for U.S.-produced product in 14 instances and higher in 40 instances. In comparing nonsubject country pricing data with subject country pricing data, prices for product imported from Canada were lower than prices for product imported from subject countries in 42 instances and higher in 147 instances. A summary of price differentials is presented in table D-2.

Table D-1

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of imported products 1, 2, 3, and 4[1] from Canada, by quarters, January 2012-June 2015

* * * * * * *

Figure D-1

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarters, January 2012-June 2015

* * * * * * *

Figure D-2

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by quarters, January 2012-June 2015

* * * * * * *

Figure D-3

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by quarters, January 2012-June 2015

* * * * * * *

Figure D-4

Cold-rolled steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by quarters, January 2012-June 2015

Table D-2

Cold-rolled steel: Summary of price differentials, by country, January 2012-June 2015[1]

Countries	Number of comparisons	Lower	Higher
Canada vs. United States	54	14	40
Canada vs. Brazil	40	13	27
Canada vs. China	54	7	47
Canada vs. India	27	6	21
Canada vs. Japan	6	3	3
Canada vs. Korea	18	8	10
Canada vs. Netherlands	28	5	23
Canada vs. Russia	16	0	16
Canada vs. United Kingdom	---	---	---

[1] As noted in Part V, staff received revisions from some but not all firms. Accordingly, some of these pricing data may include both commercial and higher quality steel.

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

APPENDIX E

FINANCIAL DATA OF U.S. PRODUCERS

This section presents selected financial information of U.S. producers. Each of the three tables provides information on sales and costs of the reporting firm's commercial sales and the data for quantity and value of commercial sales are the same in each table. Besides the data for commercial sales, tables E-1 and E-2 provide data for internal consumption and transfers to related firms but differ in how firms were requested to report the values of internal consumption and transfers. Table E-1, which corresponds to table VI-1, provides information with the values of internal consumption and transfers to related firms based on constructed fair market value ("constructed fair market value").[1] Table E-2, which corresponds to table VI-2, provides information the values for internal consumption and transfers based upon a share of the gross profit of the downstream product ("gross profit share"). While the data for quantity of sales, costs and expenses in table E-2 are the same as those reported in table E-1, the value of internal consumption and transfers differs.[2] Table E-3, which corresponds to table VI-3, provides data only on open market sales and costs of U.S. producers ("open market").

[1] The Commission's questionnaire asked U.S. producers to report the value of internal consumption and transfers to related firms at the same per-unit values as the firm's commercial sales. Firms were instructed to adjust the per-unit-values if their internal consumption and transfers differed from their commercial sales because of factors like product mix, or physical, or quality differences. This adjustment for differences in value was labeled "operations on cold-rolled steel with internal consumption and transfers to related parties valued based upon differences in cost (constructed fair market value)." *See* section III-9 of the U.S. producers' questionnaire.

[2] The Commission's questionnaire asked U.S. producers to report the value of internal consumption and transfers to related firms based upon a calculation using the gross profit margin of the downstream product (e.g., coated steel), adjusted for the percentage of relative costs of producing cold-rolled steel and the downstream product. This adjustment for differences in sales value was labeled "operations on cold-rolled steel with internal consumption and transfers to related parties based upon the gross profit of the downstream product (cost plus share of downstream profit)." *See* section III-10 of the U.S. producers' questionnaire.

Table E-1
Cold-rolled steel: Results of operations of U.S. producers at constructed fair market value, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Commercial sales quantity (short tons)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	11,309,745	11,106,450	10,646,771	5,494,644	4,917,078
	Internal consumption quantity (short tons)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	***	***	***	***	***
	Transfers quantity (short tons)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	***	***	***	***	***

Table continued on the next page.

Table E-1--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at constructed fair market value, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Total net sales quantity (short tons)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	26,917,521	27,008,406	27,202,517	13,858,154	12,591,423
	Commercial sales value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	8,926,786	8,370,066	8,442,724	4,356,989	3,569,554
	Internal consumption value(1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	***	***	***	***	***

Table continued on the next page.

