

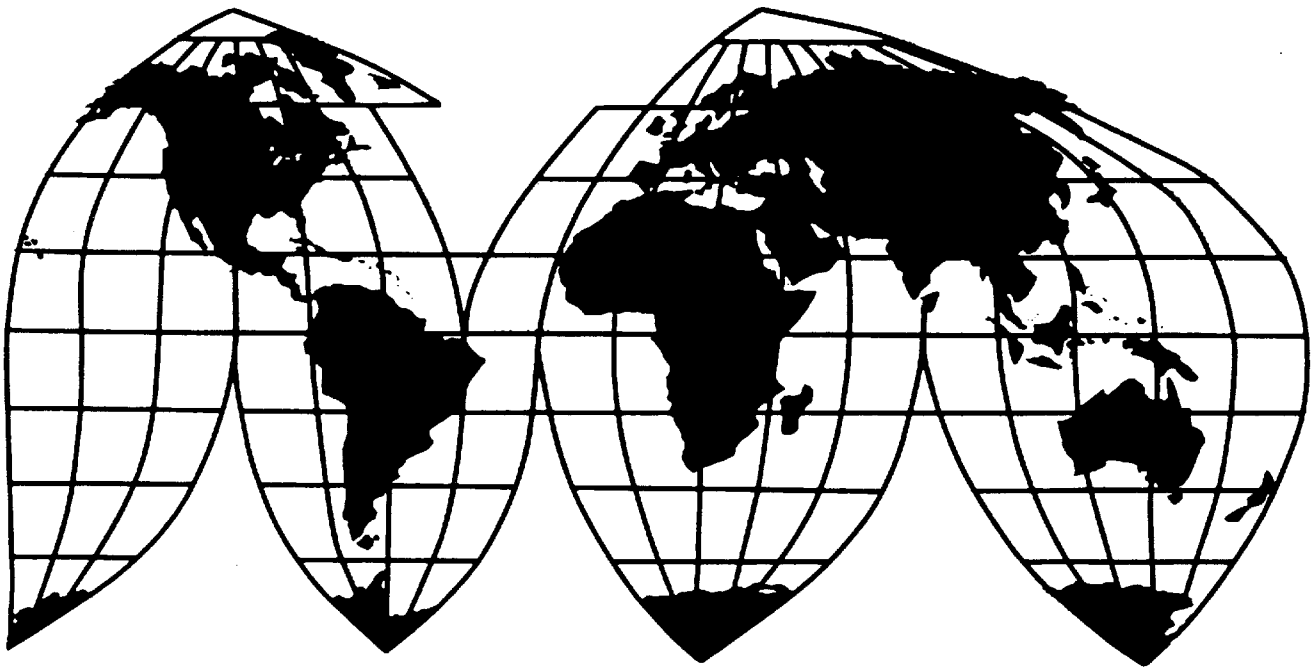
Tin-and Chromium-Coated Steel Sheet From Japan

Investigation No. 731-TA-860 (Review)

Publication 3860

June 2006

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-860 (Review) *Tin- and Chromium-Coated Steel Sheet from Japan*

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty order on tin- and chromium-coated steel sheet from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted this review on July 1, 2005 (70 F.R. 38210) and determined on October 4, 2005 that it would conduct a full review (70 F.R. 60110, October 14, 2005). Notice of the scheduling of the Commission's review and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on December 8, 2005 (70 F.R. 73027). The hearing was held in Washington, DC, on April 27, 2006, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order on tin- and chromium-coated steel sheet (“TCCSS”) from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. BACKGROUND

In August 2000, the Commission completed its original investigation for TCCSS from Japan and determined that an industry in the United States was materially injured by reason of less than fair value (“LTFV”) subject imports.¹ Commerce issued an antidumping duty order on the subject merchandise on August 28, 2000.²

In September 2000, the Japanese respondents appealed the Commission’s affirmative determination to the U.S. Court of International Trade (“CIT”). On December 31, 2001, the CIT remanded the Commission’s pricing and impact analysis, directing the Commission to explain several aspects of its price comparison methodologies, to reconsider its underselling findings and to reevaluate its findings with respect to the price sensitivity of the market, lost sales data and the effects of subject imports on domestic prices. The CIT also directed the Commission to reexamine its causation analysis by taking into account the impact of non-price factors on purchasing decisions and the role of nonsubject imports in the market.³

In March 2002, the Commission issued its remand determination. The Commission again determined that the domestic TCCSS industry was materially injured by reason of the subject imports from Japan.⁴ On August 9, 2002, the CIT issued its second decision, vacating the Commission’s affirmative material injury determination and ordering the Commission to enter a negative determination.⁵ The Commission appealed the decision and, on October 3, 2002, the U.S. Court of Appeals for the Federal Circuit (“CAFC”) vacated the CIT’s decision in *Nippon II*.⁶ The CAFC held that the CIT went beyond its statutorily-assigned role to review because it engaged in refinding facts, reassessing witness credibility and interposing its own views on injury and causation for those of the Commission. However, the Court also stated that the Commission should on remand attend to all the points made by the CIT.

After reopening the record, the Commission issued its second remand determination on February 23, 2004, again reaching an affirmative injury determination.⁷ On October 14, 2004, the CIT affirmed some aspects of the Commission’s decision, but rejected the bulk of the Commission’s pricing and

¹ *Tin- and Chromium-Coated Steel Sheet from Japan*, Inv. No. 731-TA-860 (Final), USITC Pub. 3337 (Aug. 2000). Commissioners Koplán and Askey dissented.

² 65 Fed. Reg. 52,067 (Aug. 28, 2000).

³ *Nippon Steel Corp. v. United States*, 182 F. Supp.2d 1330 (Ct. Int’l Trade 2001) (“*Nippon I*”).

⁴ Commissioner Koplán dissented, reaffirming his original views.

For the purposes of discussing their participation and views in the original investigation and the remand proceedings, individual commissioners are identified by the title “Commissioner;” in contrast, individual commissioners’ participation and views in this five-year review reflect their current positions within the agency.

⁵ *Nippon Steel Corp. v. United States*, 223 F. Supp. 2d 1349 (Ct. Int’l Trade 2002) (“*Nippon II*”).

⁶ *Nippon Steel Corp. v. International Trade Comm’n*, 345 F.3d 1379 (Fed. Cir. 2003) (“*Nippon III*”).

⁷ Commissioner Koplán dissented once again, and was joined by Chairman Pearson, who adopted the prior dissenting views of Commissioner Koplán. Commissioner Lane joined the majority and adopted the two prior determinations of the Commission. Vice Chairman Aranoff did not participate in any prior proceedings relating to this review.

causation findings, holding that the record evidence did not support an affirmative injury finding. The CIT remanded the Commission's second remand determination with instructions to issue a negative material injury determination.⁸

On December 13, 2004, the Commission issued its third remand determination, finding in the negative with respect to material injury by reason of the subject imports as ordered by the CIT. The Commission also issued a negative threat determination, stating that this outcome was dictated by the CIT's findings in Nippon IV, and noting that it would not have made such a determination in the absence of the CIT's instructions. The CIT affirmed the determination⁹ and its decision was appealed to the CAFC. The case was argued before the CAFC on March 7, 2006, and is still pending before that Court. Thus, the order remains in place and is subject to this review.¹⁰

On July 1, 2005, the Commission instituted this five-year review pursuant to section 751(c) of the Act, to determine whether revocation of the antidumping duty order would likely lead to continuation or recurrence of material injury.¹¹ The Commission received five substantive responses to its notice of institution and found that both the domestic interested party group response and the respondent interested party group response were adequate. On October 4, 2005, the Commission determined to conduct a full review in this proceeding.^{12 13}

II. MARKET BACKGROUND

TCCSS consists of tin- and chromium-coated steel sheet, which are manufactured from black plate and have many applications. Major end uses for tin-coated steel sheet (or tin-plate) include the manufacture of welded food, beverage, aerosol, and paint cans. Chromium-coated (or tin-free) ("TFS") steel sheet is used primarily for beer and soft drink two-piece drawn cans and ends, as well as ends for food cans and caps, and crowns for glass containers.¹⁴ TCCSS is commonly produced to a number of

⁸ Nippon Steel Corp. v. United States, 350 F. Supp. 2d 1186 (Ct. Int'l Trade 2004) ("Nippon IV").

⁹ Nippon Steel Corp. v. United States, Slip Op. 05-38 (Ct. Int'l Trade Mar. 23, 2005) ("Nippon V").

¹⁰ 19 U.S.C. § 1516a(c)(3) provides that "[i]f the final disposition of an action brought under this section is not in harmony with the published determination of the Secretary, the administering authority, or the Commission, the matter shall be remanded to the Secretary, the administering authority or the Commission, as appropriate, for disposition consistent with the final disposition of the court." Legislative history provides that "section 516A would provide in subsection (c)(3) that if the final disposition of an action instituted under the section is not in harmony with the challenged decision, the matter shall be remanded to the decision-maker for disposition consistent with the court's decision." S. Rep. 249, 96th Cong., 1st Sess. 248 (1979). See also Fujitsu General America, Inc. v. United States, 283 F.3d 1364, 1378-1379 (Fed. Cir. 2002); Timken Co. v. United States, 893 F.2d 337, 339-40 (Fed. Cir. 1990) (appealed opinion by the CIT is not a "final court decision" within the plain meaning of 19 U.S.C. § 1516a(e)).

¹¹ 70 Fed. Reg. 38,210 (July 1, 2005).

¹² 70 Fed. Reg. 60,110 (Oct. 14, 2005); see also Confidential Staff Report ("CR")/Public Staff Report ("PR") at Appendix A, Explanation of Commission Determination on Adequacy in Tin- and Chromium-Coated Steel Sheet from Japan, Inv. No. 731-TA-860 (Review). References to the CR and PR in these views are to the Staff Report as amended by Memorandum INV-DD-078 (June 6, 2006) and Memorandum INV-DD-082 (June 12, 2006).

¹³ The Commission's schedule in this review was published in the Federal Register on December 8, 2005 (70 Fed. Reg. 73,027). Subsequently, respondents requested a postponement of the deadline for posthearing briefs. The Commission revised its schedule to accommodate this request. 71 Fed. Reg. 21,041 (Apr. 24, 2006).

¹⁴ CR at I-22, PR at I-16.

ASTM specifications, including A-623, A-624 and A-626.¹⁵ The majority of both domestic production and imports is sold to end users, with the remainder sold to distributors.¹⁶

The petition was filed in 1999 on behalf of Weirton Steel Corp.,¹⁷ one of seven U.S. firms producing TCCSS at the time, as well as the Independent Steelworkers Union and the United Steelworkers of America, AFL-CIO. There are four U.S. firms known to be producing TCCSS in 2005: United States Steel Corporation (“U.S. Steel”), Mittal Steel USA (“Mittal”), Ohio Coatings Co. (“Ohio Coatings”), and USS-POSCO Industries (“USS-POSCO”),¹⁸ all of which provided questionnaire responses to the Commission.¹⁹ These firms have production facilities in California, Indiana, Maryland, Ohio, and West Virginia.²⁰

Domestic production accounted for about 85 percent of the U.S. market for TCCSS over the period examined. There were no subject imports after the imposition of the order. For the latter part of the period, the largest sources of imports were Canada, Germany, France, and the Netherlands.²¹

III. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”²² The Act defines the “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”²³ The Commission’s practice in five-year reviews is to look to the like product definition from the original determination and any previous reviews and consider whether the record indicates any reason to revisit that definition.²⁴

In its final expedited five-year review determination, Commerce described the scope of the products subject to the order as:

tin mill flat-rolled products that are coated or plated with tin, chromium, or chromium oxides. Flat-rolled steel products coated with tin are known as tin plate. Flat-rolled steel products coated with chromium or chromium oxides are known as tin-free steel or electrolytic chromium-coated steel. The definition includes all the noted tin mill products

¹⁵ CR at I-22, PR at I-16.

¹⁶ CR/PR at Table I-2.

¹⁷ The International Steel Group later acquired Weirton in May 2004, and was itself acquired by Mittal in April 2005. CR at I-31 - I-32, PR at I-23.

¹⁸ CR/PR at Table I-3.

¹⁹ CR/PR at Table I-3.

²⁰ CR/PR at Table I-3.

²¹ CR/PR at Tables I-1, C-2. Data presented in Table I-1, like data presented throughout the report, are based on unrounded quantities (*i.e.* short tons, as opposed to thousands of short tons).

²² 19 U.S.C. § 1677(4)(A).

²³ 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

²⁴ See Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom, USITC Pub. 3788 at 6; Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 (July 2003) at 4; Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 (Feb. 2003) at 4.

regardless of thickness, width, form (in coils or cut sheets), coating type (electrolytic or otherwise), edge (trimmed, untrimmed or further processed, such as scroll cut), coating thickness, surface finish, temper, coating metal (tin, chromium, chromium oxide), reduction (single or double-reduced), and whether or not coated with a plastic material. All products that meet the written physical description are included in this definition unless specifically excluded.²⁵

In its original determination, the Commission defined the domestic like product coextensive with Commerce's scope.²⁶ The parties do not argue for a different definition of the domestic like product in this review.²⁷

The record here contains no information that would warrant a reconsideration of the domestic like product definition. We therefore define the domestic like product in this review as in the original determination: tin- and chromium-coated steel sheet, coextensive with the scope of the order.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."²⁸

In the original investigation, the Commission found one domestic industry, consistent with its domestic like product finding. This industry comprised all domestic producers of tin- and chromium-coated steel sheet.²⁹

The parties do not argue for a different definition of the domestic industry,³⁰ nor does the record here contain any information that would warrant a reconsideration of this issue. We therefore define the domestic industry as the Commission did in the original determination; the domestic industry consists of U.S. Steel, Mittal, Ohio Coatings, and USS-POSCO.

²⁵ 70 Fed. Reg. 67,448 (Nov. 7, 2005). Commerce's scope identifies a number of exclusions. These product exclusions are identified and defined in both the confidential and public versions of the Staff Report at Appendix D.

²⁶ Original Views at 4.

²⁷ U.S. Steel's Prehearing Brief at 12-13; Mittal's Prehearing Brief at 8; Response of U.S. Steel to Notice of Institution at 18; Response of Mittal to Notice of Institution at 21; Response of Toyo Kohan to Notice of Institution at 12; Response of JFE-Steel Corporation to Notice of Institution at 13; Response of Nippon Steel Corporation at 13.

²⁸ 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

²⁹ Original Views at 5.

³⁰ U.S. Steel's Prehearing Brief at 13 n.41; Mittal's Prehearing Brief at 9; Response of U.S. Steel to Notice of Institution at 18; Response of Mittal to Notice of Institution at 22; Response of Toyo Kohan to Notice of Institution at 12; Response of JFE-Steel Corporation to Notice of Institution at 13; Response of Nippon Steel Corporation at 13.

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY BY REASON OF SUBJECT IMPORTS

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³¹ The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”³² Thus, the likelihood standard is prospective in nature.³³ The U.S. Court of International Trade has found that “likely,” as used in the sunset review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.³⁴

³¹ 19 U.S.C. § 1675a(a).

³² SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” SAA at 883.

³³ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

³⁴ See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d without opinion, 140 Fed.Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

³⁵ Commissioner Okun notes that, consistent with her dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” to mean “probable.” See Usinor Industeel, S.A. et. al. v. United States, No. 01-00006, Slip Op. 02-39 at 13 (Ct. Int’l Trade Apr. 29, 2002). However, she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue. See also Additional Views of [Commissioner] Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

³⁶ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade’s interpretation of “likely,” but she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”³⁷ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”^{38 39}

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁴⁰ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁴¹

In evaluating the likely volume of imports of subject merchandise if the antidumping orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁴² In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁴³

In evaluating the likely price effects of subject imports if the antidumping duty orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by

³⁷ 19 U.S.C. § 1675a(a)(5).

³⁸ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

³⁹ In analyzing what constitutes a reasonably foreseeable time, Commissioner Koplan examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation or termination. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

⁴⁰ 19 U.S.C. § 1675a(a)(1).

⁴¹ 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the order under review. See CR at I-18 - I-19, PR at I-12 - I-14. The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁴² 19 U.S.C. § 1675a(a)(2).

⁴³ 19 U.S.C. § 1675a(a)(2)(A-D).

the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.⁴⁴

In evaluating the likely impact of imports of subject merchandise if the antidumping order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁴⁵ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.⁴⁶ As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the orders are revoked.⁴⁷

B. Conditions of Competition and the Business Cycle⁴⁸

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁴⁹ The following conditions of competition are relevant to our determination.

Original Investigation. In the original investigation, the Commission found that most purchasers indicated that there had been no change in demand for TCCSS since 1997, and the record indicated that

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

⁴⁵ 19 U.S.C. § 1675a(a)(4).

⁴⁶ 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). *See also* SAA at 887.

Commerce expedited its determinations in its review and found that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the following margins for TCCSS: Kawasaki Steel Corporation, 95.29 percent; Nippon Steel Corporation, 95.29 percent; NKK Corporation, 95.29 percent; Toyo Kohan Co., Ltd., 95.29 percent; and all others, 32.52 percent. 70 Fed. Reg. 67,448 (Nov. 7, 2005). Kawasaki and NKK merged in April 2003 to form JFE Steel Corp. CR at IV-8, PR at IV-6.

⁴⁷ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

⁴⁸ Commissioner Koplan determined that the domestic industry producing TCCSS was not materially injured nor threatened with material injury by reason of subject imports in the original investigation. He made the same finding in subsequent remands. Chairman Pearson made a negative determination upon the court's second remand and adopted the views of Commissioner Koplan. *See* Additional Views of Chairman Daniel R. Pearson and Commissioner Stephen Koplan.

⁴⁹ 19 U.S.C. § 1675a(a)(4).

U.S. demand for TCCSS, which is typically used in food and beverage cans, had been relatively stable for many years. Producers and importers also reported “flat” demand, but noted the effects of a poor harvest in 1998. Responding purchasers indicated that there was very little or no effect of the agricultural cycle on demand.⁵⁰

The Commission also found that all domestic producers and a majority of importers and purchasers reported that TCCSS products are used interchangeably. The majority of importers and purchasers noted the higher quality and consistency, as well as the lower overall prices, of Japanese TCCSS “and some niche products,” but purchasers also cited domestic producers’ superiority to Japanese producers in terms of both availability and delivery time.⁵¹

The Commission noted that non-price factors such as product quality, product consistency and on-time delivery were very important in choosing suppliers. However, the record also reflected that during annual contract negotiations, price was a critical factor and, therefore, the market was characterized by a high degree of price sensitivity.^{52 53}

The Commission also found that the market was characterized by a relatively small number of sellers and buyers. There were seven domestic producers, approximately two dozen importers and some 22 purchasers. Due to purchaser consolidation that mostly took place prior to the Commission’s period of investigation, six purchasers accounted for 75 percent of all TCCSS purchases by 1999.⁵⁴

In addition, several can manufacturers had facilities located on the property of domestic producer Weirton. These purchasers had leasing agreements *** requiring them to satisfy *** percent of their TCCSS requirements through ***. Because these particular can-making operations represented only *** of apparent U.S. consumption, the Commission found that these supply arrangements provided, at most, limited insulation to *** from import competition, and no insulation whatsoever to the remainder of the industry.⁵⁵

The Commission found that the market for TCCSS was a national market and that Japanese merchandise competed throughout the United States. Only nonsubject imports did not compete throughout the United States. Nonsubject imports were a significant competitive factor in the market and accounted for a somewhat greater proportion of total U.S. market share than subject imports during most of the period of investigation. Yet, subject imports’ total market share increased at a substantially greater rate than nonsubject imports. By the end of the period of investigation, subject imports’ total market share had surpassed that of all other imports combined.⁵⁶

Demand. In this review, we note that U.S. demand for TCCSS depends on the level of demand for the intermediate products in which it is used, such as cans used for food products and general line cans, which include aerosol, paint and varnish cans. Total U.S. shipments of food cans and general line cans declined by three percent during 1995-2000 to 27.6 billion cans before declining another three

⁵⁰ Original Views at 7-8.

⁵¹ Original Views at 8.

⁵² Original Views at 8.

⁵³ The Commission stated in its second remand determination that it found the market to be price sensitive, rather than “very” price sensitive, as stated in the original determination and “highly” price sensitive, as stated in the first remand determination. Second Remand Determination at 59, 63.

⁵⁴ Original Views at 9.

⁵⁵ Original Views at 9-10. When the Commission conducted its second remand, it discovered there were lease/supply agreements involving *** as well. However, the record supported a similar determination as that made in the Commission’s original determination: that the arrangements in question represented only *** percent of apparent U.S. consumption and provided, at most, limited insulation to *** from import competition and no insulation to the remainder of the industry. Second Remand Determination at 72.

⁵⁶ Original Views at 10.

percent between 2000 and 2005 to 26.9 billion cans. At the same time, aluminum cans accounted for a growing percentage of total can shipments, capturing nearly 100 percent of the beverage can market in the United States. Aluminum has also gained versus TCCSS in the food container market, while plastic packaging has gained in the coffee can and paint can markets. In addition, seamless two-piece tin mill can technologies, which use less material, have emerged to replace the three-piece can for certain applications, resulting in diminished market share for the three-piece can and lowered volumes of TCCSS consumed.⁵⁷

Three of four responding producers, six of 15 responding importers, eight of 16 responding purchasers, and both responding Japanese producers indicated that demand for TCCSS in the U.S. market has decreased since 2000. Many of these firms indicated that the decrease in demand was due to a shift toward alternative types of packaging such as aluminum, plastic, PET, glass, and lighter gauge tin products. The remaining responding U.S. producer, seven of the remaining responding importers and four of the remaining responding purchasers indicated that demand remained unchanged since the original investigation.⁵⁸ No responding producers, importers or purchasers indicated that demand has increased.

Worldwide demand for metal containers is generally thought to be flat, despite growing regional demand in emerging markets in Asia and Latin America. One of three responding U.S. producers, five of 15 responding importers and six of 14 responding purchasers indicated that demand for TCCSS outside the U.S. market had increased since 2000. Many of these firms attributed any increase in demand to increased demand from China and other Asian countries. Five responding importers and three responding purchasers indicated that demand for TCCSS outside the United States had been unchanged since 2000, and one responding purchaser and one responding importer indicated that it had decreased. However, all three responding Japanese producers indicated that demand in the Japanese market has fallen since 2000 due to a shift to alternative products, while demand in markets other than Japan and the U.S. has increased.⁵⁹

Two of four responding producers, four of 15 responding importers, eight of 14 responding purchasers, and two of three responding Japanese producers indicated that they anticipate future changes in TCCSS demand in the United States and other markets. Many of the firms that anticipated future changes in demand indicated that they anticipated the decline in demand in the U.S. market to continue because of substitution to other materials and the demand in other markets such as China and other Asian countries, to increase.⁶⁰

As measured by quantity, apparent U.S. consumption declined slightly over the original period of investigation, from *** short tons in 1997 to *** short tons in 1998, then to *** short tons in 1999.⁶¹ During the period of review, apparent U.S. consumption fell overall as well: from 3.7 million short tons in 2000 to 3.3 million short tons in 2001, rising slightly to 3.4 million short tons in 2002, falling to 3.2 million short tons in 2003, rising to 3.4 million short tons in 2004, and declining to 3.1 million short tons in 2005.^{62 63 64} In addition, the evidence in the record shows that, in 2006, apparent consumption in the

⁵⁷ CR at IV-19 - IV-20, PR at IV-13 - IV-14.

⁵⁸ CR at II-9, PR at II-5, Importer Questionnaire Responses.

⁵⁹ CR at II-10, IV-19, PR at II-6, IV-13. See also CR/PR at Table IV-13 (indicating that apparent consumption in some global markets declined between 2003 and 2005 (from *** million short tons in 2003 to *** million short tons in 2005), and any net growth in 2006 is projected to be modest (less than *** short tons).

⁶⁰ CR at II-10, PR at II-6.

⁶¹ CR/PR at Table I-1.

⁶² CR/PR at Table I-1. Respondents have argued that we should focus our attention on the data at the end of the period of review, from 2004 and 2005, after the Section 201 relief was lifted. Japanese Respondents' Prehearing Brief at 21-22. However, we choose to focus on the entire period as events occurring throughout the period, such as the restructuring of the domestic industry, are central to our analysis. We take particular note, however, of the fact

(continued...)

United States is projected to increase moderately, but remain below 2003-04 levels.⁶⁵ Given the downward trend in apparent U.S. consumption since 2000, and projections of lower future demand by many market participants, we conclude that demand will likely be flat or declining in the reasonably foreseeable future. The data also show that apparent consumption in Japan is projected to continue to decline as well.⁶⁶

Supply. The U.S. market is currently supplied by domestically produced TCCSS and TCCSS that is imported from nonsubject countries. There have been virtually no subject imports in the market since 2000.⁶⁷ U.S. producers' share of the market declined from 86.0 percent in 2000 to 82.1 percent in 2005. Nonsubject import market share rose from 11.4 percent in 2000 to 17.9 percent in 2005.⁶⁸

As a result of consolidation within the domestic industry, both domestic capacity and production decreased over the period of review. Capacity fell from 4.6 million short tons in 2000 to 3.7 million short tons in 2005, while production fell from 3.3 million to 2.7 million short tons during that same period.⁶⁹

During the original investigation, there were seven domestic producers operating facilities in nine locations; the number of U.S. producers decreased to four and the number of production facilities declined to seven between 2001 and 2004.⁷⁰ Former domestic producer LTV Corp. filed for bankruptcy protection on December 29, 2000. The company attributed this action to weakness in the domestic steel market, an "unanticipated and precipitous" decline in steel prices in the second half of 2000 (which LTV

⁶² (...continued)

that relief was granted to the TCCSS industry pursuant to Section 201 of the Trade Act of 1974 between March 2002 and December 2003 – in the middle of the period of review. See CR at I-9 - I-10, PR at I-6 - I-7. This relief is discussed in more detail below.

⁶³ We note that respondents raised an issue regarding certain requirements that cannot be satisfied by domestic producers. See, e.g., Tr. at 261, 297 (Mr. Springfield). We find that any niche demand that is not met by the domestic industry does not affect our overall analysis as it represents a very small percentage of demand. See CR at I-23 & n.77. Mittal estimated that draw and ironed ("D&I") wide requirements amounted to *** short tons of TCCSS annually, or *** percent of apparent consumption in 2005. U.S. Steel estimated that purchasers imported *** tons of D&I wide TCCSS in 2005. CR at I-23 n.77, PR at I-16 n.77.

⁶⁴ Respondents proffered a study by ICON Group International, Inc., which they argued showed increasing "latent demand" – the industry earnings in the markets as they become accessible and attractive to serve by competing firms – for TCCSS through 2011. We observe that this "latent demand" is based on measurements of revenue. See Japanese Respondents' Posthearing Brief at Exhs. 11-12; see also CR at IV-21, PR at IV-14. Whereas respondents argue that revenue is a better measure of demand than quantity, see Japanese Respondents' Posthearing Brief at O-5 to O-8, we find that using value to measure demand is problematic. Value measures certainly reflect demand conditions, but they also reflect other considerations. Raw material costs are one such very important factor. The fact that raw material costs are at historically high levels, see CR/PR at V-1, tends to increase the value measure of consumption, without necessarily reflecting a groundswell in demand. For example, raw materials costs in the United States increased by *** percent between 2000 and 2005, while AUVs only increased by *** percent during the same period. CR/PR at Table III-8. Black plate is the major cost component in producing TCCSS, while the cost of the tin or chromium plating is incidental. CR/PR at V-1.

⁶⁵ CR/PR at Table IV-13; see CR at II-10, PR at II-6. Many firms that anticipate future changes in demand in the United States market indicated that they anticipate future decline in demand in the U.S. market because of the substitution of other materials. CR at II-10, PR at II-6.

⁶⁶ CR/PR at Table IV-13.

⁶⁷ See CR/PR at Table I-1. There were 95,533 short tons of TCCSS imported from Japan into the United States in 2000. There was also a *** ton export shipment of TCCSS from *** in 2003 to the United States. CR/PR at IV-1 n.2.

⁶⁸ CR/PR at Table C-1.

⁶⁹ CR/PR at Table C-1.

⁷⁰ CR at I-29, PR at I-21.

attributed primarily to unfairly traded imports), general global overcapacity, LTV's own increased indebtedness and "significant" retiree liabilities, a "softening" U.S. economy, and certain "underperforming" joint venture operations. U.S. Steel acquired LTV's tin mill facilities in March 2001. U.S. Steel opted not to lease the land or take title to the Aliquippa tin mill operations, however,⁷¹ leading to the closure of the facility. In late 2001, U.S. Steel closed its cold rolling and tin mill operations in Fairless Hills, Pennsylvania.⁷²

On October 15, 2001, Bethlehem Steel Corp. filed for bankruptcy protection, citing its inability to overcome "the injury caused by record levels of unfairly-traded steel imports and a slowing economy that has severely reduced prices, shipments and production." Bethlehem was acquired by International Steel Group ("ISG") in May 2003.⁷³

National Steel filed for bankruptcy protection on March 6, 2002. Like LTV and Bethlehem, National Steel identified multiple factors that contributed to its action, namely "historically low" steel prices in 2001 and a "weak" economy. National Steel was acquired by U.S. Steel in May 2003.⁷⁴

On May 19, 2003, Weirton Steel Corp. filed for bankruptcy protection. Among the underlying causes identified by the company were the inability to overcome "the injury caused by record levels of unfairly traded steel imports and a slowing economy that have severely reduced prices, shipments and production" as well as "significant" cost disadvantages relative to reconstituted steel mills with respect to legacy liabilities. The company also specifically noted then-recent industry developments, including capacity consolidation, which "significantly frustrated our announced strategic objectives to grow our business through targeted acquisitions" and which presented the "prospect of competing against reorganized capacity which will be operating to a great extent free of the heavy legacy costs which we have been carrying and cannot reduce further without bankruptcy intervention." ISG acquired Weirton in May 2004.⁷⁵

In April 2005, shareholders of ISG approved its \$4.5 billion acquisition by Mittal, a company based in the Netherlands. In October 2005, Mittal shut down its chromium-coated steel line at its Sparrows Point, Maryland facility, although it continues to produce tin-coated steel at the facility. In December 2005, Mittal announced that it would terminate production of raw steel and steel sheet at the Weirton, West Virginia facility by early 2006 and would concentrate on the production of tin mill products.⁷⁶

The reduction in the number of domestic producers has led to a reduction in workers. ***. ***.⁷⁷ The overall reduction in the TCCSS workforce by 34.9 percent between 2000 and 2005 has been accompanied by an increase in productivity and a decrease in unit labor costs.⁷⁸

Also with respect to industry consolidation, the United Steelworkers of America ("USWA") adopted a new set of principles at its Basic Steel Industry Conference ("BSIC") in September 2002 in order to secure labor agreements that, according to the USWA, would save jobs in the steel industry and maintain or enhance living standards of its members and retirees while aiding U.S. steel producers in recovering from bankruptcy and becoming successful. The BSIC principles were the basis of agreements concluded in 2003 with ISG and U.S. Steel, which had purchased the assets of LTV. The plan provided for a benefit trust to provide for funding of health care for retirees of predecessor companies. The

⁷¹ LTV also had a tin mill facility in East Chicago, Indiana. See CR at I-29, PR at I-21.

⁷² CR at I-30 - I-31, PR at I-22 - I-23.

⁷³ CR at I-31, PR at I-23.

⁷⁴ CR at I-31, PR at I-23.

⁷⁵ CR at I-31 - I-32, PR at I-23.

⁷⁶ CR at I-32, PR at I-23.

⁷⁷ CR at III-17 - III-18, PR at III-6.

⁷⁸ CR/PR at Table C-1.

agreement allowed for a substantial reduction in employee and retiree health care expenses through a variable cost sharing mechanism, and provided for early retirement incentives. A similar contract was ratified in May 2003 by USWA, U.S. Steel and National Steel, covering the combined operations of both firms. In June 2003, the USWA ratified an agreement with ISG for the steelworkers at the former Bethlehem Steel facilities. The agreement, which expires in September 2008, includes provisions for pension benefits under a defined benefit plan and a fund to provide health care for retirees of Bethlehem Steel, together with profit-sharing and labor productivity arrangements. USS-POSCO and the USWA approved an agreement in August 2004 in which the USWA negotiated small pay increases, but made concessions in the areas of health care benefits and work rules.⁷⁹

***.⁸⁰

Of the four remaining members of the domestic industry, U.S. Steel and Mittal are the leading U.S. producers of TCCSS. The third largest producer is USS-POSCO, a *** joint venture between Pitcal, Inc., a wholly-owned subsidiary of U.S. Steel, and POSCO-California Corp., an indirect wholly-owned subsidiary of POSCO (Korea). Ohio Coatings, a *** joint venture between Wheeling-Pittsburgh Steel Corp. and TCC Steel (Korea), remains the smallest of the U.S. producers. Its sole distributor for its TCCSS production is Nippon Steel Trading America.⁸¹

Before Weirton was acquired by ISG, there ***.⁸²

Substitutability. As in the original investigation, non-price factors, such as product quality and on-time delivery, are important factors in purchasing decisions. Price was named by six of 16 responding purchasers as the number one factor generally considered in deciding from whom to purchase TCCSS, while quality was named by another six purchasers. Eight responding purchasers named price as the number two or number three factor, while seven responding purchasers named quality as the number two or number three factor. While no purchaser indicated that the lowest-priced TCCSS will always win a sale, 10 of 17 responding purchasers stated that the lowest-priced TCCSS will usually win a sale.⁸³

Purchasers named a number of factors they consider in evaluating quality, including: formability, surface, gauge control, flatness, consistency with specified tolerances, variability, machinability, product compatibility, chemistry, cleanliness (minimal inclusions of contaminations), flatness, visual and surface quality, performance, lack of defects, and burst strength. Also, all but one responding purchaser reported that they require their suppliers to become certified or pre-qualified.⁸⁴

Responding purchasers estimate that it typically takes from three months to several years to certify or qualify a new supplier, although some purchasers indicate that unsuccessful qualification attempts can lengthen the qualification period.⁸⁵ One of five responding purchasers indicated that Japanese producers of TCCSS are currently certified or qualified to sell certain specifications of TCCSS. All five responding purchasers indicated that there are no Japanese producers of TCCSS currently in the process of becoming certified or qualified to sell their firm any specifications of TCCSS and there are no Japanese producers of TCCSS who could be certified or qualified in less than the typical time needed for certification or qualification.⁸⁶

Twelve of 17 responding purchasers indicated that buying TCCSS that is produced in the United States is an important factor in their purchases of TCCSS. Many purchasers indicated that lead times and

⁷⁹ CR at III-18, PR at III-7.

⁸⁰ CR at III-19, PR at III-8.

⁸¹ CR at I-32, PR at I-23 - I-24.

⁸² CR at I-33, PR at I-23; see CR/PR at Table C-1.

⁸³ CR at II-12, PR at II-7.

⁸⁴ CR at II-12, PR at II-7 - II-8.

⁸⁵ CR at II-12, PR at II-8.

⁸⁶ CR at II-15 - II-16, PR at II-8 - II-9.

other logistical advantages of domestic product were important factors in their purchases of TCCSS. Two purchasers indicated that 41 percent and 3 percent, respectively, of their purchases of domestic product were required by law or regulation in 2005.⁸⁷

Other Conditions of Competition. In addition to consolidation of the domestic producers, there has also been consolidation among purchasers of TCCSS since the original period of investigation. As noted above, there were 22 purchasers that responded to questionnaires during the original period. In this review, questionnaires were sent to those 22 purchasers. In response, 17 purchasers supplied usable data and four reported that they had not purchased TCCSS during the period for which data were collected, while one reported only purchases of excluded tin mill products.⁸⁸ Six purchasers accounted for the large majority of purchases of TCCSS in 2005.^{89 90}

All responding producers and two of three responding importers reported making at least 85 percent of their sales through either short-term or long-term contracts. The remaining responding importer reported making *** of its sales on a spot basis. All four responding producers and five of seven responding importers indicated that the percentage of their sales through contracts and spot transactions remained the same since 2000. All four responding producers and seven of eight responding importers indicated that they expect that the percentage of their sales through contracts and spot transactions will remain the same in the future. Nine of 15 responding purchasers require that their suppliers enter into annual or long-term supply arrangements.⁹¹

Three responding producers indicated that long-term contracts typically have durations ranging from two to five years. Four of seven responding importers reported that long-term contracts typically are one year in duration. The other three responding importers indicated that long-term contracts typically last six months, six months to one year and one to three years, respectively. Three of four responding

⁸⁷ CR at II-16, PR at II-9 - II-10.

⁸⁸ CR at I-39 & n.110, PR at I-27 & n.110. The Department of Commerce excluded 10 forms of tin mill products from the antidumping duty order. CR at I-20 & App. D, PR at I-14 and App. D.

⁸⁹ CR at I-39 & n.110, PR at I-27 & n.110.

⁹⁰ Respondents contend that consolidation of the domestic TCCSS industry has led to a concentration of market power in the domestic producers, as there were seven producers in the original investigation and there are now four. Japanese Respondents' Prehearing Brief at 42. They maintain that not only is the tin mill market highly concentrated, but it is more concentrated than any other manufacturing industry in the United States. Japanese Respondents' Prehearing Brief at 45 (we note that the respondents compare the TCCSS industry to more highly aggregated industries that are obviously less concentrated, such as the entire iron and steel industry, which includes TCCSS). Respondents claim that, even if purchasers were able to leverage their size when negotiating with domestic tin mills in 1999, their clout has been "swamped" by the massive consolidation on the suppliers' side. Japanese Respondents' Prehearing Brief at 47. Today, domestic mills have more than twice the negotiating leverage that they had at the time of the original investigation, according to respondents. Japanese Respondents' Prehearing Brief at 49.

However, the evidence in the record indicates that there is market power in the hands of both purchasers and sellers. While respondents note the consolidation among domestic producers, non-subject imports remain an important source of supply. In addition, there has been an important consolidation among purchasers, as noted above. Moreover, record evidence reflects intense price negotiations between sellers and purchasers. For example, when domestic producers attempted to impose raw materials surcharges, they were only partially successful. CR/PR at V-1 & n.1. In fact, domestic industry profitability declined and purchasers were able to secure some price reductions during bidding and to shift purchases to lower-priced suppliers. See CR/PR at Tables III-8, V-7 and Mittal's Posthearing Brief at 5. The fact that the domestic industry experienced an operating loss in all years except one during the period of review is one indication that market power is not concentrated in the hands of the domestic producers, see CR/PR at Table III-8; the fact that they are experiencing a cost/price squeeze, as explained below, is another.

⁹¹ CR at V-3, PR at V-2.

producers and all seven responding importers indicated that the length of long-term contracts has remained the same since 2000. All four responding producers and two of eight responding importers indicated that their short-term contracts were one year in duration. Four responding importers indicated that their short-term contracts ranged from three to six months in duration.⁹²

All four U.S. producers and four of five responding importers indicated that their annual contracts are negotiated in the fourth quarter of the year.⁹³ All three responding producers stated that their long-term contracts typically contain meet-or-release provisions, and six of seven responding importers indicated that their long-term contracts do not. Two of four responding producers indicated that their short-term contracts contained meet-or-release provisions in some cases, while the other two responding producers and all eight responding importers indicated that their short-term contracts do not typically contain meet-or-release provisions.⁹⁴

Both price and volume may change during contracts that include meet competition or favored nations clauses. Meet competition (or “meet comp”) clauses allow purchasers to ask suppliers to either meet the lower price of a competing supplier, or allow the purchaser to buy some of the volume agreed to in the contract from the competing supplier at a lower price. Favored nations provisions force suppliers to charge a price that is no higher than the price charged to other customers for the same products. The existence and methodology of meet competition and favored nations provisions varies by supplier and purchaser. In many cases meet competition provisions only apply to competitive offers from other domestic suppliers.^{95 96}

The six major purchasers have contracts that involve substantial minimum commitments through 2007. Contractual purchase commitments are estimated to total *** short tons in 2006 and *** short tons in 2007, representing *** percent and ***, respectively, of the volume of U.S. shipments in 2005.⁹⁷

On March 5, 2002, following determinations regarding serious injury or threat of serious injury by the Commission under section 202 of the Trade Act of 1974, the President announced safeguard measures that he planned to implement to facilitate efforts by various domestic steel industries and their workers to make a positive adjustment to import competition with respect to certain steel products. The safeguard measures encompassed 10 different product categories with respect to which the Commission made affirmative determinations or was evenly divided (as was the case for tin mill products). Presidential Proclamation 7529 implemented the safeguard measures, principally in the form of tariffs and tariff-rate quotas, effective March 20, 2002, for a period of three years and one day. The President also instructed the Secretary of the Treasury and the Secretary of Commerce to establish a system of import licensing to facilitate the monitoring of imports of certain steel products.⁹⁸

The safeguard measures applied to imports of subject steel products from all countries except Canada, Israel, Jordan, and Mexico, which had entered into free trade agreements with the United States, and most developing countries that were members of the World Trade Organization. The President’s

⁹² CR at V-4, PR at V-2 - V-3.

⁹³ CR at V-5, PR at V-3.

⁹⁴ CR at V-5, PR at V-4.

⁹⁵ CR at V-5, PR at V-4.

⁹⁶ The evidence in the record does not support respondents’ claim that the bulk of TCCSS production is seasonal. See Tr. at 218, 220 (Mr. Springfield) (discussing seasonal “surges”). The contracts show that delivery is made relatively regularly throughout the year. For example, ***, ***.

⁹⁷ CR/PR at Table V-2.

⁹⁸ CR at I-9, PR at I-6.

initial proclamation also excluded numerous specific products from the measures, and was followed by subsequent additional exclusions.⁹⁹

Covered imports of TCCSS were subject to an increase in duties of 30 percent *ad valorem* in the first year of the measure, to be reduced to 24 percent in the second year, and to 18 percent in the third year. The increased duties were reduced from 30 percent to 24 percent on March 20, 2003. The President terminated the U.S. measure with respect to increased tariffs in December 2003, having determined that the effectiveness of the action taken had been impaired by changed circumstances. Termination followed receipt of the Commission's mid-point monitoring report in September 2003, as well as the receipt of information from the U.S. Secretary of Commerce and U.S. Secretary of Labor. Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.¹⁰⁰

C. Revocation of the Order Is Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

1. Likely Volume of the Subject Imports

a. Original Determination¹⁰¹

In the original investigation, the Commission found that the volume of subject imports grew rapidly over the period of investigation. In absolute terms, the quantity of imports of subject merchandise from Japan was 181,287 short tons in 1997, 245,872 short tons in 1998, 336,961 short tons in 1999, and 98,854 short tons in the first quarter of 2000. The quantity of imports of subject merchandise increased by 35.6 percent between 1997 and 1998 and by 37.0 percent between 1998 and 1999; and was 8.1 percent higher in the first quarter of 2000 than in the first quarter of 1999. Thus, the quantity of subject imports increased in absolute terms by 85.9 percent between 1997 and 1999, and continued to increase rapidly through the first quarter of 2000.¹⁰²

The Commission also found that these significant increases occurred during a period of a small decline in domestic consumption of TCCSS. Thus, the market share of subject imports increased significantly. Subject imports' share of apparent domestic consumption was *** percent in 1997, *** percent in 1998, *** percent in 1999, and *** percent in the first quarter of 2000. Thus, subject imports' market share increased by *** percentage points between 1997 and 1999 and continued to increase rapidly through the first quarter of 2000. The Commission found the volume of subject imports and the increase in the volume of subject imports, both absolutely and relative to domestic consumption, to be significant.¹⁰³ The Commission also stated that it did not find persuasive respondents' argument that the

⁹⁹ CR at I-9, PR at I-6.

¹⁰⁰ CR at I-9 - I-10, PR at I-6 - I-7.

¹⁰¹ We note that, because the Court compelled it to do so, in its third (and most recent) remand determination the Commission found that there was neither material injury, nor the threat of material injury, to a domestic industry by reason of subject imports, contrary to its findings in its prior determinations. See Tin- and Chromium-Coated Steel Sheet from Japan, Inv. No. 731-TA-860 (Final) (Third Remand), USITC Pub. 3751 (Dec. 2004). As noted above, the appeal of the third remand determination is still pending. The Commission did not make findings with respect to the volume, price effects and impact of subject imports in its third remand determination. Accordingly, the volume, price and impact findings discussed below refer to the Commission's original and first two remand determinations, as designated.

¹⁰² Original Views at 12.

¹⁰³ Original Views at 13.

volume and rate of increase of subject imports was not significant because half of the subject imports were sold on the West Coast, as the market for TCCSS is a national one.^{104 105}

b. Analysis

In evaluating the likely volume of subject imports if the order were revoked, we consider whether Japan has both the capacity and the incentive to increase shipments to the United States to a significant degree within a reasonably foreseeable time.

Prior to the antidumping duty order, the United States was the Japanese producers' largest export market.¹⁰⁶ Despite exiting the U.S. market after the imposition of the order, the Japanese industry remains export-oriented, having exported over one-third of its shipments in each year of the period of review.¹⁰⁷ Mexico is now Japan's largest export market.¹⁰⁸

Japanese TCCSS producers report declines in production¹⁰⁹ and capacity¹¹⁰ since the entry of the antidumping duty order. Nevertheless, the Japanese industry also reports having significant excess capacity throughout the period of review.¹¹¹ In 2005, unused TCCSS capacity in Japan was equivalent to 15.3 percent of U.S. domestic production and 16.2 percent of U.S. shipments.¹¹²

The Japanese producers also report declining shipments to their established markets. During the period of review, the Japanese producers' shipments to their home market declined by 15.6 percent, while their shipments to export markets have fallen by 35.7 percent.¹¹³ In particular, the Japanese industry's

¹⁰⁴ Original Views at 13-14.

¹⁰⁵ In dissenting, Chairman Pearson and Commissioner Koplán did not find that the volume of subject imports was significant, given the industry's delivery problems, its focus of sales in regions near its mills and in light of the limited effect of subject imports on domestic prices. Dissenting Views of [Commissioner] Stephen Koplán at 2-7; Second Remand Determination at 2 n.7.

¹⁰⁶ See Mittal's Posthearing Brief at 3 & Exh. 1; see also Original Report at VII-2, Table VII-2.

¹⁰⁷ Total exports were 38.2 percent of shipments in 2000, 34.3 percent in 2001, 36.7 percent in 2002, 38.1 percent in 2003, 34.5 percent in 2004, and 34.5 percent in 2005. CR/PR at Table IV-8.

¹⁰⁸ Japanese producers shipped 241,182 short tons to Mexico in 2000, 297,758 short tons in 2001, 301,112 short tons in 2002, 276,633 short tons in 2003, and 242,613 short tons in 2004. CR/PR at IV-14, PR at IV-8.

¹⁰⁹ Production of TCCSS was 2.2 million short tons in 2000, 1.8 million short tons in 2001, 1.8 million short tons in 2002, 1.8 million short tons in 2003, 1.7 million short tons in 2004, and 1.5 million short tons in 2005. CR/PR at Table IV-8. Production of all tin mill products was 2.8 million short tons in 2000, 2.4 million short tons in 2001, 2.2 million short tons in 2002, 2.2 million short tons in 2003, 2.1 million short tons in 2004, and 1.9 million short tons in 2005. CR/PR at Table F-2.

¹¹⁰ Capacity to produce TCCSS was 2.5 million short tons in 2000, 2.3 million short tons in 2001, 2.2 million short tons in 2002, 2.2 million short tons in 2003, 2.0 million short tons in 2004, and 1.9 million short tons in 2005. CR/PR at Table IV-8. Capacity to produce all tin mill products was 3.1 million short tons in 2000, 3.0 million short tons in 2001, 2.7 million short tons in 2002, 2.7 million short tons in 2003, 2.5 million short tons in 2004, and 2.4 million short tons in 2005. CR/PR at Table F-2. Data presented in Table F-2, like data presented throughout the report, are based on unrounded quantities (i.e. short tons, as opposed to thousands of short tons).

¹¹¹ Capacity utilization for TCCSS production was 87.1 percent in 2000, 77.8 percent in 2001, 82.3 percent in 2002, 81.7 percent in 2003, 85.0 percent in 2004, and 78.3 percent in 2005. CR/PR at Table IV-8. For the production of all tin mill products, capacity utilization was 89.0 percent in 2000, 79.1 percent in 2001, 81.5 percent in 2002, 79.3 percent in 2003, 84.2 percent in 2004, and 77.5 percent in 2005. CR/PR at Table F-2.

¹¹² Compare CR/PR at Table IV-8 with CR/PR at Tables III-3 - III-4. The excess capacity is 420,264 short tons.

¹¹³ See CR/PR at Table IV-8. Japanese producers' shipments to the home market fell from 1.3 million short tons in 2000 to 1.1 million short tons in 2005. CR/PR at Table IV-8. Japanese producers' shipments to export markets

(continued...)

exports to Mexico – Japan’s leading export market for TCCSS – declined by 18.5 percent from 2001 to 2004.¹¹⁴ ¹¹⁵ The Japanese producers’ exports to Asian markets fell by 42.2 percent from 2000 to 2005.¹¹⁶

As the Japanese producers face the problems of excess capacity and declining shipments, the United States represents a large market for TCCSS, one that was formerly Japan’s largest export market and second in importance only to its home market.¹¹⁷ In addition, prices for TCCSS in the United States are generally attractive relative to prices in other world markets.¹¹⁸ In particular, during each of the past three years, prices for TCCSS in the United States have been higher than prices in Mexico.¹¹⁹ Moreover, Japanese TCCSS producers are already substantially present in the U.S. market for tin mill products excluded from the scope of the order, and thus have a knowledge of the market and established relationships with purchasers.¹²⁰ Even with the order in place, the United States was Japan’s fifth largest market for tin mill exports in 2005.¹²¹

In sum, Japanese TCCSS producers have substantial excess capacity, they are export-oriented, and they face falling shipments in important markets. The United States was formerly Japan’s largest export market and it is one in which Japanese TCCSS producers continue to participate through sales of excluded tin mill products. Prices in the U.S. market are generally attractive relative to other markets, and in particular pricing in the U.S. market is higher than in Mexico, which is currently Japan’s largest export market. These facts indicate that Japanese producers have not only the capacity, but also strong incentives, to increase shipments of TCCSS to the United States if the order is revoked.¹²²

¹¹³ (...continued)

fell from 822,265 short tons in 2000 to *** short tons in 2005. CR/PR at Table IV-8. The decline in export shipments occurred even though Japan is not subject to antidumping duty orders in any market other than the United States. CR at IV-14, PR at IV-8.

¹¹⁴ Japanese TCCSS exports to Mexico totaled 241,182 short tons in 2000, 297,758 short tons in 2001, 301,112 short tons in 2002, 276,633 short tons in 2003, and 242,613 short tons in 2004. CR at IV-14, PR at IV-8. Total Japanese exports of TCCSS were 822,265 short tons in 2000, 627,359 short tons in 2001, 647,185 short tons in 2002, 682,483 short tons in 2003, 589,295 short tons in 2004, and 528,292 short tons in 2005. CR/PR at Table IV-8.

¹¹⁵ Japanese inventories declined, albeit irregularly, over the period. End-of-period inventories of TCCSS were 172,843 short tons in 2000, 163,964 short tons in 2001, 173,479 short tons in 2002, 142,492 short tons in 2003, 121,845 short tons in 2004, and 102,128 short tons in 2005. CR/PR at Table IV-8.

¹¹⁶ Japanese producers’ TCCSS exports to Asian markets fell from 283,003 short tons in 2000 to 163,668 short tons in 2005. CR/PR at Table IV-8.

¹¹⁷ CR at IV-14, PR at IV-8, U.S. Steel’s Posthearing Brief, Exhs. 1, 9.

¹¹⁸ CR/PR at Table IV-14.

¹¹⁹ See CR at IV-14, PR at IV-8, IV-11; Mittal’s Posthearing Brief at 2, 12; U.S. Steel’s Posthearing Brief at 10.

¹²⁰ Japanese shipments to the United States of excluded tin mill products were *** short tons in 2000, *** short tons in 2001, *** short tons in 2002, *** short tons in 2003, *** short tons in 2004, and 37,292 short tons in 2005. CR/PR at Table IV-9. Although *** importers deal with only excluded tin mill products and did not import TCCSS from Japan during 2000 (***), other importers imported both TCCSS and excluded tin mill products during the review period (***). See Importer Questionnaire Responses.

¹²¹ Tr. at 47 (Mr. Hecht).

¹²² In reaching our finding, we do not presume that Japanese producers will abandon the Mexican market in favor of shipments to the United States as one domestic producer argued. See Mittal’s Posthearing Brief at 2. Rather, we note that shipments to Mexico demonstrate the Japanese producers’ interest in the North American market, even though prices have been lower in Mexico than in the United States in recent years. That interest in North American markets, coupled with declining shipments to Mexico and Asian export markets in recent years, lend further support to our conclusion that Japanese producers will likely ship significant volumes to TCCSS to the United States if the order is revoked. In any event, given their excess capacity, there would be no need for Japanese producers to divert

(continued...)

In considering whether the likely volume of subject imports will be significant if the order is revoked, we also consider respondents' arguments as to factors that assertedly would inhibit such volumes during the reasonably foreseeable future.

Respondents allege that likely subject volumes will not be significant because U.S. purchasers are unwilling to rely on imports for more than a limited sales volume.¹²³ Although the record supports respondents' claim that reliable delivery of TCCSS is very important to purchasers, the fact that substantial quantities of other Japanese tin mill products are already in the market suggests that Japanese producers can readily supply TCCSS to the U.S. market. Furthermore, during the original investigation, imports of subject Japanese TCCSS increased substantially,¹²⁴ nearly doubling in market share,¹²⁵ and were recognized as being of high quality and substitutable for the domestic like product.¹²⁶ There is no suggestion in the record that Japanese TCCSS is no longer of high quality or no longer substitutable for the domestic like product. Accordingly, we reject respondents' assertion that there is a modest "practical limit" on the likely volume of subject imports.¹²⁷

Japanese respondents maintain that expanding Canadian supply will limit purchases from Japan because Canada has supply and on-time advantages inherent in its geographic proximity and will not be easily dislodged by Japanese suppliers.¹²⁸ We note that Canada shipped significant volumes of TCCSS to the United States before the antidumping duty order was imposed.¹²⁹ At the same time, Japan shipped even larger volumes.¹³⁰ Thus, Canadian TCCSS imports were no deterrent to significant subject import shipments. Moreover, Canadian imports increased when Japanese imports ceased as a result of the order and the Section 201 relief, which did not apply to Canada.¹³¹ The Section 201 relief was lifted in December 2003; if the order is revoked, Canada will no longer have the competitive advantage it currently enjoys due to the antidumping duty order. Thus, it has not been established that Canada, and not Japan, will increase imports to the United States. We also note that, although Canadian imports have increased, in 2005 they were still less than one-half of what Japanese subject imports were in 1999.¹³²

¹²² (...continued)

shipments from Mexico in order to make inroads into the U.S. market. Moreover, we note that Japanese producers have the ability to shift significant production to TCCSS from the production of other tin mill products. See CR/PR at Table IV-6. However, as explained above, excess capacity regarding the production of TCCSS alone is significant.

¹²³ Japanese Respondents' Prehearing Brief at 60-66; Japanese Respondents' Posthearing Brief at 8-9.

¹²⁴ Shipments of imports of subject Japanese TCCSS increased from 182,157 short tons in 1997 to 242,081 short tons in 1998, and then to 329,645 short tons in 1999. CR/PR at Table I-1.

¹²⁵ Market share held by the Japanese producers increased from *** percent in 1997 to *** percent in 1998, then to *** percent in 1999. CR/PR at Table I-1.

¹²⁶ Original Views at 8, 16.

¹²⁷ See Japanese Respondents' Prehearing Brief at 64, 65.

¹²⁸ Japanese Respondents' Prehearing Brief at 66-67.

¹²⁹ Canada shipped 78,542 short tons in 1997, 84,608 short tons in 1998 and 97,282 short tons in 1999. CR/PR at Table C-2.

¹³⁰ Japan shipped 199,583 short tons in 1997, 231,507 short tons in 1998 and 347,712 short tons in 1999. CR/PR at Table C-2.

¹³¹ See CR at I-9 & n.47, PR at I-6 & n.47.

¹³² Canadian imports were 91,570 short tons in 2000, 101,912 short tons in 2001, 131,769 short tons in 2002, 144,532 short tons in 2003, 144,974 short tons in 2004, and 152,673 short tons in 2005. Japanese imports of all tin mill products were 347,712 short tons in 1999, while imports of TCCSS were 336,961 short tons that year. CR/PR at Table C-2 and Original Views at 12.

The record does not indicate that, absent the order, imports from Canada will be a significant deterrent to subject imports from Japan.

Nor is the range of products available from Japan or the qualification processes of U.S. purchasers a deterrent to a significant level of subject imports in the reasonably foreseeable future. There is no evidence in the record that Japanese producers cannot produce TCCSS to all, or almost all, specifications sourced by U.S. purchasers.¹³³ To the contrary, the record is clear that the Japanese tin mill industry is made up of world class producers whose products are widely acceptable in global markets.¹³⁴ While respondents point out that only *** percent of *** specifications that were purchased in 2005 were sourced from foreign suppliers,¹³⁵ these purchases reflect supply available from nonsubject sources, not Japanese producers. Moreover, nonsubject imports represented approximately 16 percent of reported purchases in 2005,¹³⁶ indicating that purchasers are willing to rely on imports for higher-volume, non-niche specifications. Further, although some purchasers estimate that it can take a new supplier up to several years to complete their qualification processes, other purchasers estimate that the qualification process can be completed in as few as three months.¹³⁷ Given that Japanese producers shipped large volumes of subject merchandise to the United States before the order was imposed, these volumes increased significantly over the period of investigation, the quantities shipped were of high quality,¹³⁸ and Japanese producers continue to ship excluded tin mill products, we consider that at least a substantial portion of supplier qualifications would be completed nearer to the shorter end of the estimated time range reported by purchasers. Moreover, *** is already certified or qualified by *** to sell ***.¹³⁹

We also consider respondents' argument that large integrated mills in Japan and the United States now value price and profitability over production volume, in contrast to the period prior to the order, and thus will not seek to maximize capacity utilization at the expense of price.¹⁴⁰ We note first that most of respondents' particular assertions pertain to cold-rolled and flat-rolled production generally, rather than to the production of TCCSS in particular.¹⁴¹ In addition, even though Japanese TCCSS producers have reduced capacity since the entry of the order – an action arguably consistent with respondents' asserted "paradigm shift" – Japanese producers still have excess capacity that is significant in relation to the U.S. market, as explained above. Moreover, Japanese producers have experienced steep declines in shipments to major markets in recent years, indicating a strong incentive to increase shipments to the United States, not to maximize capacity utilization and cash flow, but rather in order to prevent further declines in shipments and capacity utilization overall. We therefore conclude that any shift in industry operating philosophy, if such has occurred, would not prevent the likely volume of subject imports from being significant upon revocation of the order in the factual circumstances presented in this review.

¹³³ Original Report at I-8 (TCCSS produced in United States, Japan and nonsubject countries are generally interchangeable with exception of some specialty material).

¹³⁴ See, e.g., Tr. at 61 (Mr. Gagliano), 130 (Mr. Goedeke); Original Report at Table II-5.

¹³⁵ Purchaser Questionnaire Responses; see Japanese Respondents' Final Comments, Exh. 2.

¹³⁶ See Purchaser Questionnaire Responses.

¹³⁷ CR at II-12, PR at II-8.

¹³⁸ In the original investigation, the majority of importers and purchasers noted the higher quality and consistency, as well as the lower overall prices, of Japanese TCCSS. See Original Views at 8. In addition, Japanese producers warehouse steel near customers' locations to provide just in time delivery. See Tr. at 172 (Mr. Peterson).

¹³⁹ CR at II-15 - II-16, PR at II-8. We acknowledge that there are no Japanese producers of TCCSS currently in the process of becoming certified or qualified to sell any specifications of TCCSS. CR at II-16, PR at II-8 - II-9.

¹⁴⁰ See Japanese Respondents' Posthearing Brief at 4.

¹⁴¹ See Japanese Respondents' Posthearing Brief at 4-5, K-11 to K-17.

Lastly, we do not find that the prevalence of long-term contracts will inhibit the influx of significant volumes of subject imports in the reasonably foreseeable future if the order is revoked.¹⁴² In this review, the Commission asked for and received copies of all long-term contracts with major purchasers from domestic producers that reported using such contracts.¹⁴³ Many of the longer term contracts, which involve larger volumes of TCCSS than the shorter term contracts, contain meet competition provisions.¹⁴⁴ While these contracts may inhibit the influx of subject imports in the very short term, *** percent of U.S. shipments and an even greater share of the U.S. market will be subject to competition by 2007.¹⁴⁵ Japanese producers will likely be able to be qualified by then if the order is revoked, and purchasers will likely invoke the meet competition clauses to enable them to buy lower-priced imports, including subject imports.

In view of the foregoing, the current record indicates that many of the same conditions that resulted in material injury in the original investigation are likely to recur if the order is revoked. Therefore, in light of the Japanese producers' large production capacity, excess production capacity, export orientation, and the inability of the global tin market to absorb Japan's excess capacity, the fact that the Japanese producers are well established in the excluded tin mill products market in the United States, and the trends in import volumes in the original investigation indicate that subject Japanese producers would be able to increase rapidly the volume of subject product exported to the U.S. market if the order were revoked.

Accordingly, we find that the likely volume of subject imports of TCCSS from Japan into the United States would be significant within the reasonably foreseeable future if the antidumping duty order were revoked.

2. Likely Price Effects of the Subject Imports

a. Original Determination

The Commission noted that the market for TCCSS was price sensitive. It also stated that the domestic market is concentrated, with a small number of sellers and a relatively small number of purchasers. Price, in the form of discount rates, was negotiated intensely, often down to the hundredths of one percent. Therefore, because of the critical nature of the annual pricing negotiations between a small

¹⁴² Imports are already present in the U.S. market in substantial volumes. In fact, imports gained a market share of 17.9 percent in 2005. CR/PR at Table C-1.

¹⁴³ See Memorandum INV-DD-082 (June 12, 2006) for a discussion of included volumes. We note that Japanese respondents claim that Tables V-1 and V-2 contains several errors that inadvertently reduced the minimum volume under the agreements. Japanese Respondents' Final Comments at 2 & Exh. 1. Memorandum INV-DD-082 discusses which of the changes suggested by Japanese respondents were incorporated into the revised tables and which were not. However, we note that for 2006 annual minimum commitments in revised tables V-1 and V-2 are only *** short tons (about *** percent of U.S. shipments in 2005) less than claimed by Japanese respondents and for 2007 and beyond, annual minimum commitments in revised tables V-1 and V-2 are at most *** short tons (***) less than those claimed by Japanese respondents. Even if all of the suggested changes had been incorporated, we would still find that the prevalence of long-term contracts will not inhibit the influx of significant volumes of subject imports in the reasonably foreseeable future if the order is revoked.

¹⁴⁴ See CR/PR at Table V-2 (commitments not subject to meet competition clauses that apply to suppliers from all countries total *** short tons in 2006).

¹⁴⁵ CR/PR at Table V-2.

number of buyers and sellers, the Commission gathered comprehensive data on list prices and discount rates as well as detailed information on the bidding process, including data on opening and final bids.¹⁴⁶

The Commission found that the evidence showed a clear trend of generally declining prices paid by purchasers over the period of investigation. Even though the list price increased slightly in 1997 and 1998, discount rates increased significantly in both years resulting in a net decline in prices. In 1999, this trend was magnified by the fact that domestic producers were not able to increase the list price while discount rates continued to increase.¹⁴⁷

Coinciding with the declining trend in pricing, the Commission found that the frequency and the magnitude of underselling by subject merchandise increased dramatically over the period of investigation. In 1997, four Japanese bids out of 13 undersold the domestic producers' bids. In 1998, seven out of 16 bids undersold domestic bids. By 1999, the number had risen to 21 out of 25 bids. Compounding this trend was the significant increase in the magnitude of the underselling. In 1997, Japanese bids were generally not underselling domestic bids. In 1998, Japanese bids undersold domestic bids by 0.70 percent on average and by 1999, when subject import volume was greatest, the magnitude of underselling had risen to 5.77 percent on average.¹⁴⁸

Further analysis upon remand incorporated customer-specific prices, added the volumes of sales won based on particular bids, aggregated certain company-specific price data to avoid the appearance of overstating the number of bid comparisons, and included data inadvertently omitted from, or misplaced in, the original staff report. This analysis generally showed increasing levels of underselling by subject imports over the period of investigation. In addition, the analysis showed that a substantial and increasing amount of the volume awarded to Japanese suppliers during 1997-99 was as a result of Japanese bids that were below all U.S. bids.¹⁴⁹

Given the recognized quality and substitutability of Japanese TCCSS and the price sensitive nature of the market,¹⁵⁰ the Commission found this aggressive pricing of the Japanese product to be significant. Indeed, the record reflected that the aggressive pricing by importers of subject merchandise had been used by at least some purchasers in their price negotiations with the domestic suppliers, and Japanese supply was recognized as an important factor affecting U.S. prices.¹⁵¹

The Commission also noted that *** provided credible testimony that the much greater availability of low-priced imports from Japan depressed prices in 1999.¹⁵² The adverse effect of subject imports was also reflected in confirmed lost revenue allegations.¹⁵³ The Commission found four

¹⁴⁶ Original Views at 14-15.

¹⁴⁷ Original Views at 15.

¹⁴⁸ Original Views at 15-16. In its second remand determination, the Commission found that the frequency of Japanese underbidding was significant and that the underbidding had a significant effect on sales volumes in the market. Second Remand Determination at 25. It also found that the record indicated that increased underselling by the subject merchandise had serious adverse effects on domestic pricing during the period of investigation. Second Remand Determination at 25. The Commission discussed in detail its finding that the underselling margins were significant. Second Remand Determination at 32-42.

¹⁴⁹ Second Remand Determination, Tables Second Remand 1-3.

¹⁵⁰ The Commission stated in its second remand determination that it found the market to be price sensitive, rather than "very" price sensitive, as stated in the original determination and "highly" price sensitive, as stated in the first remand determination. Second Remand Determination at 59, 63.

¹⁵¹ Original Views at 16.

¹⁵² Original Views at 17.

¹⁵³ Original Views at 17-18.

purchasers' allegations that subject imports had no effect on TCCSS prices not to be credible,¹⁵⁴ given the substitutability of the Japanese product, the intensity with which price terms were negotiated, the significant underselling by Japanese suppliers and the fact that the purchasers often negotiated simultaneously with domestic and Japanese suppliers.¹⁵⁵

The Commission found that, although nonsubject imports were a significant factor in the domestic market during the period of investigation, subject imports grew more rapidly and were generally priced more aggressively. Toward the end of the period of investigation subject imports generally undersold nonsubject imports and the Commission found that subject imports had a significant adverse effect on domestic prices distinct from any adverse price effects of nonsubject imports.¹⁵⁶ The Commission then found that, in light of the foregoing and other evidence in the record, there was significant price underselling by subject merchandise and that significant volumes of subject imports had depressed prices and prevented increases in prices that would otherwise have occurred to a significant degree.^{157 158}

b. Analysis

In considering the likely price effects of subject imports in this review if the order is revoked, we find that the market for TCCSS is price sensitive. Responding purchasers named price as the number one factor in purchasing decisions as often as they named quality,¹⁵⁹ with 16 of 17 responding purchasers indicating that quality meeting industry standards is a very important factor and six of the 17 indicating the same for quality exceeding industry standards.¹⁶⁰ Once quality concerns are satisfied, the major factor left on which to compete is price.