Table E-1--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at constructed fair market value, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January to June	
	2012	2013	2014	2014	2015
	Transfer value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	***	***	***	***	***
	Total net sales value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	20,462,831	19,598,764	20,735,965	10,571,243	8,739,916
	Total COGS value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	20,134,083	19,366,194	19,851,482	10,328,300	8,612,386

Table continued on the next page.

Table E-1--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at constructed fair market value, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Gross profit or (loss) value(1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	328,748	232,570	884,483	242,943	127,530
	Total SG&A expenses value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	524,206	537,670	629,379	328,014	317,558
	Operating income or (loss) value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	(195,458)	(305,100)	255,104	(85,071)	(190,028)

Table continued on the next page.

Table E-1--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at constructed fair market value, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Net income or (loss) value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	(547,115)	(513,615)	22,836	(199,383)	(390,169)
	Ratio of total COGS to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	98.4	98.8	95.7	97.7	98.5
	Ratio of gross profit or (loss) to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	1.6	1.2	4.3	2.3	1.5

Table continued on the next page.

Table E-1--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at constructed fair market value, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Ratio of total SG&A expense to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	2.6	2.7	3.0	3.1	3.6
	Ratio of operating income or (loss) to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	(1.0)	(1.6)	1.2	(0.8)	(2.2)
	Ratio of net income or (loss) to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	(2.7)	(2.6)	0.1	(1.9)	(4.5)

Table continued on the next page.

Table E-1--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at constructed fair market value, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Unit value of commercial sales (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	789.30	753.62	792.98	792.95	725.95
	Unit value of internal consumption (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	***	***	***	***	***
	Unit value of transfers (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	***	***	***	***	***

Table continued on the next page.

Table E-1--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at constructed fair market value, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Unit value of value of total net sales (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	760.20	725.65	762.28	762.82	694.12
	Unit value of value of total COGS (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	747.99	717.04	729.77	745.29	683.99
	Unit value of value of gross profit or (loss) (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	12.21	8.61	32.51	17.53	10.13

Table continued on the next page.

Table E-1--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at constructed fair market value, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Unit value of SG&A expense (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	19.47	19.91	23.14	23.67	25.22
	Unit value of operating income or (loss) (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	(7.26)	(11.30)	9.38	(6.14)	(15.09)
	Unit value of net income or (loss) (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	(20.33)	(19.02)	0.84	(14.39)	(30.99)

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

Table E-2
Cold-rolled steel: Results of operations of U.S. producers at gross profit share, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Commercial sales quantity (short tons)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	11,309,745	11,106,450	10,646,771	5,494,644	4,917,078
	Internal consumption quantity (short tons)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	***	***	***	***	***
	Transfers quantity (short tons)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	***	***	***	***	***

Table continued on the next page.

Table E-2--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at gross profit share, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Total net sales quantity (short tons)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	26,917,521	27,008,406	27,202,517	13,858,154	12,591,423
	Commercial sales value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	8,926,786	8,370,066	8,442,724	4,356,989	3,569,554
	Internal consumption value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	***	***	***	***	***

Table continued on the next page.

Table E-2--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at gross profit share, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Transfers to related firms value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	***	***	***	***	***
	Total net sales value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	20,967,337	20,347,168	21,136,392	10,799,154	8,937,502
	Total COGS value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	20,134,082	19,366,194	19,851,482	10,328,648	8,612,305

Table continued on the next page.

Table E-2--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at gross profit share, by firm, 2012-14, January-June 2014, and January-June 2015-

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Gross profit or (loss) value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	833,255	980,974	1,284,910	470,506	325,197
	Total SG&A expenses value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	524,206	537,671	629,379	328,015	317,557
	Operating income or (loss) value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	309,049	443,303	655,531	142,491	7,640

Table continued on the next page.