In order to evaluate price trends over the period of review, the Commission obtained quarterly prices for four representative TCCSS products during the period 2000 through 2005. Prices for domestically produced TCCSS changed relatively little from 2000 through 2003, but increased during 2004 and through the first half of 2005. Prices declined during the second half of 2005 with respect to

¹⁵⁴ Original Views at 19-20.

¹⁵⁵ Original Views at 20. Nor was the Commission persuaded by respondents' argument that declining domestic prices during the period of investigation were a direct result of rapid purchaser consolidation and not of underselling from subject merchandise. There was a similar degree of concentration between the major U.S. purchasers and the domestic producers and the most significant buyer concentration occurred between 1990 and 1996, but it did not substantially affect buyer prices. Original Views at 20-21. The Commission also explained that given the selective presentation of documents, it was unable to draw any firm conclusions from the relative dearth of specific references to the price effects of subject imports. Original Views at 21-22.

¹⁵⁶ Original Views at 22-23; see also Second Remand Determination at 125 (a mixed pattern of overselling and underselling is consistent with the finding that both subject and nonsubject imports were significant factors in the market).

¹⁵⁷ Original Views at 23.

¹⁵⁸ In dissenting, Chairman Pearson and Commissioner Koplán found that, although subject imports undersold the domestic product throughout the period of investigation, the subject imports did not materially contribute to the decline in domestic prices. Dissenting Views of [Commissioner] Stephen Koplán at 8; Second Remand Determination at 2 n.7.

¹⁵⁹ CR/PR at Table II-1.

¹⁶⁰ CR/PR at Table II-2.

three of the four products examined.¹⁶¹ Given the lack of subject imports during the period, the record lacks price trend information with respect to subject merchandise.¹⁶²

While the price of domestically produced TCCSS products increased over the period of review, the costs of production incurred by domestic producers rose to a similar or greater extent, particularly during the last years of the period of review. Whereas the domestic industry experienced relatively steady per unit net sales values and costs of goods sold (“COGS”) from 2000 to 2003, the industry experienced sharply higher raw materials costs in 2004 and 2005.¹⁶³ Largely as a result of higher raw materials costs, the domestic industry experienced an increase in unit COGS of \$160 per short ton from 2003 to 2005, whereas the industry’s unit net sales value increased by only \$142 per short ton.¹⁶⁴ As a result, the domestic industry’s COGS has increased relative to net sales from 2003 to 2005.¹⁶⁵

Consistent with these data, domestic producer U.S. Steel indicated that during early 2004, every one of its major customers resisted a competitive market price adjustment of \$70 per net ton that it had requested to cover its increased costs.¹⁶⁶ It reported also that in January 2005 it was “ultimately able to obtain some improvement” although “prices generally remained much lower than were warranted” after it asked for another market price adjustment of \$85 per net ton, as well as an eight percent increase in its base price.¹⁶⁷ Similarly, Mittal indicates that it is experiencing difficulty in securing price increases to compensate for increased costs, and USS-POSCO reports that it is presently facing a cost/price squeeze as well.¹⁶⁸ Based on this record evidence, we find that the domestic industry has not been able to raise prices commensurate with costs from 2003 to 2005, despite the restraining effects of the antidumping duty order under review.

For the reasons explained previously in these views, we find that the volume of subject imports will likely be significant if the order is revoked, given the excess capacity reported by Japanese TCCSS producers and the various economic incentives affecting them. In evaluating the likely price effects of this significant volume, we note, as discussed previously, that the U.S. market is characterized by a relatively small number of purchasers, which increasingly seek to enter into long-term contracts. In this market, Japanese producers can win sales and expand their U.S. market share through spot sales, which account for a relatively small amount of total sales,¹⁶⁹ or by bidding for and winning new, open contracts. The price effect of any successful bid by Japanese producers could then be magnified throughout the market through an immediate effect on future spot sales, new contracts negotiations and existing contracts containing meet competition or similar clauses applicable to imported product.

Although quality is an important factor in purchasing decisions, quality does not appear to be a means by which Japanese producers could win contracts in competition with domestic producers. The vast majority of responding U.S. producers, importers, and purchasers reported that U.S. and Japanese TCCSS are “always” or “frequently” interchangeable.¹⁷⁰ Moreover, while purchasers consistently deemed “quality meets industry standards” as a “very important” factor (16 of 17 responding purchasers),

¹⁶¹ CR at V-13, Tables V-3 to V-6, Figure V-2; PR at V-6 - V-7, Tables V-3 to V-6, Figure V-2.

¹⁶² CR at V-13, Tables V-3 to V-6, Figure V-2; PR at V-6 - V-7, Tables V-3 to V-6, Figure V-2.

¹⁶³ CR/PR at Table III-8 and page V-1.

¹⁶⁴ CR/PR at Table III-8.

¹⁶⁵ As a ratio of net sales, the domestic industry’s COGS has increased from 91.2 percent in 2003 to 95.4 percent in 2004, and to 95.3 percent in 2005. CR/PR at Table III-8.

¹⁶⁶ CR/PR at V-1.

¹⁶⁷ CR/PR at V-1.

¹⁶⁸ CR at V-1 - V-2, PR at V-1.

¹⁶⁹ CR at V-3, PR at V-2.

¹⁷⁰ CR/PR at Table II-3.

almost two-third of purchasers rated “quality exceeds industry standards” as only “somewhat important” or “not important.”¹⁷¹ Given that U.S. and Japanese TCCSS is generally interchangeable, and that exceeding industry quality standards is of marginal importance to purchasers, it does not appear that Japanese producers would likely attempt to win contracts by supplying superior quality.

Absent other means on which to compete, we conclude that Japanese producers would attempt to win sales contracts through aggressive pricing (underselling), as they also did prior to the imposition of the order. For the reasons elaborated above, the U.S. market bears certain characteristics such that even a few low-priced sales would be felt throughout the entire market in a short period of time. As noted, the industry is price sensitive, characterized by lengthy and intense negotiations among a relatively small number of buyers and sellers. All responding domestic producers and fully one-half of the responding importers acknowledge that import prices are referenced in contract negotiations with prospective customers.¹⁷² Over one-third of responding purchasers agree, including the ***, which collectively accounted for over *** of apparent consumption in 2005.¹⁷³ New lower prices would be felt immediately on the spot market, and also with respect to volumes supplied pursuant to contracts with meet competition and favored nations clauses. The adverse effects of lower prices would depress prices agreed to during negotiations for new contracts as well.

Respondents claim that because only *** agreements contain favored nations clauses and meet competition provisions that allow purchasers to use Japanese prices to leverage down the agreed upon contract price, *** of the quantity “locked up” by the multi-year contracts cannot be influenced by Japanese prices.¹⁷⁴ However, evidence in the record shows that for 2006, commitments under contracts not subject to any meet competition clauses or favored nations clauses represent only *** percent of 2005 U.S. shipments. For 2007, commitments under contracts not subject to any meet competition clauses or favored nations clauses will represent only *** percent of the most recent level of U.S. shipments (for 2005). If contractual obligations overall (with or without the meet competition and most favored nations clauses) are considered, total commitments for 2006 represent *** percent of the 2005 level of U.S. shipments, and total commitments for 2007 represent only *** percent of the 2005 level of U.S. shipments.¹⁷⁵ Thus, based on the level of 2005 shipments, it is estimated that approximately *** of the TCCSS expected to be shipped in 2007 is not currently subject to contract. Based on this record evidence, we are not persuaded that existing contracts undermine our conclusion that even a small volume of aggressively priced subject imports would be likely to have significant adverse effects on the price of the domestic like product if the order is revoked.¹⁷⁶

In sum, we find that the likely volume of subject imports will be significant in the reasonably foreseeable future if the antidumping duty order is revoked. Absent competition on non-price factors, Japanese producers are likely to undersell and price aggressively in order to win contracts with purchasers. At these likely aggressive prices, the subject imports would be likely to have significant depressing or suppressing effects on the prices of the domestic like product.

¹⁷¹ CR/PR at Table II-2.

¹⁷² CR at V-10, PR at V-5.

¹⁷³ CR at V-10 - V-11, PR at V-5; see Purchaser Questionnaire Responses.

¹⁷⁴ Japanese Respondents’ Posthearing Brief at 9-10; see CR/PR at Table V-2.

¹⁷⁵ CR /PR at Table V-2.

¹⁷⁶ As explained in our discussion of the conditions of competition, we do not find that market power is concentrated in the hands of the domestic producers.

3. Likely Impact of the Subject Imports

a. Original Determination

The Commission found that the domestic industry's output, or production, declined by 7.9 percent between 1997 and 1999. Capacity utilization fell from 76.8 percent to 74.5 percent during that period. The number of production workers producing TCCSS fell, as did hours worked.¹⁷⁷ The industry's share of the U.S. market declined from *** percent in 1997 to *** percent in 1999, and was *** percent in the first quarter of 2000. Subject import volume displaced a substantial volume of U.S. shipments and accounted for the largest portion of the domestic industry's reduced market share. U.S. shipments decreased markedly over the period, and the value of U.S. shipments decreased even more markedly than the volume of those shipments, reflecting the dual impact of decreasing volume and falling average unit values. Despite sustained export sales volumes, net sales exhibited a depressed trend due to declining sales in the United States.¹⁷⁸

The Commission also found that the domestic industry's financial performance deteriorated between 1997 and 1999, with the worst results occurring in 1999 when subject import volume was at its peak. Operating losses widened over the period and operating losses as a ratio to net sales increased as well. The domestic industry's capital expenditures fluctuated over the period, as did research and development expenditures.¹⁷⁹

The Commission was not persuaded by respondents' claim that the majority of the increase in the volume of subject imports was due to a few large customers who purchased them for non-price reasons.¹⁸⁰ It concluded that subject imports were having a significant adverse impact on the domestic industry.^{181 182}

¹⁷⁷ Original Views at 24.

¹⁷⁸ Original Views at 24-25.

¹⁷⁹ Original Views at 25.

¹⁸⁰ Original Views at 26.

¹⁸¹ Original Views at 27.

¹⁸² In dissenting, because Chairman Pearson and Commissioner Koplan found that the volume of subject imports was not significant and that subject imports did not materially contribute to price declines during the period of investigation, he determined that subject imports did not materially injure the domestic industry. Dissenting Views of [Commissioner] Stephen Koplan at 18; Second Remand Determination at 2 n.7.

b. Analysis¹⁸³

In this review, domestic producers' TCCSS capacity decreased significantly over the period of review as the domestic industry consolidated.¹⁸⁴ Production followed the same trend.¹⁸⁵ Capacity utilization increased over the period, albeit irregularly,¹⁸⁶ as the industry lost capacity due to restructuring. U.S. shipments also declined over the period of review.¹⁸⁷ Inventories decreased overall, although they increased towards the end of the period.¹⁸⁸

The quantity of net sales fell over the period,¹⁸⁹ as demand decreased.¹⁹⁰ During that time, the domestic industry sustained operating losses in every year but one,¹⁹¹ even though it experienced

¹⁸³ Japanese respondents allege that there are significant discrepancies between the data the Commission received in this proceeding and data covering the exact same time period, the exact same product scope and from the same domestic producers that the Commission received eight months ago during the Section 204 effectiveness of import relief study. Japanese Respondents' Prehearing Brief at 6. These data relate to capacity utilization, labor productivity, COGS, operating income, and operating margin. Japanese Respondents' Prehearing Brief at 9-12. U.S. Steel responds that ***. U.S. Steel's Posthearing Brief, Exh. 1 at 14. Mittal explains that the differences were the ***. Mittal's Posthearing Brief, Answers to Questions at 28. USS-POSCO states that there is *** sunset review. USS-POSCO's Posthearing Brief, Answers to Questions at 13. The discrepancies identified by the Japanese respondents largely reflect data differences for LTV and ***. Staff used historical LTV data and ***, resulting in revisions between the prehearing report and the final report. On balance, the changes did not substantially alter the trends in ***'s reported data or the aggregate financial data. CR at III-20, PR at III-8. To the extent there are differences, the current data are more accurate.

¹⁸⁴ Capacity was 4.6 million short tons in 2000, 3.8 million short tons in 2001, 3.6 million short tons in 2002, 3.7 million short tons in 2003, 3.7 million short tons in 2004, and 3.7 million short tons in 2005. CR/PR at Table III-3.

¹⁸⁵ Production was 3.3 million short tons in 2000, 2.9 million short tons in 2001, 3.1 million short tons in 2002, 2.9 million short tons in 2003, 2.9 million short tons in 2004, and 2.7 million short tons in 2005. CR/PR at Table III-3.

¹⁸⁶ Capacity utilization was 72.6 percent in 2000, 77.2 percent in 2001, 86.1 percent in 2002, 80.0 percent in 2003, 80.3 percent in 2004, and 74.6 percent in 2005. CR/PR at Table III-3.

¹⁸⁷ U.S. shipments were 3.2 million short tons in 2000, 2.8 million short tons in 2001, 3.0 million short tons in 2002, 2.8 million short tons in 2003, 2.9 million short tons in 2004, and 2.6 million short tons in 2005. CR/PR at Table III-4.

¹⁸⁸ End-of-period inventories were 349,202 short tons in 2000, 331,964 short tons in 2001, 324,275 short tons in 2002, 363,429 short tons in 2003, 262,974 short tons in 2004, and 307,218 short tons in 2005. CR/PR at Table III-6.

¹⁸⁹ Net sales were 3.4 million short tons in 2000, 2.9 million short tons in 2001, 3.1 million short tons in 2002, 2.9 million short tons in 2003, 3.0 million short tons in 2004, and 2.7 million short tons in 2005. CR/PR at Table III-8.

¹⁹⁰ U.S. consumption, as measured by quantity, decreased from 3.7 million short tons in 2000 to 3.2 million short tons in 2005. CR/PR at Table C-1.

¹⁹¹ Operating losses were \$79.7 million in 2000, \$73.7 million in 2001, \$11.8 million in 2002, \$18.5 million in 2004, and \$14.7 million in 2005. There was operating income of \$22.6 million in 2003. The operating loss as a ratio of net sales was 4.0 percent in 2000, 4.2 percent in 2001, 0.6 percent in 2002, 0.9 percent in 2004, and 0.7 percent in 2005. The operating income as a ratio of net sales was 1.3 percent in 2003. CR/PR at Table III-8.

increased gross profit¹⁹² and the value of net sales increased¹⁹³ as raw material costs¹⁹⁴ and SG&A expenses increased.¹⁹⁵ U.S. producers' market share declined over the period of review, as nonsubject imports gained market share.¹⁹⁶

As a result of the restructuring of the domestic industry, the number of production and related workers fell over the period,¹⁹⁷ as did their hours worked¹⁹⁸ and total wages.¹⁹⁹ However, productivity increased.²⁰⁰ Capital expenditures declined over the period,²⁰¹ as did research and development expenditures.²⁰²

As explained above, demand is not likely to improve in the reasonably foreseeable future. The domestic industry's performance has been weak throughout the period of review, and it faces a cost/price squeeze. In view of the foregoing and the price sensitive nature of the market, we find in this review that the domestic industry is currently vulnerable to injury by reason of increased subject imports. Volumes of subject imports at the levels experienced prior to the imposition of the order and even modest adverse price effects would be likely to cause a recurrence of material injury in the reasonably foreseeable future.

Respondents argue that subject merchandise would only be imported to satisfy the need for products for which there is limited or no U.S. production.²⁰³ As discussed previously, Japanese shipments of TCCSS increased substantially over the period examined in the original investigation,²⁰⁴

¹⁹² Gross profit was \$17.7 million in 2000, \$8.3 million in 2001, \$67.5 million in 2002, \$156.3 million in 2003, \$92.5 million in 2004, and \$95.5 million in 2005. CR/PR at Table III-8.

¹⁹³ The value of net sales was \$2.0 billion in 2000, \$1.7 billion in 2001, \$1.9 billion in 2002, \$1.8 billion in 2003, \$2.0 billion in 2004, and \$2.0 billion in 2005. CR/PR at Table III-8.

¹⁹⁴ Raw materials costs were \$789.7 million in 2000, \$689.2 million in 2001, \$719.9 million in 2002, \$732.2 million in 2003, \$1.0 billion in 2004, and \$973.5 million in 2005. CR/PR at Table III-8. The cost of goods sold decreased slightly over the period. It was \$2.0 billion in 2000, \$1.7 billion in 2001, \$1.8 billion in 2002, \$1.6 billion in 2003, \$1.9 billion in 2004, and \$1.9 billion in 2005. CR/PR at Table III-8.

¹⁹⁵ SG&A expenses were \$97.3 million in 2000, \$82.0 million in 2001, \$79.3 million in 2002, \$133.7 million in 2003, \$111.0 million in 2004, and \$110.2 million in 2005. CR/PR at Table III-8.

¹⁹⁶ Domestic producers' market share was 86.0 percent in 2000, 87.4 percent in 2001, 89.8 percent in 2002, 88.1 percent in 2003, 85.4 percent in 2004, and 82.1 percent in 2005. CR/PR at Table C-1. Nonsubject imports' market share was 11.4 percent in 2000, 12.6 percent in 2001, 10.2 percent in 2002, 11.9 percent in 2003, 14.6 percent in 2004, and 17.9 percent in 2005. CR/PR at Table C-1.

¹⁹⁷ The number of production and related workers was 5,794 in 2000, 5,256 in 2001, 4,637 in 2002, 4,331 in 2003, 3,857 in 2004, and 3,769 in 2005. CR/PR at Table III-7.

¹⁹⁸ Hours worked were 15.4 million in 2000, 10.9 million in 2001, 9.9 million in 2002, 8.6 million in 2003, 8.1 million in 2004, and 7.7 million in 2005. CR/PR at Table III-7.

¹⁹⁹ Wages paid were \$334.3 million in 2000, \$287.2 million in 2001, \$265.1 million in 2002, \$222.5 million in 2003, \$223.5 million in 2004, and \$233.3 million in 2005. CR/PR at Table III-7.

²⁰⁰ Productivity, as measured in short tons per hour, was 216.5 in 2000, 267.1 in 2001, 316.6 in 2002, 340.9 in 2003, 362.1 in 2004, and 357.3 in 2005. CR/PR at Table III-7.

²⁰¹ Capital expenditures were \$83.2 million in 2000, \$35.5 million in 2001, \$*** in 2002, \$*** in 2003, \$*** in 2004, and \$*** in 2005. CR/PR at Table III-11.

²⁰² Research and development expenditures were \$*** in 2000, \$*** in 2001, \$*** in 2002, \$*** in 2003, \$*** in 2004, and \$*** in 2005. CR/PR at Table III-11.

²⁰³ Japanese Respondents' Prehearing Brief at 90.

²⁰⁴ Shipments of Japanese TCCSS increased from 182.2 million short tons in 1997 to 242.1 million short tons in 1998, then to 329.6 million short tons in 1999. CR/PR at Table I-1.

nearly doubling their market share,²⁰⁵ and were high in quality and substitutable with the domestic like product.²⁰⁶ Given that the Japanese producers indicate that they are still able to produce TCCSS in all varieties, and absent any suggestion in the record that Japanese TCCSS is no longer of high quality or no longer substitutable for the domestic like product, we do not find persuasive respondents' assertion that subject imports would compete with the domestic like product to only a limited extent.

Respondents also claim that, if the order were revoked, subject imports would simply replace nonsubject imports.²⁰⁷ During the original investigation, shipments of subject imports and imports of nonsubject merchandise increased at the same time – and subject imports increased more rapidly.²⁰⁸ When the order was imposed, the domestic industry regained market share, even though nonsubject market share continued to increase.²⁰⁹ This indicates that subject imports will likely enter the U.S. market and readily compete with the domestic like product and nonsubject imports, and at lower prices than either in order to gain market share.

We concluded above that revocation of the antidumping duty order likely would lead to significant increases in the volume of subject imports that would undersell the domestic like product and significantly depress or suppress U.S. prices. As we also explained, we find this industry to be in a vulnerable state, given flat or declining trends in demand, the price sensitive nature of the market, the fact that the industry is experiencing a cost/price squeeze, and the fact that its financial performance has been consistently poor since 2000, despite the restraining effects of the order. On these facts, the likely significant volume and adverse price effects of the subject imports from Japan would be sufficient to have a significant negative impact on the production, shipments, sales, market share, and revenues of the domestic industry. This reduction in the industry's production, shipments, sales, market share, and revenues would adversely affect the industry's ability to carry out ongoing modernization and cost-savings efforts,²¹⁰ and therefore adversely affect the industry's profitability and its ability to raise capital and maintain necessary capital investments.

CONCLUSION

For the foregoing reasons, we conclude that revocation of the antidumping duty order on tin- and chromium-coated steel sheet from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

²⁰⁵ Japanese market share increased from *** percent in 1997 to *** percent in 1998, then to *** percent in 1999. CR/PR at Table I-1.

²⁰⁶ Original Views at 8, 16.

²⁰⁷ Japanese Respondents' Prehearing Brief at 90.

²⁰⁸ Nonsubject imports increased from *** short tons in 1997, *** short tons in 1998, and then to *** short tons in 1999. CR/PR at Table I-1.

²⁰⁹ Domestic producers' market share was 86.0 percent in 2000, 87.4 percent in 2001, 89.8 percent in 2002, 88.1 percent in 2003, 85.4 percent in 2004, and 82.1 percent in 2005. CR/PR at Table C-1. Nonsubject imports' market share was 11.4 percent in 2000, 12.6 percent in 2001, 10.2 percent in 2002, 11.9 percent in 2003, 14.6 percent in 2004, and 17.9 percent in 2005. CR/PR at Table C-I.

²¹⁰ CR at App. E at E-5 to E-8, PR at App. E at E-3 to E-4.

**ADDITIONAL VIEWS OF CHAIRMAN DANIEL R. PEARSON
AND COMMISSIONER STEPHEN KOPLAN**

Chairman Pearson first considered the record of the original investigation upon a remand from the CIT. Considering the original record and that compiled during remands, he found that the domestic industry was neither materially injured nor threatened with material injury by reason of subject imports of tin- and chromium-coated sheet steel (TCCSS) from Japan.¹ In making that finding, he adopted the views of then-Chairman Koplan as his own.² During this review, however, both Chairman Pearson and Commissioner Koplan join the other commissioners in finding that revocation of the order would likely lead to a continuation or recurrence of material injury within a reasonably foreseeable time.

In reaching a negative conclusion upon the record in the original investigation, we found that purchasers of TCCSS rated reliability of delivery as an extremely important factor, given that their efficient use of the product was frequently time-sensitive.³ The record in the original investigation indicated that domestic producers had struggled over the original period of investigation (POI) to make on-time deliveries, even to purchasers very close to the producers' own locations.⁴ This poor delivery performance had encouraged purchasers to seek out alternate sources of supply, primarily subject imports. We thus found that, although subject import volume had increased over the POI, that increase was not significant.⁵

In this review, the record contains no persuasive evidence that the domestic industry has had the same sort of difficulty in meeting its on-time delivery requirements. The main reasons for the delivery problems experienced during the original POI had stemmed from then-petitioner Weirton's decision to close down one of its blast furnaces and its subsequent reliance on imported slab.⁶ Since the original determination, the Weirton works were acquired by ISG, which itself was then acquired by Mittal.⁷ While no blast furnaces are operating at the Weirton works currently, they now have a reliable source of domestic slab to supply their tin coating lines.⁸ The record suggests that, upon revocation, the domestic industry should be able to meet its on-time delivery requirements, and thus any additional volumes of subject imports likely upon revocation would be displacing, rather than replacing, domestic supply.

The record in the original investigation suggested no clear correlation between subject import prices and prices received for the domestic like product.⁹ The record did suggest, however, that poor on-time performance ***.¹⁰ The record in this review, however, suggests that subject imports could affect prices received for the domestic like product. Further consolidation has occurred among purchasers.¹¹

¹ Tin- and Chromium-Coated Steel Sheet from Japan, Inv. No. 731-TA-860 (Final) (Second Remand), USITC Pub. 3674 (Feb. 2004), at 1. n.7.

² Id.

³ Tin- and Chromium-Coated Steel Sheet from Japan, Inv. No. 731-TA-860 (Final), USITC Pub. 3337 (Aug. 2000), Dissenting Views of Chairman Stephen Koplan, at 21.

⁴ USITC Pub. 3337 at 22.

⁵ USITC Pub. 3337 at 23-24.

⁶ USITC Pub. 3337 at 22.

⁷ CR at I-31, PR at I-23.

⁸ Mittal posthearing brief, Answers to Questions at 1-2.

⁹ USITC Pub. 3337 at 24-29.

¹⁰ USITC Pub. 3337 at 28.

¹¹ CR at I-39 and n.110, PR at I-27 and n.110.

While much domestic TCCSS is still purchased by contract, the volume covered by these long-term contracts drops significantly in the reasonably foreseeable future.¹² Even longer-term contracts contain clauses such as meet-competition and most-favored-nation clauses which provide an opening for subject import prices to affect domestic prices.

Because of these significant changes between the record gathered in the original investigation and the record gathered in this review, and for the reasons laid out in the Views of the Commission, we find that revocation of the antidumping duty order on TCCSS from Japan would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

¹² CR/PR at Table V-2.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On July 1, 2005, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted a review to determine whether revocation of the antidumping duty order on tin- and chromium-coated steel sheet (“TCCSS”) from Japan would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective October 4, 2005, the Commission determined that it would conduct a full review pursuant to section 751(c)(5) of the Act. Information relating to the background and schedule of the review is provided in the following tabulation.¹

Effective date	Action
August 28, 2000	Commerce’s antidumping duty order (65 FR 52067, August 28, 2000)
July 1, 2005	Commission’s institution of the subject review (70 FR 38210, July 1, 2005)
October 4, 2005	Commission’s decision to conduct a full review (70 FR 60110, October 14, 2005)
November 7, 2005	Commerce’s final results of expedited review (70 FR 67448, November 7, 2005)
December 2, 2005	Commission’s scheduling of the review (70 FR 73027, December 8, 2005)
April 27, 2006	Commission’s hearing ¹
June 13, 2006	Commission’s vote
June 26, 2006	Commission’s determination transmitted to Commerce

¹ App. B is a list of witnesses who appeared at the hearing.

The Original Investigation

On October 28, 1999, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured, and threatened with material injury, by reason of imports of TCCSS from Japan.² Sales of such products were allegedly made at less than fair value (LTFV) with respect to Japan.

On June 19, 2000, Commerce made its final affirmative dumping determination.³ Commerce’s final dumping margins with respect to Japan were as follows:

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

² The petition was filed by Weirton Steel Corp. (“Weirton”), Weirton, WV; the Independent Steelworkers Union; and the United Steelworkers of America, AFL-CIO.

³ *Notice of Final Determination of Sales at Less than Fair Value: Certain Tin Mill Products from Japan*, 65 FR 39364 (June 26, 2000).

<u>Manufacturer/producer/exporter</u>	<u>Weighted-average margin (percent)</u>
Kawasaki Steel Corporation	95.29
Nippon Steel Corporation	95.29
NKK Corporation	95.29
Toyo Kohan Co., Ltd.	95.29
All others	32.52

The Commission transmitted its final affirmative injury determination to Commerce on August 9, 2000,⁴ and Commerce issued the antidumping duty order on August 28, 2000.⁵

Subsequent Proceedings

As noted above, the Commission issued its original injury determination in the antidumping investigation covering TCCSS from Japan in August 2000.⁶ In its determination, the Commission majority found that subject imports grew rapidly over the period examined;⁷ undersold the domestic merchandise on an increasing basis; suppressed and depressed domestic prices;⁸ and had a significant adverse impact on the domestic industry, whose condition deteriorated considerably during the period examined in the face of increasing import volumes.⁹

In September 2000, the Japanese respondents appealed the Commission’s affirmative determination to the U.S. Court of International Trade (“CIT”). On December 31, 2001, the CIT issued a decision in the appeal.¹⁰ The CIT affirmed the Commission’s finding that the volume of the subject imports had been significant during the period examined,¹¹ but remanded the Commission’s pricing and impact analysis for a “more complete analysis.”¹² Among other things, the CIT directed the Commission to explain several aspects of its price comparison methodologies, to reconsider its underselling findings, and to reevaluate its findings with respect to the price sensitivity of the market, lost sales data, and the effects of subject imports on domestic prices. The CIT also directed the Commission to reexamine its causation analysis by taking into account the impact of non-price factors on purchasing decisions and the role of nonsubject imports in the market.¹³

In March 2002, the Commission issued its first remand determination.¹⁴ After reconsidering the record, the Commission again determined that the domestic TCCSS industry was materially injured by reason of the subject imports from Japan. The Commission compiled a new series of price comparison

⁴ *Tin- and Chromium-Coated Steel Sheet from Japan, Determination*, 65 FR 50005 (August 16, 2000). Chairman Stephen Koplan and Commissioner Thelma J. Askey dissented.

⁵ *Certain Tin Mill Products from Japan: Notice of Antidumping Duty Order*, 65 FR 52067 (August 28, 2000).

⁶ *Tin- and Chromium-Coated Steel Sheet from Japan*, Investigation No. 731-TA-860 (Final), USITC Publication 3337 (August 2000) (“Original Determination”).

⁷ *Ibid.*, pp. 10-11.

⁸ *Ibid.*, pp. 11-16.

⁹ *Ibid.*, pp. 16-17.

¹⁰ *Nippon Steel Corp. v. United States*, 182 F. Supp.2d 1330 (Ct. Int’l Trade 2001)(“*Nippon I*”).

¹¹ *Nippon I*, pp. 1335-1340.

¹² *Ibid.*, p. 1356.

¹³ *Ibid.*, pp. 1356-57.

¹⁴ *Views of the Commission on Remand, Tin- and Chromium-Coated Steel Sheet from Japan*, Investigation No. 731-TA-860 (Remand), USITC Publication 3493 (March 2002) (“First Remand Determination”).

charts, explained its pricing methodology in detail, and performed additional analysis of subject import pricing.¹⁵ The Commission also explained why quality and delivery issues were not the sole cause of increased import volumes, why certain conditions of competition in the market (such as the alleged compartmentalization of the negotiating processes for domestic and subject merchandise and certain contractual clauses pertaining to the competitive prices that some domestic suppliers are expected to meet) did not limit the impact of imports on the domestic industry, why there was a correlation between import pricing and purchasers' purchasing patterns, and the relative impact of subject and nonsubject imports in the market.¹⁶

On August 9, 2002, the CIT issued its second decision in the proceeding.¹⁷ In that opinion, the CIT vacated the Commission's affirmative material injury determination and expressly ordered the Commission to enter a negative determination.¹⁸ As grounds for this decision, the CIT asserted that the Commission "cited no evidence that can sustain" its affirmative injury finding.¹⁹ According to the CIT, the Commission failed to follow the CIT's pricing instructions, failed to explain adequately why underselling was significant, failed to explain whether there was a correlation between subject and domestic pricing, and failed to explain why quality and service, rather than price, were not the reasons that purchasers shifted sales to the subject imports.²⁰ The CIT also asserted that the Commission incorrectly assessed conditions of competition in the market and inaccurately analyzed the impact of nonsubject imports in the tin mill market.²¹

The Commission appealed *Nippon II* to the U.S. Court of Appeals for the Federal Circuit ("CAFC"). On October 3, 2003, the CAFC vacated the CIT's decision in *Nippon II*.²² After noting that the record included "two long and detailed opinions by the four person Commission majority and two exceptionally thorough and incisive opinions by the CIT," the CAFC stated that, at its core, the Commission and the lower Court simply disagreed about the "degree to which the purchasers' testimony on the reasons for increased imports of the subject imports was undercut by subsequently produced documents."²³ The CAFC stated, however, that "it is ultimately irrelevant to our decision whether the Commission or the Court of International Trade did better at drawing the most reasonable inferences from the economic documents as compared to testimonial assertions."²⁴

Instead, the CAFC stated, "{u}nder the statute only the Commission may find the facts and determine causation and ultimately injury – subject, of course, to CIT review under the substantial

¹⁵ First Remand Determination, pp. 2-14.

¹⁶ *Ibid.*, pp. 14-46.

¹⁷ *Nippon Steel Corp. v. United States*, 223 F. Supp.2d 1349 (Ct. Int'l Trade 2002) ("*Nippon II*").

¹⁸ *Nippon II*, pp. 1371-72.

¹⁹ *Ibid.*, p. 1351.

²⁰ *Ibid.*, pp. 1353-60 and 1366-69.

²¹ *Ibid.*, pp. 1360-66 and 1369-72. Defendant-Intervenor Weirton Steel filed a motion with the CIT seeking reconsideration of the CIT's opinion in *Nippon II*. Weirton argued in the motion that the CIT should not have directed the Commission to enter a negative injury determination because the Commission had not had the opportunity to address whether subject imports threatened the domestic TCCSS industry with material injury. *Nippon Steel Corp. v. United States*, Order dated September 26, 2002, at 1-2 ("*Nippon Reconsideration Decision*"). The CIT noted that it had not overlooked the possibility of a remand {for a determination of threat of material injury}, but stated that "{t}his was not a viable threat case." *Ibid.*

²² *Nippon Steel Corp. v. International Trade Commission*, 345 F.3d 1379, 1381-82 (Fed. Cir. 2003) ("*Nippon III*").

²³ *Nippon III*, pp. 1380-81.

²⁴ *Ibid.*, p. 1381.

evidence standard.”²⁵ The CAFC held that the CIT went “beyond its statutorily-assigned role to ‘review’” because “it engaged in refinding facts (e.g., by determining witness credibility), or interposing its own determinations on causation and material injury itself.”²⁶ For this reason, the CAFC vacated the lower Court’s decision in *Nippon II*. However, because of the “multiplicity, specificity, and cogency” of the CIT’s critiques of the Commission’s remand determination, the CAFC stated that the Commission should on remand “attend to all the points made by the CIT, especially those of {Nippon II} which the Commission has not yet had the opportunity to address.”²⁷

On February 23, 2004, the Commission issued its second remand determination.²⁸ In that opinion, the Commission addressed in detail all of the CIT’s criticisms in *Nippon II*. In response to the CIT’s criticisms, the Commission re-opened the record on certain pricing issues, revised its price underselling analysis, prepared three new price comparison charts to perform its underselling analysis, explained why underselling was significant and why subject imports affected domestic prices significantly during the period, and discussed why underselling correlated with the increased purchases of subject imports by purchasers.²⁹ The Commission further explained, relying on record evidence, that subject imports had been used in sales negotiations to extract price concessions from domestic producers, that domestic and subject sales negotiations were not kept separate from one another,³⁰ that price was a significant factor driving increased purchases of subject imports during the period, and that nonsubject imports were no more important a cause of injury to the industry than the subject imports.³¹

On October 14, 2004, the CIT issued its third opinion in the appeal. Although the CIT affirmed some aspects of the Commission’s decision, it rejected the bulk of the Commission’s pricing and causation findings, noting that, in its view, the record evidence simply “will not support an affirmative” injury finding. Although the CIT acknowledged that there were “some increases in the volume of subject imports,” the CIT determined that the record did not show that “subject imports had a significant effect on domestic prices, or that purchasers bought significant volumes of subject imports by reason of lower prices.” Upon reviewing the record, the CIT concluded that, in its view, “not only was Japanese underselling and domestic price depression or suppression insignificant over the period of investigation, but certain conditions of competition also minimized any effect subject imports could have had on domestic prices.”³²

As support for this finding, the CIT, in effect, made a number of factual findings based on its review of the record. According to the CIT, the record showed that: “lower priced imports had only a low to moderate ability to impact the domestic industry’s sales and prices,” “Japanese and U.S. price negotiations were compartmentalized,” the “majority of the {market’s} product was supplied by domestic producers,” certain clauses in several domestic supply contracts “limit{ed} price competition domestically,” “superior domestic lead times seem to translate into price premiums” and acted to

²⁵ Ibid., p. 1381.

²⁶ Ibid., p. 1381.

²⁷ Ibid., p. 1382.

²⁸ Views of the Commission on Second Remand, *Tin- and Chromium-Coated Steel Sheet from Japan*, Investigation No. 731-TA-860 (Second Remand), USITC Publication 3674 (February 2004) (“Second Remand Determination”).

²⁹ Second Remand Determination, pp. 6-26.

³⁰ The Commission again expressed its lack of confidence in the testimony of purchasers who claimed there was a segregation of negotiations and pricing between domestic and subject imported tin mill products.

³¹ Second Remand Determination, pp. 26-61.

³² *Nippon Steel Corp. v. United States*, 350 F.Supp.2d 1186 (Ct. Int’l Trade 2004) (“*Nippon IV*”), pp. 64-65.

“segregate Japanese and U.S. price negotiations,” and the “principal supporter of the petition had no documentary evidence of Japanese price competition.” According to the CIT, this evidence showed that “the effect of subject imports on domestic prices was not significant” during the period examined.³³

As for causation, the CIT found that, in its view, the record showed that “purchasers bought increased volumes of Japanese imports because of concerns with domestic producers’ product quality and reliable delivery” and that “non-subject imports were an important competitive factor in the domestic market during the period of investigation.” As a result, the CIT determined that “the harm suffered by the domestic industry was not by reason of subject imports.”³⁴

In sum, the CIT concluded, the “record fully supports a negative determination and will not support an affirmative one.”³⁵ After considering whether to permit the Commission to re-open the record to seek additional information, the CIT stated that any “such information would not change the result” but “likely would be more support for a negative determination.” The CIT added that, while flawed, the “investigation gathered most of the relevant material,” but that the “information simply does not support an affirmative determination.”³⁶ The CIT therefore remanded the Commission’s second remand determination with “instructions to issue a negative material injury determination.”³⁷ The CIT also instructed the Commission to “determine whether a threat of injury dispute remains,” even though, as the CIT noted, it has “previously declined to remand this matter for a determination of threat of material injury, largely on the basis that {the petitioner} Weirton neither raised the issue of threat before the CIT, nor presented a viable threat case” before the Commission.³⁸

On December 13, 2004, the Commission issued its third remand determination, finding in the negative as ordered by the CIT. The Commission also issued a negative threat determination, stating that this was “dictated by the CIT’s findings in *Nippon IV*” and noting it would not have made such a determination “in the absence of {the CIT’s} findings.”³⁹ The CIT affirmed the determination⁴⁰ and its decision was appealed to the CAFC. The case was argued before the CAFC on March 7, 2006.

Related Investigation

Following receipt of a request from the Office of the United States Trade Representative (“USTR”) on June 22, 2001, the Commission instituted investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974⁴¹ to determine whether certain steel products, including tin mill products, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.⁴² On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the U.S. Senate (“Senate Finance Committee” or “Committee”) requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of

³³ Ibid., pp. 64-65.

³⁴ Ibid., p. 65.

³⁵ Ibid., p. 65 (emphasis in original).

³⁶ Ibid., p. 65.

³⁷ Ibid., p. 66.

³⁸ Ibid., pp. 66-67.

³⁹ Third Remand Determination, p. 10.

⁴⁰ *Nippon Steel Corp. v. United States*, Slip Op. 05-38 (CIT March 23, 2005).

⁴¹ 19 U.S.C. § 2252.

⁴² *Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) (the Act)*, 66 FR 35267 (July 3, 2001).

1974.⁴³ Consistent with the Senate Finance Committee's resolution, the Commission consolidated the investigation requested by the Committee with the Commission's previously instituted investigation No. TA-201-73.⁴⁴ On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission was evenly divided with respect to tin mill products.⁴⁵

On March 5, 2002, following determinations regarding serious injury or threat of serious injury by the Commission under section 202 of the Trade Act of 1974, the President announced the safeguard measures that he planned to implement to facilitate efforts by various domestic steel industries and their workers to make a positive adjustment to import competition with respect to certain steel products. The safeguard measures encompassed 10 different product categories for which the Commission made affirmative determinations or was evenly divided (as was the case for tin mill products). Presidential Proclamation 7529 implemented the safeguard measures, principally in the form of tariffs and tariff-rate quotas, effective March 20, 2002, for a period of three years and one day. The President also instructed the Secretary of the Treasury and the Secretary of Commerce to establish a system of import licensing to facilitate the monitoring of imports of certain steel products.⁴⁶

The safeguard measures applied to imports of subject steel products from all countries except Canada, Israel, Jordan, and Mexico, which had entered into free trade agreements with the United States, and most developing countries that were members of the World Trade Organization.⁴⁷ The President's initial proclamation also excluded numerous specific products from the measures, and was followed by subsequent additional exclusions.

Covered imports of TCCSS were subject to an increase in duties of 30 percent *ad valorem* in the first year of the measure, to be reduced to 24 percent in the second year, and to 18 percent in the third year. The increased duties were reduced from 30 percent to 24 percent on March 20, 2003. The President, however, terminated the U.S. measure with respect to increased tariffs in December 2003, following receipt of the Commission's mid-point monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, having determined that

⁴³ 19 U.S.C. § 2251.

⁴⁴ *Consolidation of Senate Finance Committee Resolution Requesting a Section 201 Investigation with the Investigation Requested by the United States Trade Representative on June 22, 2001*, 66 FR 44158 (August 22, 2001).

⁴⁵ *Steel; Import Investigations*, 66 FR 67304 (December 28, 2001).

⁴⁶ The Department of Commerce published regulations establishing such a system on December 31, 2002.

⁴⁷ Safeguard measures were not applied to imports from the following countries: Albania, Angola, Antigua and Barbuda, Argentina, Bahrain, Bangladesh, Barbados, Belize, Benin, Bolivia, Botswana, Bulgaria, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Chile, Colombia, Congo (Brazzaville), Congo (Kinshasa), Costa Rica, Cote d'Ivoire, Croatia, Czech Republic, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Fiji, Gabon, the Gambia, Georgia, Ghana, Grenada, Guatemala, Guinea, Guinea Bissau, Guyana, Haiti, Honduras, Hungary, Indonesia, Jamaica, Jordan, Kenya, Kyrgyzstan, Latvia, Lesotho, Lithuania, Macedonia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mongolia, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sierra Leone, Slovakia, Solomon Islands, South Africa, Sri Lanka, Suriname, Swaziland, Tanzania, Togo, Trinidad and Tobago, Tunisia, Uganda, Uruguay, Zambia, and Zimbabwe.

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

the effectiveness of the action taken had been impaired by changed circumstances.⁴⁸ Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.⁴⁹

Summary Data

Table I-1 presents a summary of data from the original investigation and from this review.⁵⁰ There have been no subject imports since the imposition of the antidumping duty order.⁵¹ Accordingly, there is no graphic presentation of subject imports from the date of the original investigation to the final year of data collection in this review. The data presented in table I-1 for nonsubject imports differs from the data presented in other areas of this report. The data in table I-1 are from official statistics of the Department of Commerce. Data in tables I-6 and I-7, in table IV-1 in part IV, and in table C-1 in appendix C are from responses to questionnaires of the Commission.

Table I-1 presents data from the original investigation period (from official statistics for imports from nonsubject sources) and the current review. Accordingly, for greater consistency, data for nonsubject imports are based on official import statistics.⁵²

⁴⁸ See Proclamation 7741 of December 4, 2003, 68 FR 68483 (December 8, 2003).

⁴⁹ Proclamation 7741 terminated the tariff-rate quota and the increased import duties on certain steel products, but directed the Secretary of Commerce to continue the monitoring system until the earlier of March 21, 2005, or such time as the Secretary establishes a replacement program. On March 11, 2005, Commerce published an interim final rule to implement a replacement program for the period beyond March 21, 2005. 70 FR 12133 (March 11, 2005). On December 5, 2005, Commerce published its final rule. 70 FR 72373 (December 5, 2005).

⁵⁰ As discussed in greater detail in the section of Part I entitled "U.S. Market Participants," four of the seven producers at the time of the original investigation no longer exist as independent corporate entities, complicating comparisons of data between 1997 and 2005.

⁵¹ See submission of the respondent interested parties, May 10, 2006, stating that the Japanese producers did not export TCCSS to the United States since 2001. An e-mail from ***, May 11, 2006, clarified that there had been no exports since the documented exports in 2000 before the order, and that there had been no contracts for the sale of TCCSS to the United States in 2006. See also e-mail from ***, May 4, 2006, and e-mail from ***, May 5, 2006, stating that their firms had no imports of TCCSS in regular or sample form during 2006. However, there was a *** ton export shipment in 2003 by ***. See table IV-8.

⁵² Apparent U.S. consumption and imports from "all other countries" include imports of TCCSS from *** into an FTZ for 1997-99 only. See Memorandum INV-X-160, Inv. No. 731-TA-860 (Final): Tin- and Chromium-Coated Steel Sheet from Japan—Staff Report, July 18, 2000, p. IV-3, Table IV-2, fn. 1, and Table IV-3, fn. 1. Accordingly, comparison of nonsubject imports and shipments of imports from the periods 1997-99 and 2000-05 are not exact, but close comparisons. The quantities of imports into an FTZ by ***, as reported during the original investigation, were as follows. 1997: *** short tons; 1998: *** short tons; and 1999: *** short tons. Final questionnaire response of *** from the original investigation, p. 5. During the current review, one company, ***, reported operations on TCCSS in an FTZ. ***. E-mail from ***, March 24, 2006. These shipments are already captured as TCCSS in official Commerce statistics as they exit the FTZ. Accordingly, no adjustment was deemed necessary.

Table I-1
TCCSS: Summary data from the original investigation and the current review, 1997-99 and 2000-05

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit financial data are per short ton)

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. consumption quantity: Amount ¹	***	***	***	3,730,105	3,313,671	3,396,584	3,213,793	3,366,940	3,089,023
Producers' share: ²	***	***	***	85.8	85.6	88.9	88.2	86.8	83.8
Importers' share: ² Japan	***	***	***	2.6	0.0	0.0	0.0	0.0	0.0
All other countries	***	***	***	11.6	14.4	11.1	11.8	13.2	16.2
Total imports	***	***	***	14.2	14.4	11.1	11.8	13.2	16.2
U.S. consumption value: Amount ¹	***	***	***	2,190,903	1,960,275	2,030,780	1,953,562	2,226,330	2,312,653
Producers' share: ²	***	***	***	85.6	85.9	89.3	88.3	87.3	83.5
Importers' share: ² Japan	***	***	***	2.7	0.0	0.0	0.0	0.0	0.0
All other countries	***	***	***	11.7	14.1	10.7	11.7	12.7	16.5
Total imports	***	***	***	14.4	14.1	10.7	11.7	12.7	16.5
U.S. imports from-- Japan (shipments): Quantity	182,157	242,081	329,645	95,533	0	0	0	0	0
Value	120,997	154,488	196,185	58,990	0	0	0	0	0
Unit value	\$664.25	\$638.17	\$595.14	\$617.48	(³)	(³)	(³)	(³)	(³)
All other countries: Quantity	***	***	***	433,139	476,063	375,797	378,237	443,508	501,668
Value	***	***	***	256,462	277,161	216,736	229,490	282,991	380,475
Unit value	\$***	\$***	\$***	\$592.10	\$582.19	\$576.74	\$606.74	\$638.07	\$758.42
All countries: Quantity	***	***	***	528,672	476,063	375,797	378,237	443,508	501,668
Value	***	***	***	315,452	277,161	216,736	229,490	282,991	380,475
Unit value	\$***	\$***	\$***	\$596.69	\$582.19	\$576.74	\$606.74	\$638.07	\$758.42
U.S. producers'-- Capacity	4,855,145	4,869,145	4,607,145	4,591,145	3,777,878	3,629,045	3,670,240	3,670,240	3,670,240
Production	3,728,441	3,425,572	3,433,592	3,333,869	2,916,110	3,125,623	2,934,465	2,946,392	2,738,382
Capacity utilization ²	76.8	70.4	74.5	72.6	77.2	86.1	80.0	80.3	74.6

Footnotes at end of table.

Table I-1--*Continued*

TCCSS: Summary data from the original investigation and the current review, 1997-99 and 2000-05

(Quantity=*short tons*; value=*1,000 dollars*; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. shipments:									
Quantity	3,554,766	3,283,424	3,227,134	3,201,433	2,837,608	3,020,787	2,835,556	2,923,432	2,587,355
Value	2,192,160	2,003,321	1,898,063	1,875,451	1,683,114	1,814,044	1,724,072	1,943,339	1,932,178
Unit value	\$616.68	\$610.13	\$588.16	\$585.82	\$593.15	\$600.52	\$608.02	\$664.75	\$746.78
Ending inventory	360,768	354,047	346,375	349,202	331,964	324,275	363,429	262,974	307,218
Inventories/total shipments²	9.6	10.2	10.0	10.3	11.3	10.4	12.4	8.6	11.4
Production and related workers	6,922	6,224	6,004	5,794	5,256	4,637	4,331	3,857	3,769
Hours worked (1,000 hours)	15,287	13,654	13,297	15,399	10,918	9,874	8,609	8,136	7,665
Wages paid (1,000 dollars)	380,470	346,345	344,320	334,330	287,189	265,145	222,495	223,492	232,355
Hourly wages	\$24.89	\$25.37	\$25.89	\$21.71	\$26.30	\$26.85	\$25.84	\$27.47	\$30.31
Productivity (short tons per hour)	243.9	250.9	258.2	216.5	267.1	316.6	340.9	362.1	357.3
Net sales:									
Quantity	3,742,829	3,476,048	3,472,054	3,358,878	2,940,949	3,132,312	2,936,145	3,048,847	2,695,138
Value	2,308,486	2,120,926	2,034,967	1,975,725	1,740,481	1,872,924	1,778,843	2,016,042	2,016,252
Unit value	\$616.78	\$610.15	\$586.10	\$588.21	\$591.81	\$597.94	\$605.84	\$661.25	\$748.11
Cost of goods sold (value)	2,224,570	2,075,245	2,061,471	1,958,057	1,732,228	1,805,419	1,622,522	1,923,537	1,920,750
Gross profit (value)	83,916	45,681	(26,504)	17,668	8,253	67,505	156,321	92,505	95,502
SG&A expenses (value)	104,893	109,806	105,980	97,321	81,965	79,271	133,678	110,965	110,244
Operating income/loss (value)	(20,977)	(64,125)	(132,484)	(79,653)	(73,712)	(11,766)	22,643	(18,460)	(14,742)
Ratio of operating income/loss to net sales (percent)	(0.9)	(3.0)	(6.5)	(4.0)	(4.2)	(0.6)	1.3	(0.9)	(0.7)

¹ Apparent U.S. consumption is calculated using U.S. producers' U.S. shipments plus U.S. shipments of imports from Japan using data compiled from responses to importers' questionnaires, plus imports from all other countries using imports from official Commerce statistics under HTS subheadings 7210.11.00; 7210.12.00; 7210.50.00; and 7212.10.00. Apparent U.S. consumption and imports from "all other countries" include imports of TCCSS from *** into an FTZ for 1997-99 only. Accordingly, comparisons of nonsubject imports from the periods 1997-99 and 2000-05 are not exact. Because official statistics were used during the original investigation for nonsubject imports, they are used for comparison purposes for the review data in this table alone, but not in other tables in this report presenting data on nonsubject imports.

² In percent.

³ Not applicable.

⁴ Less than 0.05 percent.

Note.--Because of rounding, figures may not add to the totals shown. Calculated data are based on unrounded numbers.

Source: Data for 1997-99 are from the original confidential staff report (INV-X-160), table C-1; data for 2000-05 are compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

From 1999 to 2000, the U.S. industry generally experienced flat capacity, declining production, flat shipments, and a decrease in capacity utilization, employment, hourly wages, and productivity. Its hours worked rose and operating losses diminished. The drop in employment was approximately 3.5 percent, although the average hours worked per worker increased from about 2,215 annually in 1999 to 2,658 annually in 2000.⁵³ The average hours worked per worker declined to 2,077 per worker in 2001. ***.

Between 1999 and 2000, subject imports from Japan declined noticeably after the imposition of the order while imports of TCCSS from all other countries increased. The total share of apparent U.S. consumption held by U.S. importers of TCCSS declined less noticeably and the U.S. producers' share increased moderately through 2002-03, before decreasing thereafter.

The data reported for the current review and in the Commission's evaluation of the steel safeguard measure under section 204 conducted in 2005 differ with respect to the domestic industry's capacity, production, shipments, employment, and financial indicators.⁵⁴ The differences reflect the treatment of data for LTV as well as noticeable revisions to ***, and as a consequence are deemed by firm officials to be more accurate.⁵⁵

Counsel for respondent interested parties has argued that the discrepancies between the data submitted by the domestic tin mill industry from the safeguard midterm investigation in 2003, the effectiveness investigation in 2004, and the current sunset review, regarding capacity utilization, labor productivity, operating income, and profitability, are large, and the justifications provided to date are not credible.⁵⁶

Counsel for domestic interested parties disagreed that there is any significance to the data discrepancies so noted, and has referred to the ability of the Commission to verify such data.⁵⁷ In its posthearing brief, counsel for Mittal explained that differences in the data sets were due to "****".⁵⁸

Commission staff verified the data of **** on May 18 and 19, 2006. As a result, some data revisions were made in which capacity *** by **** short tons in 2000-02, by **** short tons in 2003, by **** short tons in 2004, and **** by **** short tons in 2005. The *** in capacity in 2005 was due to an original error in ****'s reporting.⁵⁹ In addition, certain financial data was altered somewhat. Specifically, the operating income *** in 2000-02 and 2004, and **** by approximately **** in 2003 and 2005, while the total value of assets *** by as much as ****, particularly in the most recent periods. The changes to the financial data did not affect the trends in ****'s financial data.⁶⁰

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation

⁵³ A letter from counsel for ***, March 13, 2006, observes that ***.

⁵⁴ *Steel: Evaluation of the Effectiveness of Import Relief*, Investigation No. TA-204-12, USITC Publication 3797, September 2005, p. III-6.

⁵⁵ E-mail from ***, March 16, 2006.

⁵⁶ Respondent interested parties' prehearing brief, pp. 9-19.

⁵⁷ Hearing transcript, p. 131 (Hecht) and pp. 131-132 (Salonen).

⁵⁸ Posthearing brief of Mittal, responses to questions of Commissioner Hillman, p. 28.

⁵⁹ ***.

⁶⁰ See Verification report of ***, May 31, 2006.

“would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”

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

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . . , (Commerce’s findings) regarding duty absorption . . .

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

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

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

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

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

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

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

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

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors

which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

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

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

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

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

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

Organization of the Report

Information obtained during the course of the review that relates to the above factors is presented throughout this report. A summary of data collected in the review is presented in appendix C. U.S. industry data are based on questionnaire responses of four U.S. producers that account for current domestic production of TCCSS and include the operations of all U.S. producers that were active during the period for which data were collected in this review. U.S. import data are based on data submitted in response to Commission questionnaires.⁶¹ A listing of all excluded forms of tin mill products appears in appendix D. Responses by U.S. and Japanese producers, U.S. importers, and U.S. purchasers of TCCSS to a series of questions concerning the significance of the existing antidumping duty order and the likely effects of revocation are presented in appendix E. Finally, data concerning all tin mill products (TCCSS as well as excluded products) appear in appendix F.

⁶¹ The Commission received essentially complete responses regarding U.S. subject imports of TCCSS from Japan. A few firms had merged or gone out of business and their questionnaire responses from the final phase of the original investigation were used for data on imports of TCCSS from Japan. Data from questionnaire responses received account for virtually all imports from all other sources for 2000-05 as measured by official statistics.

COMMERCE'S REVIEWS

Changed Circumstances Reviews

Commerce has conducted three changed circumstances reviews with respect to TCCSS from Japan. On October 12, 2001, Commerce published its final results of the first review in the *Federal Register*.⁶² The antidumping duty order was revoked, in part, with respect to certain double reduced (CADR8 temper) electrolytically chromium coated steel,⁶³ based on the fact that Weirton Steel expressed no interest in the continuation of the order with respect to these steel products.

On July 1, 2002, Commerce published its final results of the second review in the *Federal Register*.⁶⁴ The antidumping duty order was revoked, in part, with respect to certain chromium coated steel,⁶⁵ based on the fact that Weirton Steel expressed no interest in the continuation of the order with respect to these steel products.

On February 7, 2003, Commerce published its final results of the third review in the *Federal Register*.⁶⁶ The antidumping duty order was revoked, in part, with respect to certain laminated tin-free steel,⁶⁷ based on the fact that domestic interested parties expressed no interest in the continuation of the order with respect to these steel products.

Commerce has conducted no other changed circumstances or administrative reviews concerning imports of TCCSS from Japan.

⁶² *Certain Tin Mill Products from Japan: Final Results of Changed Circumstances Review*, 66 FR 52109 (October 12, 2001).

⁶³ Specifically, the order was revoked for electrolytically chromium coated steel with chromium oxide at a level of 1.6 mg/sq. ft. (#0.9), having a base box weight of 60 pounds (nominal thickness of 0.0066 inch (#5% tolerance)), and a surface with a 7C stone finish, lubricated with butyl stearate oil (BSO) or dioctyl sebacate oil (DOS) with the level ranging from 0.22 to 0.32 gm/base box. The material is 31.5 inches in actual width (-0/+1/16 inch width tolerance) and made from fully deoxidized (killed) continuous cast and continuous annealed steel that is free of detrimental non-metallic inclusions (i.e., clean steel) with earring hazard minimized. The maximum edge wave is 1/8 inch, with crossbow controllable to less than 2 inches per sheet. The maximum camber per three feet is 0.020 inch the maximum burr is 0.001 inch, and the maximum pinholes per coil is 0.2%. The maximum coil weight is 25,000 pounds, with an interior coil diameter of 16 inches to 16.5 inches, and an exterior coil diameter of 36 inches to 60 inches. When loaded for shipment, the coil is placed on the pallet with the eye of the coil standing vertical, with each side of the pallet being 60 inches having 4 x 4 runners, and outside runners placed a minimum of 37 inches apart. Ibid.

⁶⁴ *Certain Tin Mill Products from Japan: Final Results of Changed Circumstances Review*, 67 FR 44177 (July 1, 2002).

⁶⁵ Specifically, the order was revoked for steel coated with a metallic chromium layer between 100-200 mg/m² and a chromium oxide layer between 5-30 mg/m²; chemical composition of 0.05% maximum carbon, 0.03% maximum silicon, 0.06% maximum manganese, 0.02% maximum sulfur; magnetic flux density ("Br") of 10 kg minimum and a coercive force (Hc") of 3.8 Oe minimum. Ibid.

⁶⁶ *Certain Tin Mill Products from Japan: Final Results of Changed Circumstances Review*, 68 FR 6412 (February 7, 2003).

⁶⁷ Specifically, the order was revoked for tin free-steel laminated on one or both sides of the surface with a polyester fil, consisting of two layers (an amorphous layer and an outer crystal layer), that contains no more than the indicated amounts of the following environmental hormones: 1mg/kg BADGE (MisPhenol-A Di-glycidyl Ether), 1 mg/kg BFDGE (BisPhenol-F Di-glycidyl Ether), and 3 mg/kg BPA (BisPhenol-A). Ibid.

Expedited Review of Order

On November 7, 2005, Commerce published the final results of its expedited review of the antidumping duty order on TCCSS from Japan, determining that revocation of the order would likely lead to continuation or recurrence of dumping at the rates listed below.⁶⁸

<u>Manufacturer/producer/exporter</u>	<u>Margin (percent)</u>
Kawasaki Steel Corporation	95.29
Nippon Steel Corporation	95.29
NKK Corporation	95.29
Toyo Kohan Co., Ltd.	95.29
All others	32.52

DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

Under the provisions of the Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA,” commonly known as the “Byrd Amendment”), duties assessed pursuant to an antidumping or countervailing duty order, or antidumping finding, are distributed on an annual basis to “affected domestic firms.”⁶⁹ There were no subject imports of TCCSS after the antidumping duty order was imposed. Therefore, there were no distributions under the CDSOA.

THE SUBJECT MERCHANDISE

Commerce’s Scope

The products subject to the antidumping order under review, as defined by Commerce, are: tin mill flat-rolled products that are coated or plated with tin, chromium, or chromium oxides. Flat-rolled steel products coated with tin are known as tin plate. Flat-rolled steel products coated with chromium or chromium oxides are known as tin-free steel or electrolytic chromium-coated steel. The definition includes all the noted tin mill products regardless of thickness, width, form (in coils or cut sheets), coating type (electrolytic or otherwise), edge (trimmed, untrimmed or further processed, such as scroll cut), coating thickness, surface finish, temper, coating metal (tin, chromium, chromium oxide), reduction (single- or double-reduced), and whether or not coated with a plastic material. All products that meet the written physical description are included in this definition unless specifically excluded.

Commerce’s antidumping duty order on TCCSS specifically excluded 10 forms of tin mill products. As noted above, Commerce has excluded three more forms through subsequent changed circumstances reviews. A listing of all excluded forms of tin mill products appears in appendix D.

⁶⁸ *Certain Tin Mill Products from Japan; Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 70 FR 67448 (November 7, 2005).

⁶⁹ Under the provisions of the CDSOA (19 U.S.C. 1675(c)), the term “affected domestic producer” refers to any producer or worker representative that (1) was a petitioner or interested party in support of the petition leading to imposition of an antidumping or countervailing duty order, or antidumping finding, and (2) remains in operation.

Tariff Treatment

TCCSS is included under Harmonized Tariff Schedule of the United States (HTS) subheadings 7210.11.00, 7210.12.00, 7210.50.00, 7212.10.00, and 7212.50.00 if of nonalloy steel and under subheadings 7225.99.00 and 7226.99.00 if of alloy steel (other than stainless steel). As shown in the following tabulation, U.S. imports of TCCSS are free of duty under the general duty rate, applicable to Japan.

Three of the covered HTS subheadings include products in addition to TCCSS. These subheadings are believed to include primarily nonsubject products but also include minor volumes of TCCSS. For example, imports of hot dip aluminized alloy steel sheet in coil enter under statistical reporting number 7225.99.0090.⁷⁰ Imports of nickel plated steel enter under subheading 7212.50.00.⁷¹ Finally, because 7226.99.00 is a residual or “basket” category, it is very likely that products outside the scope of the review are entering under that subheading.

HTS provision	Article description	General ¹	Column 2 ²
		<i>Rates (percent ad valorem)</i>	
7210	Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, clad, plated or coated:		
7210.11.00	Plated or coated with tin:	Free	6.0
7210.12.00	Of a thickness of 0.5 mm or more Of a thickness of 0.5 mm or less	Free	6.0
7210.50.00	Plated or coated with chromium oxides or with chromium and chromium oxides	Free	45.0
7212	Flat-rolled products of iron or nonalloy steel, of a width of less than 600 mm, clad, plated or coated:		
7212.10.00	Plated or coated with tin	Free	6.0
7212.50.00	Otherwise plated or coated	Free	21.5
7225	Flat-rolled products of other alloy steel, of a width of 600 mm or more:		
7225.99.00	Other	Free	28.0
7226	Flat-rolled products of other alloy steel, of a width of less than 600 mm:		
7226.99.00	Other	Free	33.0
¹ Normal trade relations, formerly known as the most-favored-nation duty rate, applicable to imports from Japan. ² Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.			
Source: Harmonized Tariff Schedule of the United States (2006).			

⁷⁰ E-mail from ***, March 3, 2006.

⁷¹ E-mail from ***, March 7, 2006.

THE DOMESTIC LIKE PRODUCT

Description

Tin-Plate

Tin-plate is a tin-coated flat-rolled steel product that is manufactured from black plate, an uncoated flat-rolled steel which is the basic material for the production of tin mill products. To create tin-plate, black plate is coated on both sides with commercially pure tin via electrolytic deposition. Tin coatings vary by thickness, depending on intended end use. The most common commercial coating weight for tin is 20 pounds/base box.⁷² In addition, tin-plate is available with different coating weights on the two sides of the sheet. Single-reduced electrolytic tin-plate is commonly produced in thicknesses of 0.38 mm and lighter while double-reduced electrolytic tin-plate is normally produced in thicknesses of 0.28 mm and lighter. Tin-plate is manufactured to a number of American Society for Testing and Materials (“ASTM”) Standard Specifications, including A623, A624, and A626.

Chromium-Coated Steel Sheet

Chromium-coated steel sheet, also known in the industry as “tin-free steel” or “TFS,” generally consists of black plate that is further processed via the electrolytic deposition of metal chromium and chromium oxide on both sides. Single-reduced chromium-coated steel sheet is commonly available in thicknesses of 0.38 mm and lighter, while double-reduced electrolytic chromium-coated steel sheet is normally available in thicknesses of 0.28 mm and lighter. Minimum and maximum coating weights for chromium-coated steel sheet range from 3 to 13 milligrams per square foot of metallic chromium and 0.7 to 2.5 milligrams per square foot of chromium oxide. Chromium-coated steel sheet is manufactured to ASTM Standard Specification A657.

Applications

Major end uses of tin-plate are in the manufacture of welded food, beverage, aerosol, and paint cans. Chromium-coated steel sheet is used primarily for beer and soft drink two-piece drawn cans and ends, as well as ends for food cans and caps and crowns for glass containers.⁷³ Tin-plate is used for the can itself because it imparts a shinier surface than chromium coating while chromium-coated steel sheet, with its duller surface finish, is considered adequate for use in the ends of cans. According to figures published by the AISI, nearly 80 percent of all U.S. shipments of tin-plate in 2005 was used in container, packaging, and shipping application, compared to 82 percent for such applications in 2000. Nearly 90 percent of all U.S. shipments of tin-free steel in 2005 was used in container, packing, and shipping applications, including cans, crown caps, and other closures, compared to 88 percent for such applications in 2000.⁷⁴

TFS usage faces growing constraints, according to industry officials’ testimony at the public hearing. U.S. industry officials cited growing environmental concerns about chromium coating, the

⁷² “Base box” is a unit for measuring the quantity of TCCSS and is equivalent to 31,360 square inches or 217.78 square feet.

⁷³ Three-piece cans have long been the traditional type of can produced in canning facilities. These cans consist of a body and two ends. The can body is typically seamed either by soldering, cementing, or welding after the body blank has been lacquered and decorated. In recent years, seamless two-piece can technologies have emerged to replace the three-piece can for certain applications, resulting in diminished market share for the three-piece can and lowered volumes of TCCSS sold (*The Making, Shaping and Treating of Steel*, U.S. Steel, 10th edition, 1985, p. 1154).

⁷⁴ AISI Publication 16C, 2000, 2005.

growth of easy open cans which use tin-plate rather than TFS can ends; the growth of the draw and ironed (“D&I”) method of can making (described below) which has reduced by half the number of TFS can ends needed; and the switch from tuna packed in TFS cans to tuna packed in pouches.⁷⁵

Interchangeability

As discussed in detail in Part II of this report, TCCSS produced in the United States, Japan, and nonsubject countries are moderately interchangeable, taking into account the availability of certain specialty materials. Certain wider materials (42 to 48 inches wide) for D&I applications, for example, reportedly are produced only by foreign suppliers currently.^{76 77} U.S. Steel ***,⁷⁸

With regard to tin-plate vis-à-vis chromium-coated steel sheet, as noted at the time of the original investigation, most purchasers believe there is little interchangeability. Specifically, can manufacturers reported little, if any, interchangeability for the production of can bodies, although certain can producers did report interchangeability in the production of can ends.⁷⁹ Although tin plate and tin-free steel are both produced from black plate, their final uses tend to differ. Tin plate is typically used in can bodies while the main applications of tin-free steel are in can ends.⁸⁰

Manufacturing Processes

Both tin-plate and chromium-coated steel sheet are manufactured in five major steps. The processes for producing both products and the production workers employed are identical until the final coating stage.