Table E-2--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at gross profit share, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Net income or (loss) value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	(42,248)	234,788	423,262	28,180	(190,185)
	Ratio of total COGS to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	96.0	95.2	93.9	95.6	96.4
	Ratio of gross profit or (loss) to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	4.0	4.8	6.1	4.4	3.6

Table continued on the next page.

Table E-2--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at gross profit share, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Ratio of total SG&A expense to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	2.5	2.6	3.0	3.0	3.6
	Ratio of operating income or (loss) to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	1.5	2.2	3.1	1.3	0.1
	Ratio of net income or (loss) to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	(0.2)	1.2	2.0	0.3	(2.1)

Table continued on the next page.

Table E-2--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at gross profit share, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Unit value of commercial sales (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	789.30	753.62	792.98	792.95	725.95
	Unit value of internal consumption (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	***	***	***	***	***
	Unit value of transfers (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	***	***	***	***	***

Table continued on the next page.

Table E-2--*Continued*
Cold-rolled steel: Results of operations of U.S. producers at gross profit share, by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Unit value of total net sales (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	778.95	753.36	777.00	779.26	709.81
	Unit value of COGS (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	747.99	717.04	729.77	745.31	683.98
	Unit value of gross profit or (loss) (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	30.96	36.32	47.23	33.95	25.83

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Table E-2--*Continued*
Cold-rolled steel: Results of operations of U.S. producers with internal consumption and transfers valued at cost plus share of downstream profit, by firm, 2012-14, January-June 2014, and January-

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Unit value of SG&A expense (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	19.47	19.91	23.14	23.67	25.22
	Unit value of operating income or (loss) (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	11.48	16.41	24.10	10.28	0.61
	Unit value of net income or (loss) (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Steelscape	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	(1.57)	8.69	15.56	2.03	(15.10)

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

Table E-3
Cold-rolled steel: Results of of U.S. producers on open market operatons by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Commercial shipments quantity (short tons)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	11,309,745	11,106,450	10,646,771	5,494,644	4,917,078
	Commercial shipments value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	8,926,786	8,370,066	8,442,724	4,356,989	3,569,554
	Total COGS value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	8,602,804	8,077,896	7,831,020	4,144,424	3,423,488

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Table E-3--*Continued*
Cold-rolled steel: Results of of U.S. producers on open market operations by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Gross profit or (loss) value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	323,982	292,170	611,704	212,565	146,066
	Total SG&A expenses value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	243,284	237,554	262,221	136,046	130,836
	Operating income or (loss) value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	80,698	54,616	349,483	76,519	15,230

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Table E-3--*Continued*
Cold-rolled steel: Results of of U.S. producers on open market operations by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Net income or (loss) value (1,000 dollars)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Total	(94,969)	(29,275)	276,970	32,558	(66,945)
	Ratio of total COGS to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	96.4	96.5	92.8	95.1	95.9
	Ratio of gross profit or (loss) to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	3.6	3.5	7.2	4.9	4.1

Table continued on the next page.

Table E-3--*Continued*
Cold-rolled steel: Results of of U.S. producers on open market operations by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Ratio of total SG&A expenses to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	2.7	2.8	3.1	3.1	3.7
	Ratio of operating income or (loss) to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	0.9	0.7	4.1	1.8	0.4
	Ratio of net income or (loss) to sales (percent)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	(1.1)	(0.3)	3.3	0.7	(1.9)

Table continued on the next page.

Table E-3--*Continued*
Cold-rolled steel: Results of of U.S. producers on open market operations by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Unit value of commercial shipments (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	789.30	753.62	792.98	792.95	725.95
	Unit value of total COGS (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	760.65	727.32	735.53	754.27	696.24
	Unit value of gross profit or (loss) (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	28.65	26.31	57.45	38.69	29.71

Table continued on the next page.