Hot Rolling and Cold Reduction⁸¹

Both tin-plate and chromium-coated steel sheet are produced from molten steel that is either cast into slabs or poured as ingots which are rolled into slabs in a separate mill. While hot, the slabs are reduced in thickness and greatly elongated by further rolling through a series of roughing and finishing stands in a hot strip mill. The hot strip passes between rolls and in successive passes is reduced to a predetermined thickness, typically between 1.6 and 2.5 mm. On leaving the last finishing stand, the strip is coiled. After cooling, the hot-rolled strip is uncoiled and pickled by passing it through a series of tanks or sprays of diluted acid to remove the oxide scale formed in the hot-rolling process. The pickled strip is then typically dried, oiled, and recoiled. The oil serves as a protection against rusting prior to, and as a lubricant during, cold reduction. The hot-rolled and pickled strip is then generally cold reduced by

⁷⁵ Hearing transcript, p. 164 (Galiano), and pp. 164-165 (Goedeke).

⁷⁶ Hearing transcript, pp. 209-210 (Owens).

⁷⁷ Mittal has estimated that there are *** purchasers’ processing lines in the United States capable of using D&I wide to make two piece cans. Assuming that each line processes *** short tons per year, Mittal calculated that D&I wide requirements amounted to *** short tons of TCCSS annually, or about *** percent of apparent consumption in 2005. Posthearing brief of Mittal, answers to questions of Commissioner Aranoff, p. 54. Counsel for U.S. Steel has estimated the demand for D&I products in their entirety to be about ***, of which *** was imported, mainly from Europe. U.S. Steel estimated that purchasers imported approximately *** tons of D&I wide TCCSS in 2005. Posthearing brief of U.S. Steel, exh. 6, pp. 3-4.

⁷⁸ Posthearing brief of U.S. Steel, exh. 6, pp. 3-4.

⁷⁹ *Tin- and Chromium-Coated Steel Sheet from Japan*, Investigation No. 731-TA-860 (Final), USITC Publication 337 (August 2000) (“Interchangeability”).

⁸⁰ *The Making, Shaping and Treating of Steel*, U.S. Steel, 10th edition, 1985, pp. 1139-40.

⁸¹ This section is based on information that appears in “Tin Mill Products,” *Steel Products Manual*, Iron and Steel Society, pp. 5-11.

passing it through a series of rollers, in much the same manner as in the hot-rolling operation except that a lubricant is applied between the stands as an aid in reduction and to prevent undue heating of the rolls and strip. The cold-reduction process hardens the strip, requiring it to be subsequently annealed.

Annealing⁸²

There are two basic types of annealing operations. In *batch annealing* the coiled strips are placed in a sealed container and slowly heated to, and cooled from, a subcritical temperature to soften the steel and to relieve stresses produced during reduction. A relatively bright surface finish is obtained and oxidation is reduced by the introduction of an inert or slightly reducing gas into the container during the operation. Batch annealing produces a steel product with greater flexibility. *Continuous annealing* takes place by passing the cold-reduced strip through a series of vertical passes within a furnace consisting of heating, soaking, and cooling zones. Continuous annealing results in a steel product with less flexibility than batch annealed steel. The strip is heated rapidly to the desired temperature and cooled before leaving the furnace.

Temper Rolling⁸³

After annealing, single-reduced strip is rolled in one or more passes through a temper mill. The object of temper rolling is to improve mechanical and surface properties by imparting the desired degree of stiffness and hardness, minimizing fluting and stretcher straining, and producing the type or texture of surface desired.

Additional Cold Reduction

Double-reduced strip is typically not temper rolled; instead, it is subjected to a second cold-reduction process after annealing to impart mechanical and surface properties to the steel. This reduction is accomplished by passing the strip through either one or a series of rollers using a suitable lubricant. This second cold reduction supplies the final thickness and finish and the desired stiffness, strength, and flatness and produces a stronger, lighter-weight product. After final reduction, the coils are ready to be trimmed and sheared, which occurs in a series of operations. Because this “black plate” is highly susceptible to rusting in storage and transportation, it is typically oiled, or chemically treated and then oiled, after cold reduction. The oil is then removed prior to coating.

Coating⁸⁴

In the electroplating process, the temper-rolled or double-reduced coiled strip travels through a lower and upper plating unit where individual plating cells are arranged in tandem. The plating cells contain the plating solution, a halogen plating solution for tin-plate and a chromate solution for chromium-coated steel sheet. A conductor roll at the end of each cell rides along the top surface of the strip and serves as the cathode while the tin- or chromium-coating material is deposited in the bottom of each cell and serves as the anode. The coating solution dissolves into the plating solution and is electrochemically deposited on the steel substrate. The electroplating process is followed by rinsing, drying, quenching, and application of a lubricating film.

Tin-plate and chromium-coated steel sheet are produced in varying coating weights and can also be differentially coated, where the heavier coated surface is employed as the more protected inside of the

⁸² This section is based on information provided in *The Making, Shaping and Treating of Steel*, U.S. Steel, 10th edition, 1985, p. 1144.

⁸³ Ibid.

⁸⁴ Ibid., p. 1153.

container and the lighter coated surface is employed as the exterior of the container to conserve raw materials and to lower container costs. Most producers that manufacture both tin-plate and chromium-coated steel sheet do so in the same mill, but on different coating lines.⁸⁵ Although the coating process is similar for both products, U.S. producers reported that it is impractical to shift product to another production line because of the expense that would be involved in retrofitting the production line.

After coating, the coiled sheets are further processed, typically by the can manufacturers (the end users) and in a location close to the packing facility. Here the coil may be cut into sheets or slit into several coils of narrow width and decorated by applying lacquer to either one or both sides, before being sliced into can bodies and welded into a can.⁸⁶

Marketing

TCCSS is largely sold on a contract basis directly to end users, with prices generally adjusted in October or November. There is typically a substantial spread between the price of hot-rolled sheet and TCCSS, although that spread has reportedly narrowed in recent years as a result of rapid increases in the prices of hot-rolled products relative to tin mill products. The U.S. industry has used a surcharge, or competitive market price adjustment (“CMPA”), as prices for raw materials has risen.⁸⁷ Further information on marketing may be found in Part II of this report.

TCCSS is marketed to two major channels of distribution: direct to end users (usually canning facilities) and through distributors.⁸⁸ For both U.S. producers and U.S. importers, there is a very pronounced tendency to market directly to the end users, as shown in table I-2. Despite the fluctuation on an annual basis, U.S. shipments to end users by domestic producers and by U.S. importers accounted for three quarters or more of all TCCSS shipments throughout 2000-05.⁸⁹

⁸⁵ Staff interviews with officials of *** during plant visit, December 20, 2005.

⁸⁶ Downstream container manufacturing technology has evolved over time to reduce the amount of TCCSS required in cans. Two such technologies are drawn and ironed (D&I) and draw and redraw. D&I can technology uses a multiple cupping press to form multiple cups per stroke from a coil of tin plate that is unwound, lubricated and fed into the cupping press. The cups are fed into “ironers” where they are re-lubricated, redrawn and ironed into can bodies. This two-piece can-making technology has been developed to replace three-piece can design in beer and carbonated beverage cans in an effort to achieve metal savings, often up to 20 percent over three-piece can designs. D&I beverage cans depend on the internal pressure generated by product carbonation to achieve product rigidity and to prevent the can from collapsing during stacking and warehousing. D&I cans with heavier walls and with sidewall beads to resist the pressures and vacuums occurring during food processing can also be used to package food products.

Draw and redraw can technology involves cutting a blank from a previously lacquered sheet, drawing the blank through a die, thus forming a cup, and redrawing the cup to form a can of desired height and diameter. These operations are typically performed on a press. This technology is largely used in the packaging of fruits, vegetables, baby foods and soups and prepared foods dispensed from vending machines. Draw and redraw achieves cost savings from the reduction of chromium-coated steel needed for one of the eliminated can ends from tin-free steel, and from the greater reduction in metal waste achieved by utilizing greater widths of tin-coated steel. *The Making, Shaping and Treating of Steel*, U.S. Steel, 10th edition, 1985, pp. 1153-56.

⁸⁷ American Metal Markets, “USS hikes tin mill items as hot-roll margins sink,” found at http://www.amm.com/News-2005-11-09_19-30-45.html, retrieved on November 10, 2005.

⁸⁸ Purchasers are concentrated in a few large canning firms, such as Ball Metal Food Container Corp.; Bway Corp.; Crown Cork & Seal USA, Inc.; Silgan Containers Corp.; Sonoco Products Co.; and U.S. Can Co. (recently purchased by Ball in March 2006).

⁸⁹ The apparent shift in 2003 in U.S. importers’ U.S. shipments of product from all other sources is due to the particular importing activities of ***, importing from ***. These firms experienced shifting patterns in their imports from those countries during the latter part of the period for which data were collected. Due to the large quantities involved, the overall trend was affected. Most other importers shipped to end users.

Table I-2

TCCSS: Channels of distribution for U.S. producers' and U.S. importers' U.S. shipments, by year and by source, 2000-05

Item	2000	2001	2002	2003	2004	2005
Share of quantity (percent)						
U.S. producers' U.S. shipments--						
To distributors	25.0	16.0	19.0	23.2	20.3	18.7
To end users	75.0	84.0	81.0	76.8	79.7	81.3
U.S. importers' U.S. shipments of product from Japan--						
To distributors	5.3	(¹)	(¹)	(¹)	(¹)	(¹)
To end users	94.7	(¹)	(¹)	(¹)	(¹)	(¹)
U.S. importers' U.S. shipments of product from all other sources--						
To distributors	9.0	12.9	13.4	4.0	4.9	2.4
To end users	91.0	87.1	86.6	96.0	95.1	97.6
U.S. importers' U.S. shipments of product from all sources combined--						
To distributors	8.4	12.9	13.4	4.0	4.9	2.4
To end users	91.6	87.1	86.6	96.0	95.1	97.6
¹ Not applicable.						
Source: Compiled from data submitted in response to Commission questionnaires.						

DOMESTIC LIKE PRODUCT ISSUES

The Commission's decision regarding the appropriate domestic product that is "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, where appropriate, (6) price.

In the original investigation, the Commission determined that there was one domestic like product consisting of all domestically produced tin- and chromium-coated steel sheet corresponding to Commerce's definition of the scope of the investigation.⁹⁰ In the responses to the Commission's notice of institution for the current review, both the domestic interested parties and respondent interested parties agreed with the definition of the domestic like product contained in the Commission's notice of

⁹⁰ *Tin- and Chromium-Coated Steel Sheet from Japan*, Inv. No. 731-TA-860 (Final), USITC Publication 3337, August 2000, p. 5.

institution⁹¹ for this review.⁹² Domestic interested parties further commented in their prehearing briefs that they agreed with the definition of the domestic like product contained in the notice of institution.⁹³

U.S. MARKET PARTICIPANTS

U.S. Producers

During the period examined in the original investigation the domestic industry producing TCCSS consisted of seven companies operating production facilities in nine locations. In descending order of magnitude based on production levels in 1999, the U.S. producers were U.S. Steel Corp. (“U.S. Steel,” Gary, IN, and Fairless Hills, PA); petitioner Weirton Steel Corp. (“Weirton,” Weirton, WV); LTV Corp. (“LTV,” Aliquippa, PA, and East Chicago, IN); National Steel (“National,” Portage, IN); Bethlehem Steel Corp. (“Bethlehem,” Sparrows Point, MD); USS-POSCO Industries (“USS-POSCO,” Pittsburg, CA); and Ohio Coatings Co. (“Ohio Coatings,” Yorkville, OH).⁹⁴

The U.S. industry producing TCCSS underwent extensive consolidation during the period for which data were collected in this five-year review. In just three years between 2001 and 2004, the number of U.S. producers decreased to four and the number of production facilities declined to seven. Table I-3 identifies the current U.S. producers, their positions on continuing the antidumping duty order, production locations, and reported shares of U.S. production of TCCSS in 2005.

⁹¹ *Tin- and Chromium-Coated Steel Sheet from Japan*, 70 FR 38210 (July 1, 2005).

⁹² Domestic interested party Mittal’s response to the notice of institution, August 19, 2005, p. 21; domestic interested party U.S. Steel’s response to the notice of institution, August 22, 2005, p. 18; Japanese respondent interested party JFE’s response to the notice of institution, August 22, 2005, p. 13; Japanese respondent interested party Nippon Steel Corp.’s response to the notice of institution, August 22, 2005, p. 13; and Japanese respondent interested party Toyo Kohan’s response to the notice of institution, August 22, 2005, p. 12.

⁹³ Prehearing brief of Mittal, p. 8 and prehearing brief of U.S. Steel, p. 11.

⁹⁴ Original Investigation Staff Report (INV-X-160, July 18, 2000), Table III-1.

**Table I-3
TCCSS: U.S. producers, their positions on continuing the antidumping duty order, production locations, and reported shares of U.S. production, 2005**

Firm	Position on continuing the antidumping duty order	Production location(s)	Share of 2005 production (percent)
Mittal ¹	Support	Sparrows Point, MD Weirton, WV	***
Ohio Coatings ²	***	Yorkville, OH	***
U.S. Steel ³	Support	Gary, IN East Chicago, IN Portage, IN	***
USS-POSCO ⁴	***	Pittsburg, CA	***

¹ Owned by Mittal Steel, NV, The Netherlands. Mittal Steel, NV owns firms in Algeria, Kazakhstan, and South Africa that produce TCCSS. The International Steel Group acquired the assets of Bethlehem Steel Corp. in May 2003 and the assets of Weirton Steel Corp. in May 2004. International Steel Group merged with Mittal Steel in April 2005.

² Owned by Wheeling-Pittsburgh Steel Corp., Wheeling, WV (***) percent) and TCC Steel, Seoul, Korea (***) percent). TCC Steel is involved in both importing TCCSS from Korea into the United States and producing TCCSS in Korea.

³ U.S. Steel has no other ownership affiliations. U.S. Steel has a partnership with USS-POSCO Industries, which is a U.S. producer of TCCSS. U.S. Steel Kosice, Slovakia, is a subsidiary of U.S. Steel and produces TCCSS. Also, U.S. Steel Balkan, Serbia, is a subsidiary of U.S. Steel and produces TCCSS. In March 2001 U.S. Steel acquired the assets of LTV Steel. In May 2003 U.S. Steel acquired the assets of National Steel.

⁴ Owned by Pitcal, Inc., a wholly owned subsidiary of U.S. Steel, Pittsburgh, PA (***) percent) and POSCO-California Corp., an indirect wholly owned subsidiary of POSCO (***) percent). POSCO produces TCCSS in Korea. Source: Compiled from data submitted in response to Commission questionnaires and from corporate SEC filings.

LTV filed for protection under chapter 11 of the U.S. Bankruptcy Code on December 29, 2000.⁹⁵ The company attributed this action to weakness in the domestic steel market; an “unanticipated and precipitous” decline in steel prices in the second half of 2000 (which LTV attributed primarily to unfairly traded imports); general global overcapacity; LTV’s own increased indebtedness and “significant” retiree liabilities; a “softening” U.S. economy; and certain “underperforming” joint venture operations.⁹⁶ U.S. Steel acquired LTV’s tin mill facilities⁹⁷ in March 2001.⁹⁸ U.S. Steel opted not to lease the land or take

⁹⁵ LTV, “Asset Sales,” found at <http://www.ltvsteel.com/>, retrieved on March 22, 2006.

⁹⁶ LTV, annual report for the fiscal year ended December 31, 2000, p. 1.

⁹⁷ According to LTV, “(t)he tin mills received semi-finished products from steel producing facilities and had a combined operating capacity aggregating 840,000 tons and operated at a combined rate of 70% of capacity during 2000. The business shipped approximately 600,000 tons of tin mill products annually for use primarily for food cans and containers. In connection with the sale, LTV entered into a supply agreement to provide 2,250,000 tons of hot-rolled steel substrate to U.S. Steel’s tin mill products business over the next five years at prices that are expected to approximate market.” LTV, annual report for the fiscal year ended December 31, 2000, p. 2.

⁹⁸ Shortly after the sale of its TCCSS operations to U.S. Steel, LTV closed its Cleveland-West operations in June 2001. LTV shut down the remainder of its flat-rolled steel operations in December 2001. International Steel Group acquired and restarted those facilities in May and June 2002.

title to the Aliquippa tin mill operations, however, leading to the closure of the facility.⁹⁹ In late 2001, U.S. Steel closed its cold rolling and tin mill operations in Fairless Hills.¹⁰⁰

On October 15, 2001, Bethlehem Steel filed voluntary petitions under chapter 11 of the United States Code in the United States Bankruptcy Court, citing its inability to overcome “the injury caused by record levels of unfairly-traded steel imports and a slowing economy that has severely reduced prices, shipments and production.”¹⁰¹ Bethlehem was acquired by International Steel Group in May 2003.

National Steel filed voluntary petitions for relief under chapter 11 of the United States Code in the United States Bankruptcy Court on March 6, 2002. Like LTV and Bethlehem, National Steel identified multiple factors that contributed to its action, namely “historically low” steel prices in 2001 and a “weak” economy.¹⁰² National Steel was acquired by U.S. Steel in May 2003.

On May 19, 2003, Weirton filed a voluntary petition for reorganization under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court. Among the underlying causes identified by the company were the inability to overcome “the injury caused by record levels of unfairly traded steel imports and a slowing economy that have severely reduced prices, shipments and production” as well as “significant” cost disadvantages relative to reconstituted steel mills with respect to legacy liabilities. The company also specifically noted then-recent industry developments, including capacity consolidation, which “significantly frustrated our announced strategic objectives to grow our business through targeted acquisitions” and which presented the “prospect of competing against reorganized capacity which will be operating to a great extent free of the heavy legacy costs which we have been carrying and cannot reduce further without bankruptcy intervention.”¹⁰³ Weirton was acquired by International Steel Group in May 2004.

In April 2005, shareholders of International Steel Group approved the \$4.5-billion acquisition by Mittal Steel (Mittal), a company based in the Netherlands. In October 2005, Mittal shut down its chromium-coated steel line at its Sparrows Point, MD, facility, although it continues to produce tin-coated steel at the facility. In December 2005, Mittal announced that it would terminate production of raw steel and steel sheet at the Weirton, WV, facility by early 2006 and would concentrate on the production of tin mill products.¹⁰⁴

Of the four remaining members of the domestic industry, U.S. Steel and Mittal are the leading U.S. producers of TCCSS. The third-largest producer is USS-POSCO, a *** joint venture between Pitcal, Inc., a wholly owned subsidiary of U.S. Steel, and POSCO-California Corp., an indirect wholly owned subsidiary of POSCO (Korea). Ohio Coatings, a *** joint venture between Wheeling-Pittsburgh Steel Corp. and TCC Steel (Korea), remains the smallest of the U.S. producers. Its sole distributor for TCCSS production is Nippon Steel Trading America.¹⁰⁵

⁹⁹ U.S. Steel press release, October 5, 2000.

¹⁰⁰ U.S. Steel press release, August 14, 2001.

¹⁰¹ Bethlehem, annual report for the fiscal year ended December 31, 2001, p. 1.

¹⁰² National, annual report for the fiscal year ended December 31, 2002, p. 4.

¹⁰³ Weirton, form 10-Q for the quarterly period ended March 31, 2003, pp. 12-13. *See also* p. 11, specifically noting U.S. Steel’s market share for tin mill products following its acquisition of LTV’s and National’s tin mill facilities.

¹⁰⁴ American Metal Markets, “Mittal Formally Announces Weirton Plant’s Shutdown,” found at http://www.amm.com/news-2005-12-30_17-02-30.html, retrieved on March 23, 2006. As suggested by the title, the closure of the Weirton facility’s hot end was not entirely unexpected; the mill’s blast furnace had been idle since May 2005. *Ibid.*

¹⁰⁵ Hearing transcript, p. 223 (Gill).

Before Weirton was acquired by ISG, there ***.¹⁰⁶

Counsel for respondent interested parties argued that there was a discrepancy between what Mittal reported in its questionnaire response as no purchase volume minimums and what was reported in the questionnaire responses of purchasers such as ***, that seemed to indicate that ***.¹⁰⁷ In its posthearing brief, Mittal provided more detail about the former supply agreements and the order approving the sale of Weirton Steel to ISG, in which the supply agreements were explicitly excluded. The order “authorizing and approving rejection of substantially all executory contracts and unexpired leases” included ***. Mittal claims that ***. Mittal also speculates that ***. Mittal further points out that ***.’¹⁰⁸

U.S. Importers

In the original investigation, the Commission sent importer questionnaires to all U.S. producers as well as 28 firms believed to have imported TCCSS between January 1997 and March 2000. The Commission identified 18 firms that imported TCCSS during that time period, accounting for all subject imports from Japan and 51.4 percent of imports from nonsubject countries.

For this review, the Commission sent importers’ questionnaires to all U.S. producers and approximately 61 firms believed to be importing TCCSS from Japan and all other countries. In response to the Commission’s importers’ questionnaires, 27 firms supplied usable data, 14 firms indicated that they had not imported the product since 2000, 2 firms merged with other firms, 7 firms had moved and were not able to be contacted, and 11 firms did not respond. No U.S. producers reported any imports of TCCSS or excluded tin mill products from any country.

Of the 27 responding firms, five firms imported TCCSS from Japan, all in 2000. In addition to the five responding firms importing the subject product, four additional firms, ***, either merged with other firms during the period of review or did not supply a questionnaire response, necessitating the use of data from their final phase investigation questionnaire responses for imports of TCCSS from Japan in 2000. Together, the nine importers of TCCSS from Japan accounted for virtually all subject imports in 2000, the last year during which there were any subject imports.

Of the 27 responding firms, 22 firms imported TCCSS from sources other than Japan, accounting for virtually all imports from those countries in 2005. Finally, of the responding firms, four firms imported only excluded tin mill products from Japan, which are not covered under the scope of the review. Table I-4 presents a summary of information regarding U.S. importers of TCCSS and excluded tin mill products from all countries.

¹⁰⁶ Producers’ questionnaire response of ***, question II-8(c).

¹⁰⁷ Prehearing brief of respondent interested parties, p. 57.

¹⁰⁸ Posthearing brief of Mittal, responses to questions of Vice Chairman Okun, pp. 15-18.

Table I-4

TCCSS: U.S. importers, their sources of imports, U.S. locations, and shares of reported U.S. imports in 2000 and 2005

Firm	Source of imports	U.S. office location(s)	Share of 2000 reported subject imports (percent)	Share of 2005 reported nonsubject imports (percent)
Arcelor International America, LLC ¹	***	New York, NY	***)	***
Ball Corp. ³	***	Broomfield, CO	***	***
Can Corp. of America ⁴	***	Blandon, PA	***	***
Cargill Ferrous International ⁵	***	Minnatoka, MN	***	***
Corus America, Inc. ⁶	***	Schaumburg, IL	***	***
Corus Packaging Plus ⁷	***	Schaumburg, IL	***	***
Dofasco, Inc. ⁸	***	Ontario, Canada	***	***
Dongbu USA ⁹	***	Torrance, CA	***	***
Husky Injection Molding Systems, Ltd. ¹⁰	***	Milton, VT	***	***
Itochu International, Inc. ¹¹	***	Bannockburn, IL	***	***
JFE Shoji Trade America, Inc. ¹²	***	New York, NY	***	***
Kanematsu USA, Inc. ¹³	***	New York, NY Houston, TX	***	***
Kemeny Overseas Products Corp. ¹⁴	***	Chicago, IL	***	***
Man Ferrostaal, Inc. ¹⁵	***	Houston, TX	***	***
Marubeni Itochu Steel America ¹⁶	***	New York, NY	***	***
Metal One America, Inc. ¹⁷	***	Rosemont, IL Seattle, WA Santa Fe Springs, CA Southfield, MI Middleburg Heights, OH Smyrna, TN Vancouver, WA	***	***
Mitsubishi International, Inc. ¹⁸	***	Rosemont, IL	***	***
Mitsui & Co. (USA) Inc./Mitsui Steel, Inc. ¹⁹	***	New York, NY Nashville, TN Los Angeles, CA Chicago, IL Atlanta, GA	***	***
Nichimen America, Inc. ²⁰	***	New York, NY	***	***
Nippon Steel Trading America, Inc. ²¹	***	Los Angeles, CA	***	***
Okaya (USA), Inc. ²²	***	Paramus, NJ	***	***
Rasselstein GmbH ²³	***	(²)	***	***
Renown Steel ²⁴	***	Ontario, Canada	***	***

Table continued on next page.

Table I-4--Continued

TCCSS: U.S. importers, their sources of imports, U.S. locations, and shares of reported U.S. imports in 2000 and 2005

Firm	Source of imports	U.S. office location(s)	Share of 2000 reported subject imports (percent)	Share of 2005 reported nonsubject imports (percent)
Schaeffler Group USA ²⁵	***	Fort Mill, SC	***	***
Steelsummit International, Inc. ²⁶	***	New York, NY	***	***
Sumitomo Corp. of America ²⁷	***	New York, NY	***	***
Sonoco Products Co. ²⁸	***	Hartsville, SC	***	***
Taylor Steel, Inc. ²⁹	***	Lordstown, OH	***	***
Tomen America Inc. ³⁰	***	Houston, TX	***	***
Titan Steel Corp. ³¹	***	Baltimore, MD	***	***
Totem Steel International ³²	***	Portland, OR	***	***
Total			100.0	100.0

- 1 ***.
- 2 Not applicable.
- 3 ***.
- 4 ***.
- 5 ***.
- 6 ***.
- 7 ***.
- 8 ***.
- 9 ***.
- 10 ***.
- 11 ***.
- 12 ***.
- 13 ***.
- 14 ***.
- 15 ***.
- 16 ***.
- 17 ***.
- 18 ***.
- 19 ***.
- 20 ***.
- 21 ***.
- 22 ***.
- 23 ***.
- 24 ***.
- 25 ***.
- 26 ***.
- 27 ***.
- 28 ***.
- 29 ***.
- 30 Tomen ***.
- 31 ***.
- 32 ***.

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

U.S. Purchasers

In response to Commission purchaser questionnaires, 17 purchasers supplied usable data, and four reported that they had not purchased TCCSS during the period for which data were collected.¹⁰⁹ Six purchasers, including those described below, accounted for the large majority of purchases of TCCSS in 2005.

Bway Corp.

Bway Corp. designs and produces rigid metal containers for the line category of metal containers. Its Bway Packaging produces paint and related steel pails, aerosol cans and a variety of specialty containers. The company has nine manufacturing facilities located throughout the United States and in Puerto Rico.¹¹⁰

Crown Holdings, Inc.

Crown Holdings, Inc., the parent company of Crown Cork, & Seal, is a leading worldwide manufacturer of packaging products for consumer products. Crown Holdings operates 185 plants in 43 countries in three main geographical divisions. The Americas Division operates 68 plants spanning Canada and Argentina and producing beverage, food, aerosol cans and metal closures. The Asia-Pacific Division operates 17 plants in emerging markets, including China and South East Asia. Products include beverage, food, aerosol cans, and specialty packaging. The European Division operates 100 plants in Europe, the Middle East, and Africa. Products include food, beverage, and aerosol cans, and specialty containers.¹¹¹

Silgan Holdings Inc.

Silgan Holdings Inc., the parent company of Silgan Containers Corporation, is one of the largest consumer goods packaging companies in the United States, with sales in excess of \$1.8 billion. Silgan Containers Corporation operates manufacturing facilities in 15 states and is the largest U.S. supplier of metal containers for food products and a major supplier of metal closures for the food and beverage markets. Most of Silgan's sales are derived from long-term supply relationships with North America's largest food companies.¹¹² Metal Food Container Division produces two- and three-piece steel cans in 37 locations in the United States.¹¹³

¹⁰⁹ The Commission also received a questionnaire from *** that reported only purchases of products excluded from this investigation. Responses from this questionnaire are not included in this report.

¹¹⁰ Information is drawn from Bway Corp.'s website at <http://www.bwaycorp.com/insideBway/index.asp>, retrieved on May 3, 2006.

¹¹¹ Information is drawn from Crown Holdings, Inc.'s website at http://www.crowncork.com/investors/index_i.html, retrieved on May 3, 2006.

¹¹² Information is drawn from Silgan Holdings Inc.'s website at <http://www.silgancontainers.com/pages/new/backgroundunder.pdf> retrieved on May 1, 2006.

¹¹³ Information is drawn from Silgan Holdings Inc.'s website at <http://www.silgancontainers.com/pages/new/backgroundunder.pdf> retrieved on May 17, 2006.

Sonoco Products Co.

Sonoco Products Co. is a leading world producer of steel and aluminum metal ends and closures for composite and metal containers. Markets include canned processed foods, coffee, beverage, snacks, nuts, nutritional supplements, spices/seasoning, and pet foods. Sonoco has several manufacturing facilities in the United States and in South America.¹¹⁴

U.S. Can Corporation

U.S. Can Corp. is a leading supplier of metal and plastic containers in three categories: aerosol; paint, plastic and general line; and custom and specialty. According to U.S. Can, the company is the leader in aerosol containers sales in the United States, the leading producer in France and Spain, and is the second leading producer of such containers throughout Europe. U.S. Can also produces a significant amount of paint cans and general line products to support the automotive and household markets in the United States. USC-Europe has manufacturing facilities in France, Italy, Spain, Germany, and in Wales and partially owns an aerosol can manufacturing company in Argentina.¹¹⁵ On March 27, 2006, the U.S. and Argentinian operations of U.S. Can Corp. were acquired by Ball Corp.¹¹⁶

Table I-5 presents a summary of information regarding these and other U.S. purchasers of TCCSS.

¹¹⁴ Information is drawn from Sonoco Products Co.'s website at http://www.sonoco.com/resources/cor_2005_ar_full.pdf, retrieved on May 3, 2006.

¹¹⁵ Information is drawn from U.S. Can Co.'s website at <http://www.uscanco.com/products/inter/index.html>, retrieved on May 3, 2006.

¹¹⁶ Press Release of Ball Corp., March 27, 2006.

Table I-5

TCCSS: U.S. purchasers, their sources of purchases, U.S. locations, and types of firms

Firm	Source of purchases	U.S. office location(s)	Type of firm
Ball Metal Food Container Corp. ¹	***	Broomfield, CO	End user (steel food containers)
Bway Corp. ²	***	Atlanta, GA	End user (containers)
Central Can Co.	***	Chicago, IL	End user (metal containers)
Champion Labs ³	***	Albion, IL	End user (oil filter shells/components)
Corus America, Inc. ⁴	***	Schaumburg, IL	Other (commercial role for parent)
Crown Cork & Seal USA, Inc. ⁵	***	30 locations in CA, FL, ID, IL, IN, MD, MN, NE, OH, OR, PA, SC, VA, WA, WI, WV	End user (aerosol, beverage, food, closure packaging)
G&S Metal Products Co., Inc.	***	Cleveland, OH	End user
Impress USA, Inc. ⁶	***	Carnegie, PA	End user (convert metal into cans and ends)
Nestle Purina Pet Care ⁷	***	St. Louis, MO	End user (pet food cans)
Olsher Steel LLC	***	Boca Raton, FL	Distributor
Pacific Coast Producers	***	Lodi, CA	End user ⁸
Randall Metals Corp.	***	Elk Grove Village, IL	Distributor
Seneca Foods Corp.	***	Marion, NY	End user (cans and ends for vegetable processing)
Silgan Containers Corp. ⁹	***	Woodland Hills, CA	End user (food cans and ends)
Sonoco Products Co.	***	Hartsville, SC	End user (closures for steel and composite cans)
U.S. Can Co.	***	Lombard, IL; Weirton, WV; Elgin, IL; Tallapoosa, GA; Commerce, GA	End user (aerosol and paint cans)
Van Can Co. ¹⁰	***	Fontana, CA	End user (sanitary cans and ends)
<p>1 *** 2 *** 3 *** 4 *** 5 *** 6 *** 7 *** 8 *** 9 *** 10 ***</p>			
<p>Source: Compiled from data submitted in response to Commission questionnaires.</p>			

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table I-6 presents U.S. shipments of TCCSS produced in the United States and imported from Japan and other countries, as well as apparent U.S. consumption of TCCSS for the period for which data were collected in this review. Table I-7 presents apparent U.S. consumption and market shares. Domestic and import shipment data presented in these tables are compiled from responses to Commission questionnaires.¹¹⁷

Apparent U.S. consumption fluctuated during the period of review, with an overall decrease in quantity and increase in value. This relative decline in consumption quantities is consistent with a mature industry whose major downstream consuming sector (the tin can industry) has been declining over time due to materials substitution and lifestyle changes.¹¹⁸ U.S. industry officials testified at the public hearing that the decline in consumption was due to materials substitution for tin mill products in many areas.¹¹⁹ The share of apparent U.S. consumption held by U.S. producers fluctuated during the period, peaking in 2002, before declining steadily through 2005. The peak in U.S. market share corresponds with a period following USS-POSCO's recovery from the effects of a fire on its cold mill and U.S. Steel's completion of its restructuring, but prior to Mittal's renewed restructuring. As discussed previously, increased duties resulting from the U.S. safeguard measure on steel, including TCCSS, were in effect from March 2002 until December 2003.

¹¹⁷ One company, ***, reported operations on TCCSS in an FTZ. ***. E-mail from ***, March 24, 2006. These shipments from an FTZ into the customs territory of the United States are included in the shipments of imports data from all other sources in tables I-6 and I-7. The quantities involved in shipments from an FTZ to the customs territory of the United States were as follows. In 2000, *** tons; 2001, *** tons; 2002, *** tons; 2003, *** tons; 2004, *** tons; and 2005, *** tons. ***'s questionnaire response, p. 24 (revised March 8, 2006).

¹¹⁸ Staff field trip report, ***, December 20, 2005, p. 3. *See also Steel*, Investigation No. TA-201-73, Volume I: Determinations and Views of the Commissioners, USITC Publication 3479, December 2001, p. 75.

¹¹⁹ Hearing transcript, p. 52 (Scherrbaum) and p. 77 (Stephans).

Table I-6

TCCSS: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, 2000-05

Item	2000	2001	2002	2003	2004	2005
Quantity (short tons)						
U.S. producers' U.S. shipments	3,201,433	2,837,608	3,020,787	2,835,556	2,923,432	2,587,355
U.S. shipments of imports from--						
Japan	95,533	0	0	0	0	0
Other sources	424,800	408,543	342,006	382,321	499,523	563,173
Total imports	520,333	408,543	342,006	382,321	499,523	563,173
Apparent U.S. consumption	3,721,766	3,246,151	3,362,793	3,217,877	3,422,955	3,150,528
Value (\$1,000)						
U.S. producers' U.S. shipments	1,875,451	1,683,114	1,814,044	1,724,072	1,943,339	1,932,178
U.S. shipments of imports from--						
Japan	58,990	0	0	0	0	0
Other sources	264,629	253,260	204,206	239,326	337,928	450,765
Total imports	323,619	253,260	204,206	239,326	337,928	450,765
Apparent U.S. consumption	2,199,070	1,936,374	2,018,250	1,963,398	2,281,267	2,382,943
Note.—Consumption includes shipments of imports from all other sources of *** from a foreign trade zone.						
Source: Compiled from data submitted in response to Commission questionnaires.						

Table I-7

TCCSS: Apparent U.S. consumption and U.S. market shares, 2000-05

Item	2000	2001	2002	2003	2004	2005
Quantity (short tons)						
Apparent U.S. consumption	3,721,766	3,246,151	3,362,793	3,217,877	3,422,955	3,150,528
Value (1,000 dollars)						
Apparent U.S. consumption	2,199,070	1,936,374	2,018,250	1,963,398	2,281,267	2,382,943
Share of quantity (percent)						
U.S. producers' U.S. shipments	86.0	87.4	89.8	88.1	85.4	82.1
U.S. shipments of imports from--						
Japan	2.6	0.0	0.0	0.0	0.0	0.0
All other sources	11.4	12.6	10.2	11.9	14.6	17.9
Total imports	14.0	12.6	10.2	11.9	14.6	17.9
Share of value (percent)						
U.S. producers' U.S. shipments	85.3	86.9	89.9	87.8	85.2	81.1
U.S. shipments of imports from--						
Japan	2.7	0.0	0.0	0.0	0.0	0.0
All other sources	12.0	13.1	10.1	12.2	14.8	18.9
Total imports	14.7	13.1	10.1	12.2	14.8	18.9
Note.—Consumption includes shipments of imports from all other sources of *** from a foreign trade zone.						
Source: Compiled from data submitted in response to Commission questionnaires.						

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

MARKET CHARACTERISTICS

U.S. producers reported that about 45 percent of their U.S. shipments of U.S.-produced TCCSS were made to the Midwest and 29 percent to the South, while U.S. shipments to the West and Northeast made up about *** percent and *** percent of U.S. shipments of U.S.-produced TCCSS respectively in 2005. However, about *** percent of USS-POSCO's shipments of U.S.-produced TCCSS were made to the West. Importers reported that nearly 60 percent of their U.S. shipments of TCCSS from nonsubject countries were made to the Midwest, and U.S. shipments made to the West, South, Northeast, and other regions made up about 17, 14, ***, and *** percent of U.S. shipments of nonsubject imports, respectively.¹ Both U.S. producers and importers sold three quarters or more of their shipments to directly to end users in all years from 2000 to 2005.

During 2005, purchasers reported that about 84 percent of their purchases were U.S.-produced TCCSS, with the remaining purchases being TCCSS from nonsubject countries. Eleven of 16 reporting purchasers indicated that they purchased both U.S.-produced and nonsubject imports in 2005.² One of the five remaining purchasers (***) only reported purchasing nonsubject imports of TCCSS. One of the 10 purchasers who reported purchasing both U.S.-produced and nonsubject imports of TCCSS (***) reported that less than one-half of its purchases were of U.S.-produced TCCSS.

The three largest purchasers in the U.S. market in 2005 accounted for about two-thirds of the purchases reported in the purchaser questionnaire. These three purchasers were ***. The Herfindahl-Hirschman Index³ for purchasers fluctuated between 2000 and 2005, decreased from 1,875 in 2000 to 1,827 in 2005.⁴

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

U.S. Producers

Based on available information, U.S. TCCSS producers are likely to respond to changes in demand with moderate changes in the quantity shipped to the U.S. market. Supply responsiveness is enhanced by the availability of some unused capacity and some inventories; responsiveness is constrained by a limited ability to use alternative markets or production alternatives.

Three of four responding U.S. producers indicated that they anticipate no change in the availability of U.S.-produced TCCSS in the U.S. market in the future. One of these U.S. producers (***) indicated that its response assumed the continuation of the antidumping duty order and indicated that "an influx of under priced Japanese TCCSS following the revocation of the order, with the consequent decline

¹ There were no reported shipments of imports of TCCSS from Japan from 2001 to 2005.

² The Commission also received a questionnaire from *** that reported only purchases of products excluded from this review. Responses from this questionnaire are not included in this report.

³ The Herfindahl-Hirschman Index is the sum of squares of the market shares held by the firms in a market. For example, if there is one firm with all sales, the index is $100^2 = 10,000$; for a market consisting of four firms with shares of 30, 25, 25, and 20 percent, the index is $30^2 + 25^2 + 25^2 + 20^2 = 2,550$. This index may increase because of Ball's purchase of U.S. Can.

⁴ Note that these calculations differ slightly from those in exhibit 14 of Japanese respondent interested parties' prehearing brief because of inclusion of purchases of TCCSS from all sources, the inclusion of ***.

in market share and prices for domestic producers would likely alter the view of domestic producers concerning the viability of continued domestic production of TCCSS at current levels, and the maintenance of existing TCCSS production capacity.” One U.S. producer (***) indicated that it expected availability to increase due to press reports that Mittal will be increasing capacity utilization at its facilities.

Industry capacity

Capacity to produce TCCSS in the United States fell by nearly one-quarter from 2000 to 2005, outstripping declines in U.S. production and apparent U.S. consumption. U.S. producers’ capacity utilization rates fluctuated between 2000 and 2005, increasing irregularly from 72.6 percent in 2000 to 74.6 percent in 2005. This level of capacity utilization, however, indicates that U.S. producers still have some unused capacity with which they could increase production of TCCSS in the event of a price change.

Alternative markets

All four responding producers indicated that their ability to shift sales of TCCSS between the U.S. market and alternative country markets is at least somewhat limited. One U.S. producer (***) indicated that the freight cost to ship TCCSS products overseas generally prohibits routine export sales. Another U.S. producer (***) indicated that it would be constrained from shifting significant sales between the United States and other markets within a 12-month period because most of its production is committed to contracts of one year or more in duration and over a longer period since numerous countries maintain significant tariff rates on imports of TCCSS. U.S. producer (***) indicated that although it has exported to other markets when conditions were favorable, global current excess capacity and currency manipulation in certain countries limit the company’s ability to export. Another producer (***) indicated that it does not have a customer base outside the United States.

Exports of TCCSS fluctuated between 2000 and 2005, decreasing from 5.7 percent of U.S. producers’ total shipments in 2000 to 3.9 percent in 2005. These data and questionnaire responses indicate that U.S. producers have a limited ability to divert shipments to or from alternative markets in response to changes in the price of TCCSS.

Inventory levels

U.S. producers’ inventories as a ratio of their total shipments fluctuated between 2000 and 2005, increasing irregularly from 10.3 percent of their shipments in 2000 to 11.4 percent in 2005. These data indicate that U.S. producers have some ability to use inventories as a means of increasing shipments of TCCSS to the U.S. market.

Production alternatives

*** of four responding producers indicated that they produced, or anticipate producing in the future, other products on the same equipment and machinery used in the production of TCCSS and/or using the same production and related workers employed to produce TCCSS. *** reported that it has produced cold-rolled and coated sheet, while *** has reported producing black plate on the same equipment and machinery used in the production of TCCSS and/or using the same production and related workers employed to produce TCCSS since 2000. *** of the four responding U.S. producers reported the ability to switch production between TCCSS and other products in response to a relative change in the price of TCCSS vis-a-vis the price of other products, using the same equipment and labor.

Subject Imports

Based on available information, subject imports of TCCSS are likely to respond to changes in demand with large changes in the quantity shipped to the U.S. market. Supply responsiveness is enhanced by the ability to ship from alternate markets, and availability of some unused capacity, but limited by the low level of inventories and the lack of production alternatives.

Twelve of 14 responding importers indicated that they anticipate no changes in terms of the availability of TCCSS imported from Japan in the U.S. market in the future. The two remaining importers indicated that they anticipated an increase in the availability of TCCSS imported from Japan. One of these importers (***) indicated that a moderate increase is anticipated because the end users may start buying niche items from Japan, while the other importer (***) indicated that it expected an increase because “China settled down from the explosive growth rates of 2003-05.”

Ten of 17 responding purchasers indicated that their firm purchased TCCSS from Japan before 2000. Eight of these 10 purchasers indicated that their firm discontinued purchases from Japanese sources because of the antidumping order and two purchasers indicated that they changed the pattern of their purchases from Japan for reasons other than the order. One purchaser (***) indicated that it no longer imports steel because it sold its can manufacturing facility, while another (***) indicated that Japanese producers have reduced capacity so export tons are not available and that the low value of U.S. dollar generally makes imports unattractive to purchase.

Industry capacity

Capacity allocated to the subject merchandise, TCCSS, fell by nearly 600,000 short tons between 2000 and 2005. Nonetheless, because of greater declines in production levels, Japanese producers’ reported capacity utilization rates decreased from 87.1 percent in 1999 to 78.3 percent in 2005. This level of capacity utilization indicates that Japanese producers have some unused capacity with which they could increase production of TCCSS in the event of a price change.

Alternative markets

Shipments to markets other than the United States by Japanese producers increased from *** percent of shipments in 2000 to essentially all shipments from 2001 to 2005. Shipments to the Japanese home market increased from 61.8 percent of shipments in 2000 to 65.5 percent of shipments in 2005. However, the level of these shipments to both the Japanese market and each of the specified regions (United States, European Union, Asia, and all other export markets) declined between 2000 to 2005. These data indicate that producers in Japan can divert shipments from alternative markets to the U.S. market in response to changes in the price of TCCSS, but have no ability at the present time to shift shipments to these alternative markets since there are presently no shipments to the U.S. market.⁵

Japanese respondent interested parties contend that other markets are more attractive than the U.S. market, noting that the average unit values (AUVs) for U.S. shipments of domestically produced

⁵ Citing the prehearing staff report at II-5, U.S. Steel claims that “Commission staff has properly concluded that the Japanese industry has no ability to eliminate their unused capacity by shipping to markets other than the United States.” U.S. Steel’s posthearing brief, pp. 2, 10. However, the statement in the staff report indicating that Japanese producers have no ability to shift shipments to markets other than the United States is based on the fact that there are no shipments to the U.S. market at the present time to shift to other markets and is not based on any ability to send excess capacity to other markets.

TCCSS were less Japan's export price to all markets except for Mexico and Hungary in 2005.⁶ However, according to the same data, Mexico was the largest market for Japanese exports of TCCSS during 2003 to 2005.⁷ Further, these same data show that for 2004, AUVs in the U.S. market were sometimes higher and sometimes lower than Japanese export prices, depending on the export market; while for 2003 AUVs in the U.S. market were lower for most export markets (except for Canada, Nigeria, and New Zealand).⁸

Inventory levels

Japanese producers' inventories, as a share of their total shipments, fluctuated between 2000 and 2005, decreasing from 8.0 percent in 2000 to 6.7 percent in 2005. These data indicate that Japanese producers have a limited ability to use inventories as a means of increasing shipments of TCCSS to the U.S. market.

Production alternatives

*** responding Japanese producers indicated that they produced, or anticipate producing in the future, other products on the same equipment and machinery used in the production of TCCSS and/or using the same production and related workers employed to produce TCCSS. *** indicates that it produces "eco-trio" and "super-nickel," and *** indicates that it also produces excluded tin mill products. *** reported that one of its electrolytic tinning lines was fully converted to the nickel coating line and it no longer produces tin mill products. *** reported that it was able to switch production between TCCSS and other products in response to a relative change in the price of TCCSS vis-a-vis the price of other products, using the same equipment and labor.

Nonsubject Imports

Based on available information, nonsubject imports of TCCSS are likely to respond to changes in demand with large changes in the quantity shipped to the U.S. market. Supply responsiveness is enhanced by increased capacity in nonsubject countries.

All three responding U.S. producers and two of 15 responding importers indicated that the availability of nonsubject imported TCCSS has changed since 2000. All indicated that the availability of nonsubject imports has increased, in most cases through an increase in capacity or because of increased imports from nonsubject countries. Two producers and one importer indicated that the availability of TCCSS from Germany increased; two producers identified France; one producer and one importer identified Canada; and one importer identified China. One producer (***) indicated that more TCCSS is available from Europe because European demand for wide DWI has declined due to a shift in packaging in the beverage sector from using TCCSS to using aluminum and PET; that there have been increases in capacity in Eastern Europe; and interest in Brazil, Korea, and China in exporting to the United States.

⁶ Japanese respondent interested parties' prehearing brief, pp. 76-77, table 16.

⁷ Japanese respondent interested parties' prehearing brief, pp. 76-77, table 16, and appendix 20. Japanese respondent interested parties indicate that the Japanese have been a major player in Mexico for well over 30 years and that "the Japanese have not and will not prospectively abandon its long standing Mexican customers to earn a quick buck in another market." Japanese respondent interested parties' posthearing brief, answers to Chairman Koplan's questions, pp. K-1 to k-2.

⁸ Japanese respondent interested parties' prehearing brief, appendix 20.

Seven responding purchasers indicated that their pattern of purchases of TCCSS from nonsubject countries changed for reasons other than the antidumping duty order.⁹ Three of these purchasers indicated that they needed to increase purchases of products that could not be sourced domestically. One purchaser (***) indicated that in 2004 steel supply in the United States could not meet demand and it found an off-shore source to supplement its U.S. supply. Another purchaser (***) cited a weak dollar making nonsubject imports unattractive, while another (***) indicated that its purchases changed based on quality, availability, and price. Another purchaser (***) indicated that it changed its purchases because it sold its can manufacturing facility.

Two responding purchasers indicated that their firms did not purchase from nonsubject sources before or after the antidumping duty order; seven responding purchasers indicated that their pattern of purchasing is unchanged since 2000; and two purchasers indicated that they increased purchases from nonsubject countries because of the antidumping order.

Two of 15 responding purchasers indicated that they expect new TCCSS suppliers to enter the market in the future. One purchaser (***) indicated that there are new tin mills currently coming on line and Chinese mills that will start to export and the other (***) indicated that new suppliers from China and India were expected in the next two years.

U.S. Demand

Based on the available information regarding substitute products and the percentage cost of TCCSS in the products in which it is used, it is likely that changes in the price level of TCCSS will result in a moderate change in the quantity of TCCSS demanded. The main contributing factors to the moderate degree of responsiveness of demand is the developing substitutability of other products for TCCSS and the moderate and high cost share of TCCSS.

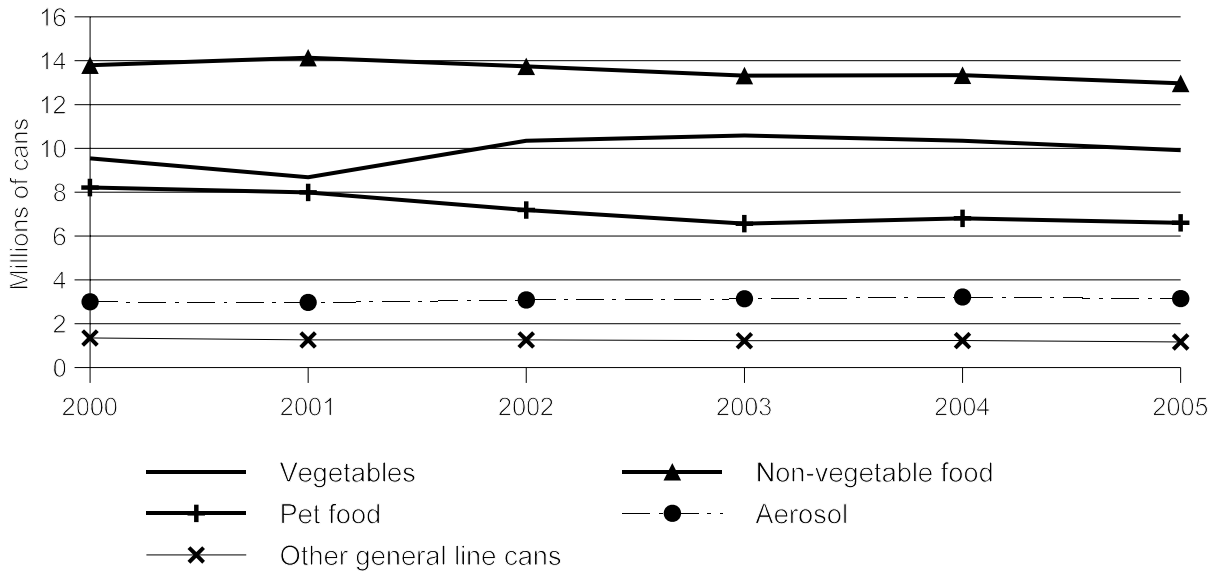
Demand Characteristics

Demand for TCCSS depends on the level of demand for the intermediate products in which it is used such as cans used for food products and other products such as paint and pet food (see figure II-1 for can consumption). Three of four responding producers, six of 15 responding importers, eight of 16 responding purchasers, and both responding Japanese producers indicated that demand for TCCSS in the U.S. market has decreased since 2000, while no responding producers, importers, or purchasers indicated that demand had increased. Many of these firms indicated that the decrease in demand was due to a shift toward alternative types of packaging such as aluminum, plastic, PET, glass, and in some cases lighter gauge tin products. The remaining responding U.S. producer, seven of the remaining responding importers, and four of the remaining responding purchasers indicated that demand remained unchanged.

Seven of 14 responding purchasers reported that demand for their products using TCCSS has decreased since 2000, with three responding purchasers indicating that demand increased and the other four indicating that demand was unchanged. Nine of the ten responding purchasers that indicated that demand for their products using TCCSS had either increased or decreased indicated that these changes in demand affected their firm's demand for TCCSS.

⁹ One of these purchasers (***) also indicated that it increased purchases from nonsubject countries because of the antidumping duty order.

Figure II-1
Cans: U.S. can consumption, 2000-05



Source: Can Manufacturers Institute.

One of three responding U.S. producers, five of 15 responding importers, and six of 14 responding purchasers indicated that demand for TCCSS outside the U.S. market had increased since 2000, while one responding purchaser and one responding importer indicated that it had decreased. Many of these firms attributed the increase in demand to increased demand from China and other Asian countries. Five responding importers and three responding purchasers indicated that demand for TCCSS outside the United States had been unchanged since 2000.¹⁰ However, all three responding Japanese producers indicated that demand in the Japanese market has fallen since 2000 due to a shift to alternative products, while demand in markets other than Japan and the U.S. has increased.

Two of four responding producers, four of 15 responding importers, eight of 14 responding purchasers, and two of three responding Japanese producers indicated that they anticipate future changes in TCCSS demand in the United States and other markets. Many of the firms that anticipated future changes in demand indicated that they anticipated the decline in demand in the U.S. market to continue because of substitution to other materials and the demand in other markets such as China and other Asian countries will increase.

Substitute Products

All four responding U.S. producers, eight of 12 responding importers, 14 of 15 responding purchasers, and all three responding Japanese producers indicated that there are substitutes for TCCSS. These substitutes include aluminum, plastic, PET, pouches, tetra boxes, and paper. No responding producers or purchasers, one of 11 responding importers, and two of three responding Japanese producers

¹⁰ In addition, one responding importer indicated that demand outside of the United States had first increased and then decreased. Also one responding producer, one responding importer, and five responding purchasers indicated that the change in demand outside the United States was unknown.

indicated that changes in the prices of substitute products affected the price for TCCSS. However, citing testimony from one U.S. producer (U.S. Steel) and one purchaser (Silgan), Japanese respondent interested parties claim that pricing among substitutes also affects pricing for TCCSS.¹¹

Three of four responding U.S. producers, one of 11 responding importers, five of 17 responding purchasers, and none of three responding Japanese producers indicated that they anticipate changes in the substitutability of other products for TCCSS in the future. Many of these firms indicated that technological changes would allow for substitution by alternative packaging.

Cost Share

The share of the costs that TCCSS makes up of the final products in which it is used varies by type of final product. Producers, importers, and purchasers reported various cost shares of TCCSS in the production of cans, with most responses concentrated between 50 percent and 70 percent.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported TCCSS 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 a moderate degree of substitutability between domestically produced TCCSS and TCCSS produced in Japan and other countries.

Factors Affecting Purchasing Decisions

Purchasers were asked a variety of questions to determine what factors influence their decisions when buying TCCSS. Information obtained from their responses indicates that both quality and price are important factors.

As indicated in table II-1, price was named by six of 16 responding purchasers as the number one factor generally considered in deciding from whom to purchase TCCSS, and as the number two or number three factor by eight other responding purchasers. Also, as indicated in table II-2, all but two of the responding purchasers (***) indicated that price was a “very important” factor in their purchase decisions.¹² Ten responding purchasers indicated that the lowest-priced TCCSS “usually” will win a sale, six reported “sometimes,” and one reported “never,” and none reported “always.”¹³

Quality was named by six of the 16 responding purchasers as the number one factor generally considered in deciding from whom to purchase TCCSS, and as the number two or number three factor by seven other responding purchasers. All but one responding purchaser indicated that quality meeting industry standards (***) and product consistency (***) were “very important” factors in their purchasing decisions. Also, six of 17 responding purchasers indicated that quality exceeding industry standards was a “very important” factor. Purchasers named a number of factors they consider in evaluating quality,

¹¹ Japanese respondent interested parties’ prehearing brief, p. 103 and Japanese respondent interested parties’ posthearing brief, Answers to Commissioner Hillman’s questions, pp. H-6 to H-8.

¹² However, one of these two purchasers (***) indicated that price was the number two factor generally considered in deciding from whom to purchase TCCSS and the other (***) indicated that price was the number three factor.

¹³ ***, the purchaser that responded “never,” also indicated that “purchase from parent company” was the number one factor it considered in deciding from whom to purchase TCCSS.

Table II-1

TCCSS: Ranking of factors used in purchasing decisions, as reported by U.S. purchasers

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Quality	6	4	3
Price	6	3	5
Availability	2	4	3
Prearranged contracts ¹	2	0	0
Delivery ²	0	2	4
Qualification	0	2	0
Service	0	1	1

¹ Includes one instance of "purchase from parent company" for the number one factor.
² Includes one instance of "assurance of supply including on time delivery" for the number two factor.

Note: In instances where the purchaser provided two responses, the first response was used.

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

including: formability, surface, gauge control, flatness, consistency with specified tolerances, variability, machinability, product compatibility, chemistry, cleanliness (minimal inclusions of contaminations), flatness, visual and surface quality, performance, lack of defects, and burst strength. Also, all but one responding purchaser (***) reported that they require their suppliers to become certified or pre-qualified.

Responding purchasers estimate that it typically takes from three months to several years to certify or qualify a new supplier, although some purchasers indicate that unsuccessful qualification attempts can lengthen the qualification period. ***, ***, ***, and ***.¹⁴

Three of 17 responding purchasers indicated that since 2000 some domestic or foreign producers failed in their attempts to certify or qualify their TCCSS or have lost their approved status. ***,¹⁵ ***, ***.

The Commission requested additional information regarding the qualification process from the largest purchasers of TCCSS.¹⁶ Two of five purchasers responding to the supplemental questions indicated that when qualifying or certifying a new supplier there is a single qualification for all specifications, while one purchaser (***) indicated that there is a separate qualification for groups of specifications and the remaining two purchasers (***) indicated that there is a separate qualification for each specification. ***.

Four of five responding purchasers indicated that there are no Japanese producers of TCCSS currently certified or qualified to sell their firm any specifications of TCCSS. One purchaser (***) indicated that *** are certified or qualified to sell ***. All five responding purchasers indicated that there are no Japanese producers of TCCSS currently in the process of becoming certified or qualified to

¹⁴ However, one Ball official testified that from his experience purchasing from the Japanese for a Canadian operation, it may take an additional six months or more for Japanese firms to qualify due to "cultural hurdles" in the qualification process. Hearing transcript, pp. 254-255 (Springfield).

¹⁵ ***.

¹⁶ The six largest purchasers in the TCCSS market in 2005 were ***.

Table II-2

TCCSS: Importance of factors used in purchasing decisions, as reported by U.S. purchasers

Factor ¹	Number of firms reporting		
	Very important	Somewhat important	Not important
Reliability of supply	17	0	0
Product consistency	16	1	0
Quality meets industry standards	16	1	0
Availability	15	2	0
Price	15	2	0
Delivery time	11	6	0
Delivery terms	8	9	0
Discounts offered	8	8	1
U.S. transportation costs	7	10	0
Technical support/service	6	11	0
Quality exceeds industry standards	6	9	2
Extension of credit	5	9	3
Product range	4	10	3
Packaging	3	14	0
Minimum quantity requirement	3	8	6

¹ One purchaser reported that meeting their firm's specifications was very important. Another purchaser reported that very important factors included maintaining a competitive position, honoring agreements, engineering excellence, commitment to product, response time, vendor managed inventory, and commitment to U.S. market. A third purchaser listed "corporation" as a very important factor.

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

sell their firm any specifications of TCCSS and there are no Japanese producers of TCCSS who could be certified or qualified in less than the typical time needed for certification or qualification. However, one purchaser ***.

All 17 responding purchasers indicated that reliability of supply was a "very important" factor in their purchasing decisions and 15 of 17 responding purchasers indicated that availability was a "very important" factor, while the remaining two responding purchasers (***) indicated that availability was a "somewhat important" factor. Two of 16 responding purchasers indicated that delivery was the second-highest factor in their purchasing decisions, while six of 16 responding purchasers indicated that availability was either the highest or second-highest factor.¹⁷

Twelve of 17 responding purchasers indicated that buying TCCSS that is produced in the United States is an important factor in their purchases of TCCSS. Many purchasers indicated that lead times and

¹⁷ ***.

other logistical advantages of domestic product were important factors in their purchases of TCCSS. Two purchasers (***) indicated that 41 percent and 3 percent, respectively, of their purchases of domestic product were required by law or regulation in 2005.

As shown in the tabulation below, all but one purchaser indicated that their firm at least sometimes makes purchasing decisions for TCCSS based on the producer, but purchasers indicated that they less often make purchasing decisions based on the country of origin of TCCSS. Seven of 15 responding purchasers indicated that their customers “never” base their purchasing decisions based on the producer of TCCSS and 13 of 16 responding purchasers reported that their customers “never” make purchasing decisions based on the country of origin of TCCSS.

<u>Purchaser/customer decision</u>	<u>Always</u>	<u>Usually</u>	<u>Sometimes</u>	<u>Never</u>
Purchaser makes decision based on producer	4	8	4	1
Purchaser’s customer makes decision based on producer	0	4	4	7
Purchaser makes decision based on country	2	5	5	5
Purchaser’s customer makes decision based on country	0	0	3	13

Four of 17 responding purchasers indicated that either they or their customers sometimes specifically order TCCSS from one country in particular over other possible sources of supply. One purchaser stated that it supports domestic mills, one purchaser (***) purchases film laminate products only available from its ***, and one orders foreign product because of quality and dimensional issues.

Also, four of 16 responding purchasers indicated that certain grades/types/sizes of TCCSS are available from only a single source. One purchaser (***) stated that 65bw single reduced product is not available in the United States while 70bw single reduced product is only available from Weirton Steel. Another purchaser (***) stated that the following products were available only from Japan and Europe: single reduced tin mill product with thickness less than 70bw, double reduced tin mill product with thickness less than 55bw, and laminated tin free steel. This purchaser also indicated that tin mill products with widths greater than 40 inches were only available from European producers. A third purchaser (***) stated that it purchases TCCSS greater than .030 gauge from U.S. Steel and under 70bw tinplate from Japan. Finally, (***) stated that non-integrated mills or newer mills (such as in China) may offer limited thicknesses, temper, and/or width combinations.

One of four responding producers and four of 17 responding importers indicated that there have been significant changes in the product range, product mix, or marketing (including sales over the internet) of TCCSS since 2000. One producer (***) indicated that the Steel Packaging Council and Can Manufacturers Institute, jointly through the Canned Food Alliance, are actively involved in promoting the value of canned food and efforts are underway with local agencies, colleges, national media, and others to promote steel products. Two importers expected more demand for wider products and one importer expect more demand for thinner gauge product. One of four responding producers and two of 17 responding importers indicated that they anticipate significant changes in the product range, product mix, or marketing (including sales over the internet) of TCCSS in the future. Two importers indicated that they expected more laminate-free TCCSS products, and other indicated that it expected more polymer-coated products.

Comparison of Domestic Products and Subject Imports

As indicated in table II-3, all three responding U.S. producers, eight of 10 responding importers, and 10 of 11 responding purchasers reported that U.S. and Japanese TCCSS were “always” or “frequently” used interchangeably. Importer *** stated that the U.S. producers do not offer the full range

Table II-3

TCCSS: U.S. firms' perceived degree of interchangeability of products produced in the United States, Japan, and nonsubject countries¹

Country comparison	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. Japan	2	1	0	0	2	6	2	0	5	5	1	0
U.S. vs. nonsubject	2	0	0	0	4	5	2	0	4	5	3	0
Japan vs. nonsubject	2	0	0	0	3	4	2	0	4	5	2	0

¹ Producers, importers, and purchasers were asked if TCCSS produced in the United States and in other countries is used interchangeably.

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

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

of products including light gauge product. Another importer, ***, stated that Japanese producers can manufacture distinct products including 42-inch wide material, clean steel, and laminate tin-free steel. Among purchasers, *** stated that most of its purchases of foreign product is sheet wider than 40 inches, which U.S. mills cannot produce, and *** stated that D&I material has been the product least interchangeable between the United States and the rest of the world (including Japan).

Silgan claims that off-shore supply is not a perfect substitute for domestic supply and that about six of the specifications (such as extra-wide (42 to 48 inches wide) tin-mill steel and polymer-coated steel) it currently purchases from off-shore mills are not available from U.S. mills.¹⁸ Silgan indicates that since 2005, all of its purchases from off-shore suppliers were products that cannot be produced by the U.S. mills.¹⁹

As indicated in table II-4, one of three producers and five of eight importers reported that differences other than price between TCCSS produced in the United States and in Japan were “always” or “frequently” a significant factor in their firm’s sales of the products. Factors cited by importers include higher quality of product from Japanese mills, reliable delivery, range of product, and technical support.

Comparison of Domestic Products and Nonsubject Imports

Both responding U.S. producers, nine of 11 responding importers, and nine of 12 responding purchasers reported that U.S.-produced TCCSS and imports from nonsubject sources are “always” or “frequently” used interchangeably. Both responding U.S. producers reported that differences other than price between TCCSS produced in the United States and in nonsubject countries were “never” a significant factor in their firm’s sales of the product. However, importers were divided regarding the significance of factors other than price, with three responding that such differences were “always” significant, two responding “frequently,” three responding “sometimes,” and three responding “never.” This may reflect the range of nonsubject countries with which individual importers have had experience. *** reported that TCCSS produced in the United Kingdom has a laminated polymer coating which is not

¹⁸ Hearing transcript, pp. 209-212 (Owen).

¹⁹ Hearing transcript, p. 212 (Owen).

Table II-4

TCCSS: Perceived significance of differences other than price between TCCSS produced in the United States, Japan, and nonsubject countries¹

Country comparison	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. Japan	1	0	0	2	2	3	2	1
U.S. vs. nonsubject	0	0	0	2	3	2	3	3
Japan vs. nonsubject	0	0	0	2	1	2	3	2

¹ Producers and importers were asked if differences other than price between TCCSS produced in the United States and in other countries were a significant factor in their sales of the products.

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

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

generally available from domestic producers. Purchaser *** stated that U.S. mills cannot produce widths greater than 39 inches.

As shown in table II-5, at least one-half of responding purchasers indicated that U.S.-produced TCCSS and imports from all nonsubject sources except for Mexico are “comparable” in terms of quality meeting industry standards.

Comparison of Subject Imports and Nonsubject Imports

Both responding U.S. producers, seven of nine responding importers, and nine of 11 responding purchasers reported that TCCSS imported from Japan and that imported from nonsubject sources are “always” or “frequently” used interchangeably. Both responding U.S. producers reported that differences other than price between TCCSS produced in Japan and in nonsubject countries were “never” a significant factor in their firm’s sales of the product. However, importers were divided regarding the significance of factors other than price, with one responding that such differences were “always” significant, two responding “frequently,” three responding “sometimes,” and two responding “never.” Purchaser *** stated that quality consistency varies by producer and that it considers some producers such as Nippon, JFE, USS-POSCO, and Arcelor to be world class while others such as Mittal-Kazakhstan, CSN, and Blue Sky do not produce as high quality product. *** stated that although other countries frequently produce similar quality products, the export infrastructure and technical capability do not equal those of Japanese or U.S. producers. As shown in table II-6, all responding purchasers reported that TCCSS imported from Japan and that imported from nonsubject sources except for Brazil are “comparable” in terms of quality meeting industry standards.