Table E-3--*Continued*
Cold-rolled steel: Results of of U.S. producers on open market operations by firm, 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January-June	
	2012	2013	2014	2014	2015
	Unit value of SG&A expense (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	21.51	21.39	24.63	24.76	26.61
	Unit value of operating income or (loss) (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	7.14	4.92	32.83	13.93	3.10
	Unit value of net income or (loss) (dollars per short ton)				
AK Steel	***	***	***	***	***
ArcelorMittal USA	***	***	***	***	***
Blair	***	***	***	***	***
CSI	***	***	***	***	***
CSN	***	***	***	***	***
Nucor	***	***	***	***	***
Steel Dynamics	***	***	***	***	***
Thomas	***	***	***	***	***
U.S. Steel	***	***	***	***	***
USS-POSCO	***	***	***	***	***
Worthington Steel	***	***	***	***	***
Average	(8.40)	(2.64)	26.01	5.93	(13.61)

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

APPENDIX F

MONTHLY IMPORT DATA

Table F-1
Cold rolled steel: Monthly U.S. imports by source, January 2012 - June 2015

Period	Brazil	China	India	Japan	Korea	Russia	United Kingdom
	Quantity (short tons)						
2012.-- January	36,342	18,045	333	9,116	5,612	0	1,661
February	1,825	15,362	293	10,573	28,125	0	3,016
March	6,016	19,936	253	14,139	16,759	0	952
April	839	15,975	4,095	11,687	6,088	0	5,574
May	10,345	29,150	513	12,931	21,188	0	1,984
June	3,312	30,139	252	7,901	17,086	0	4,399
July	7,585	12,799	308	10,663	10,977	0	3,232
August	3,411	30,904	118	11,788	9,809	0	5,787
September	7,468	3,639	332	9,270	22,111	0	2,382
October	2,310	19,857	325	14,452	10,802	0	5,333
November	8,323	44,869	466	20,419	17,648	0	4,073
December	9,887	37,404	369	10,076	6,594	0	4,199
2013.-- January	7,948	22,803	212	16,368	15,949	0	4,379
February	7,211	39,977	558	12,498	17,997	0	4,195
March	1,140	19,073	236	19,350	13,040	0	6,171
April	12,511	8,940	571	6,751	16,591	0	3,040
May	3	19,480	901	18,429	11,509	0	4,040
June	4,086	13,801	291	13,461	14,165	0	3,203
July	16	14,856	200	9,593	6,024	0	4,600
August	35	18,666	671	14,942	27,671	0	5,595
September	0	18,747	114	9,452	13,927	0	4,214
October	0	34,900	4,169	10,719	24,115	0	4,024
November	3	36,435	2,477	13,586	10,053	0	3,639
December	0	19,901	7,144	9,536	14,223	222	6,056
2014.-- January	2,385	22,013	6,551	10,038	28,035	376	6,232
February	6,598	31,664	12,427	12,974	14,986	0	6,460
March	5,873	31,812	12,538	12,063	21,312	5,421	10,406
April	8,687	105,881	4,636	13,555	21,415	9,267	2,025
May	2,049	48,611	8,990	12,795	11,794	7,000	6,081
June	4,336	84,445	1,519	12,974	23,335	6,786	7,955
July	13,174	60,269	2,004	13,112	25,581	11,960	12,867
August	4,385	59,811	3,393	10,962	22,935	975	14,406
September	2,251	146,424	7,614	7,644	17,052	14,194	9,283
October	16,922	118,257	707	16,152	35,291	11,986	10,948
November	13,639	115,818	9,713	10,616	22,345	0	12,125
December	18,461	48,311	15,554	11,174	14,045	21,419	23,802
2015.-- January	49,381	49,040	1,879	10,357	30,672	7,944	18,559
February	21,858	59,247	19,436	14,158	25,011	0	6,189
March	15,223	57,870	10,361	13,551	24,747	2,178	15,742
April	23,128	86,449	6,321	25,465	20,491	6,830	5,759
May	5,609	61,651	17,003	5,732	22,679	17,806	6,208
June	10,151	57,960	9,704	14,330	27,817	0	6,125

Table continued on next page.