Table II-5

TCCSS: Comparisons of imported and U.S. product, as reported by purchasers

Factor	U.S. vs Japan			U.S. vs Australia			U.S. vs Brazil			U.S. vs Canada			U.S. vs China			U.S. vs France		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
Availability	1	2	1	1	0	0	2	0	0	0	4	0	1	0	0	3	4	0
Delivery terms	2	1	1	1	0	0	1	1	0	0	3	1	1	0	0	2	3	2
Delivery time	3	0	1	1	0	0	2	0	0	0	4	0	1	0	0	6	1	0
Discounts offered	2	1	1	0	1	0	0	2	0	0	4	0	0	1	0	2	3	2
Extension of credit	0	2	2	0	1	0	1	1	0	0	4	0	1	0	0	0	5	2
Lower price	1	1	2	0	1	0	0	2	0	1	2	1	0	1	0	1	3	3
Lower U.S. transportation costs	0	3	1	1	0	0	0	2	0	0	4	0	0	1	0	1	6	0
Minimum quantity requirements	1	2	1	1	0	0	0	2	0	0	4	0	0	1	0	1	6	0
Other	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0
Packaging	0	2	2	0	1	0	0	2	0	0	3	1	0	1	0	0	3	4
Product consistency	0	1	3	1	0	0	0	1	1	0	3	1	0	1	0	0	2	5
Product range	0	2	2	1	0	0	2	0	0	0	3	1	1	0	0	0	5	2
Quality exceeds industry standards	0	1	3	1	0	0	0	1	1	0	3	1	0	1	0	0	3	4
Quality meets industry standards	0	2	2	0	1	0	0	1	1	0	3	1	0	1	0	0	5	2
Reliability of supply	0	1	3	0	1	0	2	0	0	0	3	1	0	1	0	1	4	2
Technical support/service	1	1	2	1	0	0	2	0	0	0	4	0	0	1	0	1	5	1

Table continued on the following page.

Table II-5--Continued

TCCSS: Comparisons of imported and U.S. product, as reported by purchasers

Factor	U.S. vs Germany			U.S. vs Korea			U.S. vs Mexico			U.S. vs Netherlands			U.S. vs Norway			U.S. vs United Kingdom		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
Availability	2	2	1	1	1	0	2	0	0	1	1	0	0	1	0	1	1	0
Delivery terms	1	2	2	1	1	0	2	0	0	1	0	1	0	0	1	1	0	1
Delivery time	3	2	0	2	0	0	2	0	0	2	0	0	0	1	0	2	0	0
Discounts offered	2	3	0	1	1	0	2	0	0	0	1	1	0	0	1	1	1	0
Extension of credit	0	3	2	0	1	1	1	1	0	0	2	0	0	0	1	0	2	0
Lower price	1	3	1	0	2	0	1	1	0	0	2	0	0	0	1	1	1	0
Lower U.S. transportation costs	1	3	1	0	2	0	2	0	0	0	2	0	0	1	0	0	2	0
Minimum quantity requirements	2	3	0	0	2	0	1	1	0	0	2	0	0	1	0	0	2	0
Other	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
Packaging	0	2	3	0	2	0	0	2	0	0	0	2	0	1	0	0	1	1
Product consistency	0	0	5	0	0	2	2	0	0	0	0	2	0	0	1	0	1	1
Product range	0	3	2	1	1	0	2	0	0	0	1	1	0	1	0	0	1	1
Quality exceeds industry standards	0	1	4	0	0	2	2	0	0	0	0	2	0	1	0	0	1	1
Quality meets industry standards	0	4	1	0	1	1	2	0	0	0	1	1	0	1	0	0	1	1
Reliability of supply	0	3	2	0	1	1	2	0	0	1	0	1	1	0	0	0	2	0
Technical support/service	1	3	1	0	2	0	2	0	0	0	2	0	0	0	1	0	1	1

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior. Not all companies gave responses for all factors.

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

Table II-6

TCCSS: Comparisons of imported product, as reported by purchasers

Factor	Japan vs Brazil			Japan vs Canada			Japan vs France			Japan vs Germany			Japan vs United Kingdom		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
Availability	0	1	0	0	0	1	0	1	0	0	1	1	0	1	0
Delivery terms	0	1	0	0	0	1	0	1	0	0	2	0	0	1	0
Delivery time	1	0	0	0	0	1	0	1	0	0	2	0	0	1	0
Discounts offered	0	1	0	0	0	1	0	1	0	0	2	0	0	1	0
Extension of credit	0	1	0	0	1	0	1	0	0	0	1	1	1	0	0
Lower price	0	1	0	0	1	0	0	1	0	0	2	0	0	1	0
Lower U.S. transportation costs	0	1	0	0	1	0	0	1	0	0	2	0	0	1	0
Minimum quantity requirements	0	1	0	0	1	0	0	1	0	0	2	0	0	1	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Packaging	0	1	0	0	1	0	0	1	0	0	2	0	0	1	0
Product consistency	1	0	0	1	0	0	1	0	0	0	2	0	1	0	0
Product range	1	0	0	1	0	0	0	1	0	0	0	2	0	1	0
Quality exceeds industry standards	1	0	0	1	0	0	0	1	0	0	2	0	0	1	0
Quality meets industry standards	1	0	0	0	1	0	0	1	0	0	2	0	0	1	0
Reliability of supply	1	0	0	0	1	0	0	1	0	1	1	0	0	1	0
Technical support/service	1	0	0	0	1	0	0	1	0	0	2	0	0	1	0

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior. Not all companies gave responses for all factors.

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

ELASTICITY ESTIMATES

U.S. Supply Elasticity

The domestic supply elasticity for TCCSS measures the sensitivity of the quantity supplied by U.S. producers to a change in the U.S. market price of TCCSS. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to the production of other products, the existence of inventories, and the availability of alternative markets for U.S.-produced TCCSS.²⁰ Analysis of these factors earlier indicates that the U.S. industry has a moderate ability to increase or decrease shipments to the U.S. market given a change in price levels. Staff estimates that the supply elasticity is between 3 and 6.

U.S. Demand Elasticity

The U.S. demand elasticity for TCCSS measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of TCCSS. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of TCCSS in the production of downstream products. Based on available information, the demand elasticity for TCCSS is likely to be in the range of -0.75 to -1.25.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.²¹ Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, surfaces, coil sizes) and conditions of sale (e.g., service, availability, delivery). Based on this and other available information, the elasticity of substitution between U.S.-produced TCCSS and subject imported TCCSS is likely to be in the range of 2 to 4.²²

²⁰ Domestic supply response is assumed to be symmetrical for both an increase and a decrease in demand for the domestic product. Therefore, factors affecting increased quantity supplied to the U.S. market also affect decreased quantity supplied to the same extent.

²¹ The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and U.S. domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject product (or vice versa) when prices change.

²² Additionally, the elasticities of substitution between U.S.-produced TCCSS and nonsubject imports and between subject imports and nonsubject imports are likely to be in the same range.

PART III: CONDITION OF THE U.S. INDUSTRY¹

GENERAL STEEL CAPACITY ISSUES

Table III-1 presents U.S. producers' capacity to produce products on the same equipment and machinery used to produce TCCSS from 2000 to 2005. No U.S. firm reported producing excluded tin mill products during this review. *** reported producing ***, and *** reported producing *** on shared equipment.² Total capacity utilization for all products fluctuated more than for TCCSS, and reached lower levels than it did for TCCSS.

Table III-1

Tin mill products: U.S. producers' total capacity, production, and capacity utilization of products on the same equipment and machinery used in the production of TCCSS,¹ 2000-05

Quantity in (<i>short tons</i>)						
Item	2000	2001	2002	2003	2004	2005
Average total production capacity	***	***	***	***	***	***
Production—total products	***	***	***	***	***	***
Production—TCCSS	3,363,441	2,800,791	3,096,722	2,999,861	2,990,392	2,778,183
Production—excluded tin mill products	0	0	0	0	0	0
Production—other products	***	***	***	***	***	***
Capacity utilization—all products (<i>in percent</i>)	***	***	***	***	***	***
¹ ***.						
Source: Compiled from data submitted in response to Commission questionnaires. Firms included are ***.						

Table III-2 presents the total steel producing capacity for all stages of production for the four firms in the TCCSS industry for 2005. The capacity utilization rate is lower for chromium coating than for tin coating. During the original investigation, there was an argument made that diversion of cold-rolled steel to more profitable products, such as galvanized or corrosion-resistant steel, constrained the U.S. producers' capacity to produce tin mill products. At the time of the original investigation, ***.³ In 2005, the domestic industry's capacity utilization was greatest for annealing and tin coating, and there was excess capacity available for every stage of steel production. In this review there was an argument advanced by respondent interested parties that the relative price advantages of hot-rolled and cold-rolled products may provide an incentive to divert production away from tin mill production, thereby providing an explanation for the excess capacity experienced in TCCSS production.⁴

¹ This section treats data for U.S. Steel and LTV separately for 2000 and 2001.

² Producers' questionnaire responses of ***, question II-5.

³ Memorandum INV-X-160, Inv. No. 731-TA-860 (Final): Tin- and Chromium-Coated Steel Sheet from Japan—Staff Report, July 18, 2000, p. III-4, fn. 7.

⁴ Hearing transcript, p. 290 (Barringer).

Table III-2
Steel products: U.S. producers' capacity, production, and capacity utilization of all steel products, 2005

Item	Capacity (short tons)	Production (short tons)	Capacity utilization (percent)
Melt/raw steel	***	***	***
Slabs	***	***	***
Hot rolling	***	***	***
Cold rolling	***	***	***
Annealing	***	***	***
Tempering	***	***	***
Tin coating	2,652,000	2,014,897	76.0
Chromium coating	1,121,000	772,687	68.9
Galvanizing	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires. Firms included are ***.

Producers' reported constraints on capacity were the following: (1) ***; (2) ***; and (3) ***.⁵

Producers were asked whether firms are able to switch production between TCCSS and other products in response to a relative change in the price of TCCSS vis-a-vis other products, using the same equipment and labor. ***. ***.⁶ However, American Metal Market reported in November 2005 that the spread between the price of hot-rolled sheet and tin mill products had narrowed in recent years, making it more economically viable for the mills to make and sell hot-rolled products than to sell tin mill products.⁷

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Table III-3 presents U.S. producers' capacity, production, and capacity utilization from 2000 to 2005. During the early part of review period, the TCCSS industry reported declining capacity as firms closed production lines and reduced capacity due to mergers and acquisitions.

Overall, the recent capacity declines have been concentrated in the tin-free steel lines, which some U.S. producers see as a declining sector of the market.⁸ Early during the review period, ***. U.S. Steel reported that ***. Mittal reported a ***.

Several U.S. producers reported events that affected their TCCSS operations. In ***.⁹ ***. In ***. Also, ***. At the public hearing, U.S. Steel officials mentioned that the company had experienced a delay in bringing back online its Number 14 blast furnace at its Gary, IN works, which was entirely rebuilt. The furnace was brought off line in May 2005 and brought back into production in December

⁵ Producers' questionnaire responses of ***, question II-6(c).

⁶ Producers' questionnaire responses of ***, question II-7.

⁷ American Metal Markets, "USS hikes tin mill items as hot-roll margins sink," found at http://www.amm.com/News-2005-11-09_19-30-45.html, retrieved on November 10, 2005.

⁸ ***. Producers' questionnaire responses of ***, question II-2(b) and II-2(c).

⁹ Producers' questionnaire responses of ***, question IV-B-16, and hearing transcript, p. 100 (Peterson).

2005. This caused the company to be temporarily short of steel, which caused disruptions in the supply of TCCSS in 2005.¹⁰

Table III-3

TCCSS: U.S. producers' capacity, production, and capacity utilization, 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
	*	*	*	*	*	*
Total:						
Capacity (<i>short tons</i>)	4,591,145	3,777,878	3,629,045	3,670,240	3,670,240	3,670,240
Production (<i>short tons</i>)	3,333,869	2,916,110	3,125,623	2,934,465	2,946,392	2,738,382
Capacity utilization (<i>percent</i>)	72.6	77.2	86.1	80.0	80.3	74.6
Source: Compiled from data submitted in response to Commission questionnaires.						

U.S. PRODUCERS' U.S. SHIPMENTS AND EXPORT SHIPMENTS

U.S. producers' U.S. shipments are shown in table III-4. No U.S. producer had internal consumption or transfers. Export shipments were a minor share of total shipments throughout the period for which data were collected. Like capacity and production, the quantity of U.S. shipments decreased overall, reaching a period low in 2005. Unit values increased each year, however, with large increases in 2004 and 2005, corresponding in part to the high prices of raw materials, including black plate, scrap, electricity, coking coal, iron ore, natural gas, and oil, which have escalated during the latter part of the period.¹¹ The value of U.S. shipments increased irregularly, as rising average unit values generally offset declining shipment quantities.

¹⁰ Hearing transcript, p. 56 (Scherrbaum).

¹¹ Letter from ***, March 10, 2006, and Producers' questionnaire response ***, question II-2.

Table III-4
TCCSS: U.S. producers' shipments, by types, 2000-05

Item	2000	2001	2002	2003	2004	2005
Quantity (short tons)						
* * * * *						
Total:						
U.S. shipments	3,201,433	2,837,608	3,020,787	2,835,556	2,923,432	2,587,355
Export shipments	194,443	105,341	110,525	101,589	123,459	105,963
Total shipments	3,395,876	2,942,949	3,131,312	2,937,145	3,046,891	2,693,318
Value (1,000 dollars)						
* * * * *						
Total:						
U.S. shipments	1,875,451	1,683,114	1,814,044	1,724,072	1,943,339	1,932,178
Export shipments	108,274	61,367	65,880	56,774	72,304	81,455
Total shipments	1,983,725	1,744,481	1,879,924	1,780,846	2,015,643	2,013,633
Unit value (per short ton)						
* * * * *						
Total:						
U.S. shipments	\$585.82	\$593.15	\$600.52	\$608.02	\$664.75	\$746.78
Export shipments	556.84	582.56	596.06	558.86	585.65	768.71
Total shipments	584.16	592.77	600.36	606.32	661.54	747.64
Source: Compiled from data submitted in response to Commission questionnaires.						

Table III-5 presents U.S. producers' U.S. shipments by regions. During the original investigation, ***.¹² Thus, during 1999, reporting U.S. producers shipped 785,534 tons to the West, accounting for 24.3 percent of their U.S. shipments during that year. As can be seen in table III-5, as the industry has consolidated, ***. Table III-5 suggests that although the domestic industry shipped substantial quantities of TCCSS to the West, domestic supply in 2004-05 was largely limited to one company. In addition, the one firm has *** its shipments to the West from *** tons in 1999 to *** tons in 2005.¹³ Overall, the shipments to the West seems to have shrunk from 959,871 tons in 1999, to *** tons in 2005.¹⁴ Even from 2004 to 2005 the shipments to the West declined by *** short tons. This

¹² Memorandum INV-X-160, Inv. No. 731-TA-860 (Final): Tin- and Chromium-Coated Steel Sheet from Japan—Staff Report, July 18, 2000, p. III-2, fn. 2.

¹³ Data for 1999 shipments to the West were derived by multiplying each individual firm's percentage of shipments destined for the West by the quantity of each firm's individual U.S. shipments, followed by an industry-wide aggregation.

¹⁴ Data for 1999 total market quantity were derived by adding U.S. total shipments to the West to total imports coming into the West from U.S. official statistics shown in table C-3, app. C. Data for 2005 total market quantity was calculated by adding data for U.S. shipments to the West from table III-5 to U.S. shipments of imports to the West from table IV-3. Accordingly, the data are close, but not exact, comparisons. The difference between

(continued...)

corresponds to testimony at the public hearing by officials from USS-POSCO, who stated that the Western market was declining over time (from 789,000 tons in 1997 to 540,000 tons in 2005).¹⁵

Table III-5
TCCSS: U.S. producers' U.S. shipments, by region, 2004-05

Item	2004		2005	
	Quantity (short tons)	Share (percent)	Quantity (short tons)	Share (percent)
* * *	* * *	* * *	* * *	* * *
Total:				
U.S. shipments to the Northeast	***	***	***	***
U.S. shipments to the Midwest	1,243,137	42.6	1,164,280	45.2
U.S. shipments to the South	874,154	29.9	742,760	28.8
U.S. shipments to the West	***	***	***	***
U.S. shipments to other regions	***	***	***	***
Total shipments	2,919,382	100.0	2,574,942	100.0

¹ Less than 0.05 percent.

Note.-- ***Northeast.***—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest.—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South.—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West.—Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Other.—Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

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

¹⁴ (...continued)

shipments of imports to the West in 2005 from table IV-3 and imports into the West from table C-3 during that year was approximately *** tons of additional shipments of imports.

¹⁵ Hearing transcript, p. 64 (Peterson).

U.S. PRODUCERS' INVENTORIES

Table III-6 presents U.S. producers' inventories.¹⁶ Inventories decreased irregularly, and were noticeably lower in 2004, corresponding to a temporary recovery in TCCSS consumption.

Table III-6
TCCSS: U.S. producers' end-of-period inventories, 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
* * * * *						
Total:						
Inventories (<i>short tons</i>)	349,202	331,964	324,275	363,429	262,974	307,218
Ratio of inventories to production (<i>percent</i>)	10.5	11.4	10.4	12.4	8.9	11.2
Ratio of inventories to U.S. shipments (<i>percent</i>)	10.9	11.7	10.7	12.8	9.0	11.9
Ratio of inventories to total shipments (<i>percent</i>)	10.3	11.3	10.4	12.4	8.6	11.4
Source: Compiled from data submitted in response to Commission questionnaires.						

U.S. PRODUCERS' PURCHASES AND IMPORTS

Both Ohio Coatings and USS-POSCO are dependent upon purchases of upstream steel products. Ohio Coatings purchases black plate and coats it with tin. USS-POSCO purchases hot bands and processes them into black plate before coating the sheet with tin.¹⁷ However, there were no purchases or imports of TCCSS by any U.S. producer.

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-7 presents employment data for U.S. producers. The number of employees declined during the period for which data were collected. The number of hours worked annually per worker in 2000 is very high, attributable to ***.¹⁸ The very high number of hours worked had an impact on the relatively low productivity rate in 2000. Hourly wages were also much lower during that year. These anomalies were also due to ***.

Unit labor costs were substantially higher for integrated steel producers (Mittal and U.S. Steel) than for the mills that purchase their steel inputs (Ohio Coatings and USS-POSCO).

***. ***.¹⁹

¹⁶ Inventories plus production minus total shipments do not reconcile due to reporting anomalies from ***. Reconciliation issues are minor.

¹⁷ Producers' questionnaire responses of Ohio Coatings and USS-POSCO, questions II-2, and III-6.

¹⁸ A March 13, 2006 letter from counsel for ***, observes that ***.

¹⁹ Producers' questionnaire responses of ***, question II-2(c).

Table III-7

TCCSS: Average number of production and related workers, hours worked, wages paid to such workers, hourly wages, productivity, and unit labor costs, 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
	*	*	*	*	*	*
Total:						
PRWs (<i>number</i>)	5,794	5,256	4,637	4,331	3,857	3,769
Hours worked (<i>1,000</i>)	15,399	10,918	9,874	8,609	8,136	7,665
Wages paid (<i>\$1,000</i>)	334,330	287,189	265,145	222,495	223,492	233,303
Hourly wages	\$21.71	\$26.30	\$26.85	\$25.84	\$27.47	\$30.44
Productivity (<i>short tons per hour</i>)	216.5	267.1	316.6	340.9	362.1	357.3
Unit labor costs (<i>per short ton</i>)	\$100.28	\$98.48	\$84.83	\$75.82	\$75.85	\$85.20
Note.--Because of rounding, figures may not add to totals shown.						
Source: Compiled from data submitted in response to Commission questionnaires.						

In September 2002, the United Steelworkers of America (“USWA”) adopted a new set of principles at its Basic Steel Industry Conference (“BSIC”) to secure labor agreements that, according to the USWA, would save jobs in the steel industry and maintain or enhance living standards of its members and retirees while aiding U.S. steel producers to recover from bankruptcy and become successful. The BSIC principles were the basis of agreements concluded in 2003 with ISG and U.S. Steel, which had purchased the assets of LTV. The plan provided for a benefit trust to provide for funding of health-care for retirees of predecessor companies. The agreement allowed for a substantial reduction in employee and retiree healthcare expenses through a variable cost sharing mechanism, and provided for early retirement incentives. A similar contract was ratified in May 2003 between USWA, U.S. Steel, and National Steel, covering the combined operations of both firms. In June 2003, the USWA ratified an agreement with ISG for the steelworkers at the former Bethlehem Steel facilities. The agreement, which expires in September 2008, includes provisions for pension benefits under a defined benefit plan and a fund to provide health care for retirees of Bethlehem Steel, together with profit-sharing and labor productivity arrangements. USS-POSCO and the USWA approved an agreement in August 2004 in which the USWA negotiated small pay increases but made concessions in the areas of health care benefits and work rules.²⁰

At the public hearing held in connection with this review, a representative of the ISU related the following account of the declining employment benefits of the steelworkers in the tin mill industry in the United States: “the benefit plans; they are gone...The PBGC has taken over our plan, as with many of the plans in the steel industry. Our retirees, in many cases, get a fraction of what they did before. The

²⁰ *Steel: Evaluation of the Effectiveness of Import Relief*, Investigation No. TA-204-12, USITC Publication 3797, September 2005, pp. OVERVIEW III-19-20.

voluntary employee benefit associations (“VEBA”) was an excellent way of providing some benefits for our retirees, but they only get back a fraction of what they lost.”²¹

***.²²

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

Each of the five producers that provided trade data also provided useable financial data. These producers all had fiscal years ending December 31.²³ Although each of the companies produced TCCSS, their production processes, and therefore their cost structures, differ to some extent. In particular, the integrated producers – LTV, Mittal, and U.S. Steel – produced the raw steel (Mittal from scrap and LTV and U.S. Steel predominantly using iron ore and coke), rolled it into sheet, and then coated it. On the other hand, USS-POSCO and Ohio Coatings both purchased their steel inputs (USS-POSCO purchased hot bands and Ohio Coatings purchased black plate), rolled it into sheet, and then coated it. Accordingly, LTV, Mittal, and U.S. Steel all had relatively low raw material costs and relatively high conversion (labor and overhead) costs, while Ohio Coatings and USS-POSCO both had relatively high raw material costs and relatively low conversion costs. No firms reported internal consumption or transfers to related parties.

Staff verified *** data on May 18 and 19, 2006. Verification resulted in changes to *** operating profitability (operating income *** by approximately *** in 2000-02 and 2004, and *** by approximately *** in 2003 and 2005), and the value of its assets (which *** by as much as ***, particularly in the most recent periods). On balance, however, the changes did not substantially alter the trends in *** reported data or the aggregate financial data.²⁴

Operations on TCCSS

Aggregate income-and-loss data for the producers on their operations producing TCCSS are presented in table III-8. The results are best described as lackluster. Net sales quantities declined irregularly, and were 20 percent lower in 2005 than they were in 2000. Net sales values either increased or decreased from period to period in concert with changing net sales quantities through 2003, increased in line with increasing unit sales values in 2004, and remained virtually the same in 2005 as continued increases in unit sales values essentially offset decreases in sales quantities. The industry drifted between moderate operating losses (expressed as a percentage of net sales values) in the earlier periods, a small profit in 2003, and then small losses in 2004-05.

²¹ Hearing transcript, pp. 84-85 (Glyptis).

²² Producers’ questionnaire response of ***, question II-2.

²³ As previously discussed, LTV stopped producing and selling TCCSS in 2001. For purposes of financial analysis, data from LTV’s TCCSS operations have been presented separately for 2000-01. U.S. Steel’s operations include the former LTV facilities post acquisition.

²⁴ See Verification Report of ***.

Table III-8
TCCSS: Results of producers on their operations,¹ fiscal years 2000-05

Item	Fiscal year					
	2000	2001	2002	2003	2004	2005
	Quantity (short tons)					
Net sales	3,358,878	2,940,949	3,132,312	2,936,145	3,048,847	2,695,138
	Value (1,000 dollars)					
Net sales	1,975,725	1,740,481	1,872,924	1,778,843	2,016,042	2,016,252
Cost of goods sold:						
Raw materials	789,685	689,177	719,888	732,165	1,046,238	973,472
Direct labor	347,663	339,030	338,532	348,520	321,014	327,012
Other factory costs	820,709	704,021	746,999	541,837	556,285	620,266
Total cost of goods sold	1,958,057	1,732,228	1,805,419	1,622,522	1,923,537	1,920,750
Gross profit	17,668	8,253	67,505	156,321	92,505	95,502
SG&A expenses	97,321	81,965	79,271	133,678	110,965	110,244
Operating income/(loss)	(79,653)	(73,712)	(11,766)	22,643	(18,460)	(14,742)
Other expense/(income), net	42,556	135,615	34,447	302,831	18,288	6,979
Net income/(loss) before taxes	(122,209)	(209,327)	(46,213)	(280,188)	(36,748)	(21,721)
Depreciation/amortization	115,251	111,843	90,390	73,878	54,261	45,744
Cash flow	(6,958)	(97,484)	44,177	(206,310)	17,513	24,023
	Ratio to net sales (percent)					
Cost of goods sold:						
Raw materials	40.0	39.6	38.4	41.2	51.9	48.3
Direct labor	17.6	19.5	18.1	19.6	15.9	16.2
Other factory costs	41.5	40.5	39.9	30.5	27.6	30.8
Total cost of goods sold	99.1	99.5	96.4	91.2	95.4	95.3
Gross profit	0.9	0.5	3.6	8.8	4.6	4.7
SG&A expenses	4.9	4.7	4.2	7.5	5.5	5.5
Operating income/(loss)	(4.0)	(4.2)	(0.6)	1.3	(0.9)	(0.7)
Net income/(loss)	(6.2)	(12.0)	(2.5)	(15.8)	(1.8)	(1.1)
	Number of firms reporting					
Operating losses	2	4	1	2	2	2
Data	5	5	4	4	4	4

Table continued on next page

Table III-8--Continued

TCCSS: Results of producers on their operations,¹ fiscal years 2000-05

Item	Fiscal year					
	2000	2001	2002	2003	2004	2005
	Unit value (dollars per short ton)					
Net sales values	588	592	598	606	661	748
Cost of goods sold:						
Raw materials	235	234	230	249	343	361
Direct labor	104	115	108	119	105	121
Other factory costs	244	239	238	185	182	230
Total cost of goods sold	583	589	576	553	631	713
Gross profit	5	3	22	53	30	35
SG&A expenses	29	28	25	46	36	41
Operating income/(loss)	(24)	(25)	(4)	8	(6)	(5)
<p>¹ The producers are LTV, Mittal, Ohio Coatings, U.S. Steel, and USS-POSCO. LTV exited the industry in 2001.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>						

From 2000 to 2003, unit sales values and unit operating costs (cost of goods sold and selling, general, and administrative (SG&A) expenses combined) both hovered at approximately \$600 per ton, with unit sales values gradually increasing and unit operating costs gradually decreasing. Within the individual cost components, there were moderate increases in raw materials cost (mostly in 2003) and direct labor cost (mostly in 2001 and 2003), a more pronounced increase in SG&A expenses (in 2003), and a distinct decrease in other factory costs in 2003.

While increases in unit direct labor costs were reported by three of the four producers operating continuously from 2000 to 2003 (LTV ceased operations in 2001), the sharp drop in unit other factory costs is *** attributed the decline to the cost savings following the *** operations, the removal of the ***, and a change in its internal accounting that resulted in the movement in certain costs (***) from *** expenses.²⁵ Finally, the *** is ***, largely because of the shift in costs from ***, but also (in 2003) because of a ***.²⁶

Unit sales values as well as the individual costs components of cost of goods sold all increased from 2003 to 2005. The large increase in raw materials (\$112 per ton) was the result of price increases in scrap and other raw material inputs, while the increase in other factory costs (\$45 per ton) was largely the combination of decreased production and increased utility costs.

The domestic industry reported large other expenses in 2001 and 2003. In both years, the expenses were due to increases in *** pension and post retirement health care liabilities, which in turn were the result of work force reductions and restructuring. *** incurred charges of *** in 2001 (with *** allocated to TCCSS), and another *** in 2003 (with *** allocated to TCCSS). In addition to these non-operating expenses, *** also incurred *** in operating expenses related to shutdown and buy-out expenses in 2005.

Selected company-by-company data are presented in table III-9. The data illustrate the operational and cost differences between the different producers. In particular, the raw material costs for

²⁵ March 15, 2006 *** submission at 2 and *** posthearing brief, p 14.

²⁶ In support of its claim that certain costs were moved from *** expenses, *** points out that the *** expenses in 2003 (***/ton) are far less than the *** costs (***/ton). *** posthearing brief, p. 15.

the three integrated producers (LTV, Mittal, and U.S. Steel) are much lower than the raw material costs for Ohio Coatings and USS-POSCO. This is because the raw material costs for LTV, Mittal, and U.S. Steel are limited to the physical inputs used to make steel (scrap, coal, and coke) while the cost for Ohio Coatings and USS-POSCO is the purchase price of the raw steel in coils, which includes raw material and conversion (labor and overhead) costs. As a result, the metal margins (sales prices minus raw materials cost) for the integrated producers are larger than those for the non-integrated producers. Ohio Coatings and USS-POSCO in turn have lower conversion (direct labor and factory overhead) costs, because their costs are limited to cold rolling and coating, whereas LTV, Mittal, and U.S. Steel all incur conversion costs in their production and hot rolling, cold rolling, and coating.

U.S. Steel, the largest producer, *** in the earlier periods, and then become *** producers in the more recent periods. The changeover from *** coincided with U.S. Steel's emergence as the *** producer in 2003. This, in turn, appears to relate to the assimilation of the former National Steel facilities.²⁷ Offsetting the *** to some extent were *** in 2003 which were largely due to ***.²⁸ U.S. Steel was the *** to report *** in 2005 than in 2000, reporting an *** percent.

Mittal, the second largest producer, was *** periods. The company's unit cost of goods sold ***, with the ***. Reasons for the increase in 2005 included energy costs (approximately *** per ton, due to increased electricity and natural gas prices), labor rates (approximately *** per ton, largely because production workers at the Weirton facility operated under bankruptcy for approximately one-half year *** by Mittal), and shutdown and buy-out expenses (approximately *** per ton). Mittal's 2005 sales quantities were *** than its 2000 sales quantities and *** level (2003).

USS-POSCO, the only producer west of the Rocky Mountains, reported the *** prices. The company is the second smallest producer, and reported *** during 2003-05. USS-POSCO, which primarily purchases its major cost input (hot bands) from its parent companies, was the *** period. Although an exact comparison of the operations of USS-POSCO and other companies is not possible, staff notes its unit operating costs are *** than those for Ohio Coatings (the other non-integrated producer), and, in 2003-05, are *** to the unit operating costs of ***, an integrated producer. USS-POSCO's 2005 sales quantities were *** than its 2000 sales quantities, and *** level.

Ohio Coatings, the smallest producer, was ***. Even though the company is a non-integrated producer, it reported ***. Ohio Coatings' 2005 sales quantities were *** than its 2000 sales quantities and *** than its highest level (2002).

LTV was plagued with operational difficulties as its operations wound down in 2000 and 2001. Its unit sales prices *** of any producer (approximately *** than the industry average), while its unit operating costs *** per ton or more (*** than the industry average). The absence of its large losses are a major reason why the aggregate industry results improved after 2001.

²⁷ For 2000, 2001, and 2002, U.S. Steel's data include data reported to the Commission by the former National Steel in questionnaire responses before its TCCSS operations were acquired by U.S. Steel. Since U.S. Steel did not acquire from National Steel the records from which these data were generated, and since the National Steel personnel who prepared the data were not employed by U.S. Steel when it acquired National Steel, U.S. Steel cannot provide explanations for any possible anomalies that may appear in the data.

²⁸ As previously discussed in this section, this is attributable to *** shifting some of its *** expenses.

Table III-9
TCCSS: Selected financial data of producers, fiscal years 2000-05

Item	Fiscal year					
	2000	2001	2002	2003	2004	2005
	Quantity (short tons)					
Net sales quantities:						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Total	3,358,878	2,940,949	3,132,312	2,936,145	3,048,847	2,695,138
	Value (1,000 dollars)					
Net sales values:						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Total	1,975,725	1,740,481	1,872,924	1,778,843	2,016,042	2,016,252
Operating income/(loss):						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Total	(79,653)	(73,712)	(11,766)	22,643	(18,460)	(14,742)
	Ratio to net sales (percent)					
Operating income/(loss):						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Average	(4.0)	(4.2)	(1.0)	1.3	(0.9)	(0.7)

Table continued on following page

Table III-9--Continued

TCCSS: Selected financial data of producers, fiscal years 2000-05

Item	Fiscal year					
	2000	2001	2002	2003	2004	2005
	<i>Unit value (dollars per short ton)</i>					
Net sales:						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Average	588	592	598	606	661	748
Raw materials cost:						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Average	235	234	230	249	343	361
Direct labor:						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Average	104	115	108	119	105	121
Other factory costs:						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Average	244	239	238	185	182	230

Table continued on following page

Table III-9--Continued

TCCSS: Selected financial data of producers, fiscal years 2002-05

Item	Fiscal year					
	2000	2001	2002	2003	2004	2005
	<i>Unit value (dollars per short ton)</i>					
Total cost of goods sold:						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Average	583	589	576	553	631	713
Gross profit:						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Average	5	3	22	53	30	35
SG&A expenses:						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Average	29	28	25	46	36	41
Operating profit/(loss):						
LTV	***	***	***	***	***	***
Mittal	***	***	***	***	***	***
Ohio Coatings	***	***	***	***	***	***
U.S. Steel	***	***	***	***	***	***
USS-POSCO	***	***	***	***	***	***
Average	(24)	(25)	(4)	8	(6)	(5)
Source: Compiled from data submitted in response to Commission questionnaires.						

The variance analysis showing the effects of prices and volume on the producers' sales, and of costs and volume on their total cost, is shown in table III-10. The analysis illustrates that from 2000 to 2005 operating profitability increased (the operating loss declined) as large increases in the per-unit revenues (price variance) more than offset large increases in per-unit operating costs (net cost/expense variance). The analysis also illustrates that most of the increases in price and costs occurred in 2004 and 2005.