Table F-1--*Continued*
Cold rolled steel: Monthly U.S. imports by source, January 2012 - June 2015

Period	Subtotal, subject less Netherlands	Netherlands	Subtotal, all subject sources	Canada	All other sources	Nonsubject	Total imports
	Quantity (short tons)						
2012.-- January	71,109	2,302	73,411	24,086	44,991	69,077	142,488
February	59,193	3,225	62,418	24,224	23,083	47,307	109,725
March	58,055	1,862	59,917	24,990	35,636	60,626	120,543
April	44,256	2,478	46,735	22,521	21,178	43,699	90,434
May	76,112	2,003	78,116	20,302	30,856	51,158	129,274
June	63,089	5,812	68,901	22,350	23,718	46,068	114,969
July	45,564	4,340	49,903	17,975	33,471	51,446	101,349
August	61,817	6,560	68,377	21,650	30,216	51,866	120,242
September	45,201	3,649	48,851	22,375	42,174	64,549	113,399
October	53,078	7,082	60,160	23,389	35,478	58,867	119,027
November	95,799	6,830	102,629	23,597	42,636	66,234	168,863
December	68,529	10,017	78,545	19,069	38,754	57,824	136,369
2013.-- January	67,659	2,307	69,966	23,727	33,263	56,991	126,957
February	82,437	1,634	84,070	19,802	30,302	50,104	134,174
March	59,010	1,283	60,293	26,588	34,921	61,509	121,802
April	48,405	2,677	51,082	26,701	35,197	61,897	112,979
May	54,361	7,126	61,487	20,791	29,693	50,483	111,971
June	49,007	5,706	54,713	20,861	30,812	51,673	106,385
July	35,288	4,775	40,063	20,359	37,554	57,913	97,976
August	67,581	4,713	72,294	22,316	33,245	55,561	127,855
September	46,453	8,287	54,741	24,945	40,279	65,223	119,964
October	77,927	5,594	83,521	27,087	41,321	68,408	151,929
November	66,193	12,277	78,470	23,916	41,950	65,867	144,337
December	57,081	5,033	62,113	22,856	36,058	58,914	121,027
2014.-- January	75,632	5,510	81,142	31,335	40,314	71,649	152,791
February	85,109	2,867	87,976	31,435	29,095	60,530	148,506
March	99,423	5,284	104,708	51,894	40,173	92,067	196,775
April	165,466	4,763	170,229	42,040	40,231	82,271	252,500
May	97,319	7,467	104,786	38,112	47,091	85,203	189,989
June	141,352	9,181	150,533	50,886	48,928	99,814	250,348
July	138,966	6,438	145,405	46,625	45,838	92,463	237,868
August	116,866	6,351	123,217	47,200	52,532	99,732	222,949
September	204,462	8,091	212,553	44,618	41,559	86,177	298,730
October	210,263	5,875	216,139	44,922	47,396	92,317	308,456
November	184,257	9,692	193,949	35,401	44,396	79,797	273,746
December	152,766	12,051	164,817	31,488	57,795	89,283	254,100
2015.-- January	167,834	5,766	173,600	34,923	43,532	78,455	252,055
February	145,900	4,673	150,572	38,774	50,411	89,185	239,757
March	139,672	2,546	142,218	35,385	39,430	74,815	217,032
April	174,444	3,674	178,118	37,850	38,788	76,638	254,756
May	136,689	9,172	145,861	27,909	39,360	67,269	213,130
June	126,086	5,888	131,975	35,262	37,332	72,594	204,569

Note.— Official import statistics are for nonalloy and alloy cold-rolled steel, and are unadjusted. However, certain HTS statistical reporting numbers for alloy cold-rolled steel are overstated, either because of the inclusion of high-alloy steel or in some instances because of the inclusion of products other than cold-rolled steel. For example, Tata Steel Ijmuiden reported that ***. Tata Steel Ijmuiden's postconference brief, Attachment 1.

Source: Official U.S. import statistics using HTS statistical reporting numbers (for alloy and non-alloy cold-rolled steel): 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050.