Table III-10
TCCSS: Variance analysis of producers on their operations, fiscal years 2000-05

Item	Between fiscal years					
	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05
Value (\$1,000)						
Net sales:						
Price variance	430,945	10,586	19,193	23,214	168,919	234,099
Volume variance	(390,418)	(245,830)	113,250	(117,295)	68,280	(233,889)
Total net sales variance	40,527	(235,244)	132,443	(94,081)	237,199	210
Cost of sales:						
Cost variance	(349,620)	(17,803)	39,522	69,829	(238,736)	(220,370)
Volume variance	386,927	243,632	(112,713)	113,068	(62,279)	223,157
Total cost variance	37,307	225,829	(73,191)	182,897	(301,015)	2,787
Gross profit variance	77,834	(9,415)	59,252	88,816	(63,816)	2,997
SG&A expenses:						
Expense variance	(32,154)	3,247	8,027	(59,371)	27,844	(12,152)
Volume variance	19,231	12,109	(5,333)	4,964	(5,131)	12,873
Total SG&A variance	(12,923)	15,356	2,694	(54,407)	22,713	721
Operating income variance	64,911	5,941	61,946	34,409	(41,103)	3,718
Summarized as:						
Price variance	430,945	10,586	19,193	23,214	168,919	234,099
Net cost/expense variance	(381,774)	(14,556)	47,550	10,458	(210,891)	(232,523)
Net volume variance	15,740	9,911	(4,796)	737	869	2,142
Note.--Unfavorable variances are shown in parentheses; all others are favorable.						
Source: Compiled from data submitted in response to Commission questionnaires.						

Capital Expenditures and Research and Development Expenses

The domestic TCCSS producers' capital expenditures and research and development (R&D) expenses are presented in table III-11. *** capital expenditures, although LTV had *** expenditures while it was in operation. R&D expenditures, which were ***, were also ***.

Table III-11

TCCSS: U.S producers' capital expenditures and research and development expenditures, fiscal years 2000-05

Item	Fiscal year					
	2000	2001	2002	2003	2004	2005
	<i>Value (1,000 dollars)</i>					
Capital expenditures:						
	*	*	*	*	*	*
Total	83,191	35,529	***	***	***	***
Research and development expenditures:						
	*	*	*	*	*	*
Source: Compiled from data submitted in response to Commission questionnaires.						

Assets and Return on Investment

Data on the domestic TCCSS producers' assets and their return on investment (defined as operating income divided by total assets) are presented in table III-12. The value of total assets peaked in 2001 and then remained approximately constant at a lower level from 2002 through 2005. During this latter period, decreases in other non-current assets were offset by increases in cash and the value of inventory. The return on investment trended the same as operating income.

Table III-12

TCCSS: U.S producers' value of assets and return on investment, fiscal years 2000-05

Item	Fiscal year					
	2000	2001	2002	2003	2004	2005
	Value (1,000 dollars)					
Total assets:						
Current assets:						
Cash	24,943	39,706	19,276	23,207	68,194	122,151
Accounts receivable	174,057	186,506	170,774	194,825	220,725	168,448
Inventories (total)	208,176	274,506	241,125	258,349	213,748	302,109
All other current assets	40,461	23,677	22,045	28,463	18,507	25,394
Total current assets	447,637	524,395	453,220	504,844	521,174	618,102
Non-current assets:						
Property, plant, and equipment at cost	1,451,346	1,724,074	1,698,912	1,549,258	1,130,999	1,250,022
Less: accumulated depreciation	877,467	1,101,090	1,137,525	1,031,726	748,287	826,741
Equals: book value	573,879	622,984	561,387	517,532	382,712	423,281
Other non-current assets	199,662	263,833	170,463	63,515	160,951	3,585
Total non-current assets	773,541	886,817	731,850	581,047	543,663	426,866
Total assets	1,221,178	1,411,212	1,185,070	1,085,891	1,064,837	1,044,968
Operating income	***	***	(11,766)	22,643	(18,460)	(14,742)
	Ratio of operating income to total assets (percent)					
Return on investment	***	***	(1.0)	2.1	(1.7)	(1.4)
<p>Note – Operating income and return on investment are based upon the data of those producers providing both profit-and-loss and asset data. Since *** it operated) are excluded.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>						

PART IV: U.S. IMPORTS AND THE INDUSTRY IN JAPAN

U.S. IMPORTS

Table IV-1 presents U.S. imports from Japan and from all other sources. Imports are based on questionnaire responses.¹ U.S. importers reported no subject imports from Japan after 2000, the year in which the antidumping duty order entered into effect. Respondent interested parties likewise report that Japanese producers have not exported TCCSS to the United States after the first quarter of 2000.²

The largest sources of nonsubject imports in 2005 (by quantity) were Canada, Germany, France, and the Netherlands, in decreasing order of magnitude. Other lesser suppliers include Brazil, Turkey, China, Belgium, Korea, and Norway.³ Imports from countries other than Japan declined in 2002 and 2003 while increased duties resulting from the U.S. safeguard measure on steel were in effect. Imports from Canada, which were not subject to the increased duties, rose during that period and continued to increase during 2004-05. Overall, imports recovered in 2004 and increased in 2005, as the import trade returned to “normal,” according to one major importer.⁴

The unit values of U.S. imports of TCCSS increased markedly during the last two years of the period for which data were collected, similar to the increases seen in the unit values of U.S. producers’ U.S. shipments of TCCSS. The increase was less pronounced in 2004 for the imported product, but accelerated in 2005.

Table IV-2 presents reported U.S. imports of excluded tin mill products, largely from Japan. The volumes of excluded tin mill products reported by U.S. importers are substantially lower than the volumes of exports of such merchandise to the United States reported by Japanese producers (table IV-9) and the implied volumes appearing in table C-2.⁵ Table F-1 in appendix F presents all tin mill product imports combined.

¹ At the public hearing, parties were requested to comment on whether it was appropriate to use questionnaire response data as a source for nonsubject imports, or whether the parties had some reason to view official statistics as superior. Domestic interested parties Mittal, U.S. Steel, and USS-POSCO had no objection to the use of questionnaire data. *See* submissions dated May 2, 2006. Japanese interested parties recommended using both sources of data: official statistics for analyzing data over the nine-year period spanning the original investigation and the current review (i.e., for data presented in table I-1), because official statistics were used in the original investigation; and questionnaire response data for the recent years presented in the current review. *See* submission of May 2, 2006.

² August 31, 2005 submission by counsel to respondent interested parties. *See also* submission of the respondent interested parties, May 10, 2006, stating that the Japanese producers did not export TCCSS to the United States since 2001; clarified by and e-mail from ***, May 11, 2006, explaining that there had been no exports since the documented exports in 2000 before the order, and that there had been no contracts for the sale of TCCSS to the United States in 2006. *See also* e-mails from ***, May 4, 2006, and ***, May 5, 2006, stating that their firms had no imports of TCCSS in regular or sample form during 2006. However, there was a *** ton export shipment in 2003 by ***. *See* table IV-8.

³ Nonsubject imports, by country of origin, are presented in table C-2 in appendix C.

⁴ Staff telephone interview with ***, March 31, 2005. *** also attributed the increase in imports to exemptions to the safeguard measure prior to the 2004 contract year.

⁵ Importers were unable to reconcile their questionnaire data with data reported to U.S. Customs and Border Protection.

Table IV-1
TCCSS: U.S. imports, by sources, 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
Quantity (short tons)						
Imports from Japan	94,434	0	0	0	0	0
Imports from all other sources	430,961	399,085	342,552	397,468	488,079	569,973
Total imports	525,395	399,085	342,552	397,468	488,079	569,973
Value (\$1,000)¹						
Imports from Japan	56,749	0	0	0	0	0
Imports from all other sources	264,099	244,451	202,846	244,018	326,965	448,097
Total imports	320,848	244,451	202,846	244,018	326,965	448,097
Unit value (per short ton)						
Imports from Japan	\$600.94	(²)	(²)	(²)	(²)	(²)
Imports from all other sources	612.81	\$612.53	\$592.16	\$613.93	\$669.90	\$786.17
Total imports	610.68	612.53	592.16	613.93	669.90	786.17
Share of quantity (percent)						
Imports from Japan	18.0	0.0	0.0	0.0	0.0	0.0
Imports from all other sources	82.0	100.0	100.0	100.0	100.0	100.0
Total imports	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)						
Imports from Japan	17.7	0.0	0.0	0.0	0.0	0.0
Imports from all other sources	82.3	100.0	100.0	100.0	100.0	100.0
Total imports	100.0	100.0	100.0	100.0	100.0	100.0
Ratio of import quantity to U.S. production (percent)						
Imports from Japan	2.8	0.0	0.0	0.0	0.0	0.0
Imports from all other sources	12.9	13.7	11.0	13.5	16.6	20.8
Total imports	15.8	13.7	11.0	13.5	16.6	20.8
¹ Landed, duty-paid. ² Not applicable.						
Note.--Because of rounding, figures may not add to totals shown. U.S. imports from all other sources include U.S. shipments of TCCSS-content of products transformed in an FTZ (as reported by ***).						
Source: Compiled from data submitted in response to Commission questionnaires.						

Table IV-2
Excluded tin mill products: U.S. imports, by sources, 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
Quantity (short tons)						
Imports from Japan	28,313	19,102	7,980	7,722	24,980	21,014
Imports from all other sources	0	0	***	0	0	0
Total imports	28,313	19,102	***	7,722	24,980	21,014
Value (\$1,000)¹						
Imports from Japan	19,332	13,620	6,225	5,952	18,222	19,255
Imports from all other sources	0	0	***	0	0	0
Total imports	19,332	13,620	***	5,952	18,222	19,255
Unit value (per short ton)						
Imports from Japan	\$682.80	\$713.01	\$780.08	\$770.79	\$729.46	\$916.29
Imports from all other sources	(²)	(²)	***	(²)	(²)	(²)
Total imports	682.80	713.01	***	770.79	729.46	916.29
Share of quantity (percent)						
Imports from Japan	100.0	100.0	***	100.0	100.0	100.0
Imports from all other sources	0.0	0.0	***	0.0	0.0	0.0
Total imports	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)						
Imports from Japan	100.0	100.0	***	100.0	100.0	100.0
Imports from all other sources	0.0	0.0	***	0.0	0.0	0.0
Total imports	100.0	100.0	100.0	100.0	100.0	100.0
¹ Landed, duty-paid. ² Not applicable.						
Note.--Because of rounding, figures may not add to totals shown.						
Source: Compiled from data submitted in response to Commission questionnaires.						

Tin-free steel coated with a metallic chromium layer and tin-free steel laminated on one or both sides of the surface with a polyester film were excluded from the scope after the imposition of the antidumping duty order. Counsel for respondent interested parties provided estimates for Japanese exports of the laminated tin-free steel product during 2003-05:⁶

2003: *** short tons; \$***

2004: *** short tons; \$***

2005: *** short tons; \$***

Data for exports before 2003 were unavailable. There were only samples sent in 2004 of *** metric tons and in 2005 of *** metric tons of the tin-free steel coated with a metallic chromium layer.

Table IV-3 presents U.S. importers' U.S. shipments by region for 2004-05. As there have been no reported U.S. imports of subject merchandise from Japan since 2000, no data are available for shipments of imports from Japan by region during this period. In 2005, U.S. shipments of imports from nonsubject countries were concentrated in the Midwest, with the South and West each receiving lesser shares. The Northeast was a relatively minor destination for shipments of such imports in 2005, as were "other regions" outside the continental United States.⁷

⁶ Posthearing brief of respondent interested parties, exh. 13, pp. 1-3.

⁷ Table C-3 in appendix C presents imports from official statistics by district of entry into the regions corresponding to the regions in table IV-3. Imports of all tin mill products combined from Japan in 1999 entered primarily through the West (47 percent), while about 34 percent of imports from Japan entered in the South during that year. By 2005, 78 percent of imports of all tin mill products from Japan entered through the Southern region, and 15 percent through the West. During 1999, TCCSS imports from all other sources were scattered 41 percent in the Midwest, 29 percent in the South, and 24 percent in the Northeast, with only 3 percent entering in the West. In 2005, imports from all other sources were distributed 48 percent in the Midwest, 22 percent in the Northeast, 14 percent in the West, and 12 percent in the South. These data differ somewhat from data on shipments of imports reported in Table IV-3, and cannot be compared directly, as imports entering in one region may be shipped to another region.

Table IV-3

TCCSS: U.S. importers' U.S. shipments of imports from nonsubject countries, by region, 2004-05

Item	2004		2005	
	Quantity (short tons)	Share (percent)	Quantity (short tons)	Share (percent)
U.S. shipments to the Northeast	***	***	***	***
U.S. shipments to the Midwest	283,005	60.6	306,974	59.7
U.S. shipments to the South	46,925	10.1	70,905	13.8
U.S. shipments to the West	80,886	17.3	88,604	17.2
U.S. shipments to other regions	***	***	***	***
Total shipments	466,855	100.0	513,817	100.0

Note.-- **Northeast**—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West—Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Other—Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

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

During the public hearing, U.S. industry officials were asked where Japanese imports would likely enter the country if the antidumping duty order were revoked. A USS-POSCO official asserted that the Japanese TCCSS imports would enter on the West Coast, similar to the 1997-99 period.⁸ Representatives of Mittal and U.S. Steel concluded that the Japanese imports would spread across the country into the Midwest and East along with the West.⁹ In its posthearing brief, counsel for Mittal confirmed its view that imports would be widespread throughout the United States.¹⁰

U.S. IMPORTERS' INVENTORIES

Inventories of TCCSS held by U.S. importers are presented in table IV-4. Inventories from Japan were present only in 2000. Reported inventories from U.S. importers of TCCSS from countries other than Japan fluctuated, and reached higher levels in 2000 and 2003 as a ratio to imports than during other years in the period of review.

Table IV-4

TCCSS: U.S. importers' reported end-of-period inventories of imports and ratio of inventories to imports and to U.S. importers' U.S. shipments, 2000-05

* * * * *

⁸ Hearing transcript, p. 104 (Peterson). This view was confirmed in the posthearing brief of USS-POSCO, answers to ITC hearing questions, p. 7.

⁹ Ibid., p. 105 (Scherrbaum) and p. 106 (Goedeke).

¹⁰ Posthearing brief of Mittal, responses to questions of Chairman Koplán, pp. 3-4.

THE INDUSTRY IN JAPAN

During the original investigation, there were four Japanese producers of TCCSS and excluded tin mill products: Kawasaki Steel Corp.; Nippon Steel Corp.; NKK Corp.; and Toyo Kohan Co., Ltd.¹¹ In April 2003, JFE-Steel Corp. was formed by the consolidation of NKK and Kawasaki. During 1999, the combined share of production in Japan for NKK and Kawasaki was *** percent. Table IV-5 presents the current Japanese producers of TCCSS, their locations, and their shares of 2005 production. Nippon Steel and Toyo Kohan *** of Japanese TCCSS production in 2005 than in 1999, while the combined firm of JFE *** than the two predecessor firms. In 2005, one firm, ***, accounted for more than *** of all Japanese production of the subject merchandise.

Table IV-5
TCCSS: Japanese producers, their locations, and their shares of production in 2005

Firm	Location	Share of 2005 production (percent)
JFE Steel Corp.	Tokyo	***
Nippon Steel Corp.	Kitakyushu City, Himeji City, Tokai City	***
Toyo Kohan Co., Ltd	Tokyo	***

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

General Steel Capacity Issues

Table IV-6 presents data on the capacity and production of the Japanese industry to produce products on the same equipment and machinery used in the production of TCCSS in 2000-05. ***.¹² Capacity utilization for all products on the same equipment was generally higher than the capacity utilization for TCCSS production reported in table IV-8.

¹¹ Memorandum INV-X-160, Inv. No. 731-TA-860 (Final): Tin- and Chromium-Coated Steel Sheet from Japan—Staff Report, July 18, 2000, p. VII-1. Relevant shares of Japanese production of all tin mill products were the following for 1999: Kawasaki ***, Nippon Steel ***, NKK ***, and Toyo Kohan ***. According to data obtained by the Commission in the original investigation, producers in Japan had a reported capacity ranging from 3.4 million short tons in 1997 to 3.2 million short tons in 1999; production ranging from 3.0 million short tons in 1997 to 2.9 million short tons in 1999; capacity utilization ranging from 89.0 percent in 1997 to 88.5 in 1999; and exported approximately 5.9 to 11.5 percent of their shipments to the United States from 1997 to 1999. Ibid., p. VII-3.

¹² Producers' questionnaire responses of JFE, Nippon Steel, and Toyo Kohan, question II-6.

Table IV-6

Tin mill products: Japanese producers' total capacity, production, and capacity utilization of products on the same equipment and machinery used in the production of TCCSS,¹ 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
Quantity (short tons)						
Average total production capacity	3,126,983	3,044,207	2,748,416	2,739,421	2,541,949	2,463,934
Production—total products	2,781,803	2,383,118	2,279,367	2,212,677	2,185,944	1,951,158
Production—TCCSS	2,196,150	1,819,783	1,774,255	1,758,970	1,688,484	1,513,007
Production—excluded tin mill products	580,687	531,859	454,918	400,192	435,255	383,236
Production—other products	4,966	31,476	50,194	53,515	62,205	54,915
Capacity utilization—all products (in percent)	89.0	78.3	82.9	80.8	86.0	79.2
¹ ***. Source: Compiled from data submitted in response to Commission questionnaires.						

Table IV-7 presents the total steel producing capacity for all stages of production for the three firms in the TCCSS industry for 2005. *** are fully integrated producers, involved in all aspects of the steelmaking process. *** purchases hot bands for further processing into cold-rolled steel products.¹³ The capacity utilization rates are higher both at the earlier stages of production and for galvanizing operations than for the production of TCCSS.

Table IV-7

Steel products: Japanese producers' capacity and production of all steel products, 2005

Item	Capacity (short tons)	Production (short tons)	Capacity utilization (percent)
Melt/raw steel	***	***	***
Slabs	***	***	***
Hot rolling	***	***	***
Cold rolling	***	***	***
Annealing	***	***	***
Tempering	***	***	***
Tin coating	1,318,000	1,040,973	79.0
Chromium coating	1,130,000	855,329	75.7
Galvanizing	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.			

¹³ Ibid., question II-7(a).

Only one Japanese producer reported the ability to switch production between TCCSS and other products in response to a relative price change in the price of TCCSS vis-a-vis the price of other products, using the same equipment and labor. ***. ***.¹⁴

Capacity, Production, Capacity Utilization, Shipments, and Inventories in Japan

In *** and ***, *** shut down two TCCSS production lines and decreased capacity by *** short tons.¹⁵ Both of these lines were for tin-free steel. *** reported closing one tin-free steel line in ***,¹⁶ reducing capacity by *** tons per year. It also reported increasing the capacity of another TFS line at the *** by *** tons, for a net loss in capacity of *** tons. *** reported *** in ***, resulting in a loss of *** short tons of capacity.¹⁷

Only one Japanese producer anticipated changes in the character of its operations or organization relating to the production of TCCSS in the future. ***.¹⁸
***.¹⁹

Table IV-8 presents data collected on the Japanese industry producing TCCSS. The total capacity of the TCCSS industry in Japan is about 55 percent of the TCCSS industry in the United States in 2005. Capacity utilization in Japan fluctuated over the period for which data were collected as the Japanese industry consolidated and closed production lines. Total shipments fell throughout most of the period, stabilizing briefly in 2003. Home market shipments of TCCSS decreased between 2000 and 2005, as did shipments to each specified export region. Inventories reported by Japanese producers were stable during 2000-02, but declined in absolute terms and relative to total shipments thereafter. No firms reported maintaining any inventories of TCCSS in the United States at any time since 2000.

The largest single market for the Japanese industry is its own home market. Asia and other (non-U.S. and EU) foreign markets are the primary destinations for Japanese exports of the subject merchandise. Other export markets include Iran, Kenya, Mexico, Nigeria, Saudi Arabia, Tanzania, and the U.A.E. There are no other antidumping duty orders in other markets.

Mexico is the largest export market for Japanese tin mill products; the Japanese industry shipped 241,182 short tons to Mexico in 2000; 297,758 short tons in 2001; 301,112 short tons in 2002; 276,633 short tons in 2003; and 242,613 short tons in 2004. Counsel for Japanese respondent interested parties asserts that the Japanese mills have been serving the Mexican market for more than 30 years, and that even though the average unit values in Mexico are \$30 per short ton lower than average unit values in the United States in 2005, the Japanese exporters would not simply divert TCCSS from the Mexican market across the border to the United States if the antidumping duty order was revoked.²⁰

¹⁴ Ibid., question II-9.

¹⁵ These lines were closed permanently. One was completely rebuilt as a nickle plating line. The other line would require substantial investment, hiring and training of workers to restart, and would take at least one year. Posthearing brief of respondent interested parties, p. K-10.

¹⁶ This plant was “permanently shuttered,” the production line itself was removed, and a packing line was constructed on the site where the tin-free line previously existed. Posthearing brief of respondent interested parties, p. K-10.

¹⁷ Producers’ questionnaire responses of JFE, Nippon Steel, and Toyo Kohan, questions II-1 and II-6.

¹⁸ Ibid., question II-2. In May 1998, JFE’s predecessor firm, NKK, began operations of its tin-plate joint venture in China. The 150,000 tons per year mill was constructed in the Fujian Province in southwestern China. NKK Monthly Release, July/August 1998. JFE had shipments to the following TMBP joint ventures during the review period: ***. Posthearing brief of respondent interested parties, exh. 5.

¹⁹ Ibid., question II-7(b) and (c).

²⁰ Posthearing brief of respondent interested parties, pp. K-1-3.

Table IV-8

TCCSS: Japanese producers' reported production capacity, production, shipments, and inventories, 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
Quantity (short tons)						
Capacity	2,523,694	2,340,077	2,155,451	2,153,741	1,987,269	1,933,348
Production	2,196,965	1,820,141	1,774,260	1,758,971	1,688,835	1,513,084
End-of-period inventories	172,843	163,964	173,479	142,492	121,845	102,128
Shipments:						
Internal consumption/ transfers	0	0	0	0	0	0
Home market	1,328,183	1,201,661	1,117,560	1,107,476	1,120,186	1,004,510
Exports to--						
United States	***	0	0	***	0	0
European Union	***	27,284	39,569	***	39,690	47,168
Asia	283,003	229,163	245,685	208,997	209,090	163,668
All other export markets	464,308	370,912	361,931	430,251	340,515	317,456
Total exports	822,265	627,359	647,185	682,483	589,295	528,292
Total shipments	2,150,448	1,829,020	1,764,745	1,789,959	1,709,481	1,532,802
Ratios and shares (percent)						
Capacity utilization	87.1	77.8	82.3	81.7	85.0	78.3
Inventories/production	7.9	9.0	9.8	8.1	7.2	6.7
Inventories/total shipments	8.0	9.0	9.8	8.0	7.1	6.7
Share of total shipments:						
Internal consumption/ transfers	0.0	0.0	0.0	0.0	0.0	0.0
Home market	61.8	65.7	63.3	61.9	65.5	65.5
Exports to:						
United States	***	0.0	0.0	***	0.0	0.0
European Union	***	1.5	2.2	***	2.3	3.1
Asia	13.2	12.5	13.9	11.7	12.2	10.7
All other export markets	21.6	20.3	20.5	24.0	19.9	20.7
Total exports	38.2	34.3	36.7	38.1	34.5	34.5

Table continued on next page.

Table IV-8--Continued

TCCSS: Japanese producers' reported production capacity, production, shipments, and inventories, 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
Value (\$1,000)²						
Shipments:						
Home market (commercial)	1,055,331	901,387	815,249	851,188	1,011,012	903,897
Exports to--						
United States	***	0	0	***	0	0
European Union	***	10,672	15,211	***	21,940	34,752
Asia	138,908	103,536	104,218	108,977	135,900	139,032
All other export markets	198,359	169,996	149,859	204,167	195,037	251,949
Total exports	367,570	284,204	269,288	333,150	352,877	425,733
Total shipments	1,422,901	1,185,591	1,084,537	1,184,338	1,363,889	1,329,630
Unit value (per short ton)²						
Shipments:						
Home market (commercial)	\$794.57	\$750.12	\$729.49	\$768.58	\$902.54	\$899.84
Exports to--						
United States	***	(³)	(³)	***	(³)	(³)
European Union	***	391.14	384.42	***	552.78	736.77
Asia	490.84	451.80	424.19	521.43	649.96	849.48
All other export markets	427.21	458.32	414.05	474.53	572.77	793.65
Average, all exports	447.02	453.02	416.09	488.14	598.81	805.87
Average, total shipments	661.68	648.21	614.56	661.66	797.84	867.45
¹ Less than 0.05 percent. ² Net value, f.o.b. point of shipment in Japan. ³ Not applicable.						
Note.--Because of rounding, figures may not add to totals shown.						
Source: Compiled from data submitted in response to Commission questionnaires.						

Table IV-9 presents data on the Japanese industry producing excluded tin mill products. The declining trend in TCCSS shipments also is apparent for excluded tin mill products. Table F-2, in appendix F, provides data concerning the Japanese industry’s tin mill products combined, with a total reported capacity of *** short tons and ending inventories of *** short tons. Counsel for U.S. Steel presented an alternative estimate for 2005 capacity for all tin mill products of 2,854,957 short tons, based on data from the UK publication *The Tin Mill Products Source Book*,²¹ and observed that the data reported for inventories of all tin mill products differ from data reported by the Japan Iron and Steel Federation (“JISF”) (inventories at the end of February 2006 reported by JISF totaled 145,503 short tons).²² When asked to comment on the discrepancies among various data sources, counsel for respondent interested parties stated that data from foreign producer questionnaires were most accurate.²³

Table IV-9
Excluded tin mill products: Japanese producers' reported production capacity, production, shipments, and inventories, 2000-05

* * * * *

GLOBAL MARKET

Production

As reflected in table IV-10, overall production of tin mill products decreased during 1995-99 despite noticeable growth in Chinese production. Production trends were consistent with the general absence of growth in demand for metal containers (largely food cans and general line cans, which include aerosol, and paint and varnish cans) using tin mill products and stiff competition from substitute materials, such as plastics and aluminum.²⁴

²¹ Prehearing brief of U.S. Steel, p. 18, and exh. 1.

²² *Ibid.*, p. 19.

²³ Posthearing brief of respondent interested parties, p. K-17.

²⁴ *See, e.g., Washington Post.com*, “Dawn of the New Can: To Survive the Container Wars, It’s Taking Surprising Forms,” October 17, 2004, p. F-1.

Table IV-10
Tin mill products: Global production, by region, 1995-99

Region	Calendar year				
	1995	1996	1997	1998	1999
Quantity (1,000 short tons)					
North America	4,358	4,570	4,506	4,170	4,211
European Union (15)	5,421	5,229	5,319	5,358	4,946
Asia, excluding China	3,612	3,500	3,419	3,199	3,423
China	230	233	185	606	941
Other	3,546	2,790	2,551	2,255	2,764
Total	17,167	16,322	15,980	15,588	16,285
Source: International Iron and Steel Institute, <i>Steel Statistical Yearbook 2005</i> .					

As illustrated in table IV-11, global production of tin mill products generally trended in a downward direction during 2000-04 as demand for TCCSS in major end-use markets continued to face stiff competition from competing materials.²⁵ Regionally, North American production experienced the greatest proportional decline due partly to the emergence of substitute materials in can applications and due to lowered demand for TCCSS resulting from the adoption of two-piece can making technologies. North America's share of world TCCSS production declined from approximately 26 percent in 2000 to almost 24 percent in 2004, compared to a comparable figure of 25 percent in 1995.

²⁵ As described in the note to table IV-11, the data reported by IISI are somewhat problematic. Nonetheless, the overall trend in the North American, EU, and Asian (other than China) regions is downward for the period 2000-05.

Table IV-11
Tin mill products: Global production, by region, 2000-04

Region	Calendar year				
	2000	2001	2002	2003	2004
Quantity (1,000 short tons)					
North America	4,206	3,714	3,912	4,004	3,741
European Union (15)	5,292	4,885	4,899	4,964	5,007
Asia, excluding China	3,448	3,320	3,211	3,233	3,248
China	1,113	(¹)	(¹)	(¹)	(¹)
Other	2,156	1,969	1,929	1,979	3,348
Total	16,216	13,888	13,951	14,180	15,344
¹ Not reported. Note.—The relatively low volume in 2000 reflects the absence of reported Russian production beginning in that year. In addition, data for 2001-04 do not include Chinese production, substantially understating total production. Finally, IISI attributes the substantial increase in “Other” production in 2004 to Australia. Staff could find no reference to an increase in production of this magnitude by the Australian producer BlueScope Steel. To the contrary, in its 2004/05 annual report, the company made the following statement: “After endeavouring for many years to make our packaging products business profitable, we decided in April 2005 to withdraw from the export tin-plate market. This will allow an additional 250,000 tonnes of hot rolled coil to be redirected to other, more profitable BlueScope Steel products... However, BlueScope Steel remains committed to the Australian packaging market.” IISI staff subsequently confirmed that 2004 Australian production included other metallic-coated steel. Source: International Iron and Steel Institute, <i>Steel Statistical Yearbook 2005</i> . <i>BlueScope Steel Limited Annual Report 2004/05</i> , pp.27, 40.					

Finally, the UK publication MEPS compiles statistics and forecasts for tin mill products in its quarterly report entitled *World Steel Outlook*. Data for 2003-05 and projections for 2006 from this subscription-only source are presented in table IV-12.²⁶

Table IV-12
Tin mill products: Production (shipments) in major producing countries or regions, 2003-05 (actual or estimated) and 2006 (projected)

* * * * *

Consumption

Demand for TCCSS is largely influenced by developments in the market for metal containers (largely food cans and general line cans, which include aerosol, and paint and varnish cans). Worldwide demand for metal containers is generally thought to be flat, despite growing regional demand in emerging markets in Asia and Latin America. Total U.S. shipments of food cans and general line cans declined by 3 percent during 1995-2000 to 27.6 billion cans before declining another 3 percent between 2000 and

²⁶ MEPS data are not without inconsistencies as well. For example, as pointed out by U.S. Steel in exhibit 1 of its posthearing brief, MEPS data for Japanese tin mill products is actually very similar to data for ***.

2005 to 26.9 billion cans.²⁷ At the same time, aluminum cans account for a growing percentage of total can shipments, capturing nearly 100 percent of the beverage can market in the United States. Aluminum has also gained versus TCCSS in the food container market,²⁸ while plastic packaging has gained in the coffee can and paint can markets. In addition, seamless two-piece tin mill can technologies, which use less material, have emerged to replace the three-piece can for certain applications, resulting in diminished market share for the three-piece can and lowered volumes of TCCSS consumed.

As discussed above, MEPS compiles statistics and forecasts for tin mill products in its quarterly report entitled *World Steel Outlook*. Data for 2003-05 and projections for 2006 from this subscription-only source are presented in table IV-13.²⁹

Table IV-13
Tin mill products: Apparent consumption in major producing countries or regions, 2003-05
(actual) and 2006 (projected)

* * * * *

Finally, respondent interested parties provided studies commissioned by the ICON Group International. The objective of these studies of the tin-free and the tin-plate markets was to measure “latent demand” – the industry earnings in the markets as they become accessible and attractive to serve by competing firms – as measure by potential industry earnings. According to these studies, latent demand for tin-free steel is concentrated in ***. Worldwide latent demand for tin-free steel is projected to grow from \$*** in 2005 to \$*** in 2007 and to \$*** in 2011. Latent demand for tin-plate steel is concentrated in the same three regions. Worldwide latent demand for tin-plate steel is projected to grow from \$*** in 2005 to \$*** in 2007 and to \$*** in 2011.³⁰

Prices

The Commission requested U.S. producers, importers, and Japanese producers to compare market prices of TCCSS in U.S. and non-U.S. markets. Three of four responding producers did not compare market prices of TCCSS in U.S. and non-U.S. markets, with two producers indicating comparisons between prices in U.S. and non-U.S. markets are unknown to their firms and the other producer (***) not providing any comparisons, but cautioning that price comparisons between U.S. and non-U.S. markets must be reviewed carefully because list prices typically do not reflect discounts and that applications and specifications may vary. The remaining responding producer (***) indicated that prices in Eastern Europe are substantially similar to those in the United States.

Eleven of 15 responding importers indicated that comparisons between prices in U.S. and non-U.S. markets are unknown to their firms. Of the other four responding importers, one (***) indicated that while the market price in the United States is similar to the price in Europe, prices in Asia are about

²⁷ Can Manufacturers Institute, Washington, DC (e-mail correspondence with ***, March 14, 2006).

²⁸ According to the Can Manufacturers Institute, Washington, DC, aluminum increased its market share relative to TCCSS from 14 to 16 percent between 2003 and 2005.

²⁹ MEPS data for tin mill products are published without commentary. Accordingly, the basis for these estimates is not always clear, and in some cases may conflict with other published research, such as that by Metal Bulletin Research.

³⁰ Respondent interested parties’ posthearing brief, exhibits 11 and 12, containing *The 2006-2011 World Outlook for Electrolytic and Hot-Dipped Tin Plate Carbon Steel Tin Mill Products* and *The 2006-2011 World Outlook for Tin-Free Steel Carbon Steel Tin Mill Products*, by Dr. Philip M. Parker (ICON Group International, San Diego, 2005).

10 percent lower. A second importer, ***, indicated that Asian prices were more volatile than in the United States and Europe because they are based on quarterly transactions. A third, ***, indicated that prices in the U.S. market are not as attractive as other countries and that it is difficult for the company to sell in the United States because of the lower prices. Finally, *** indicated that Canada and the United States have the same pricing.

One of the two responding Japanese producers (***) indicated that the export price to the United States is relatively lower than to Asian countries. The other responding company, ***, indicated that although it has little information about comparisons between prices in the United States and non-U.S. markets, it is their understanding that prices in other markets are generally higher than prices of TCCSS in the United States.³¹

In addition to the anecdotal evidence specific to prices for TCCSS discussed above, Metal Bulletin Research (MBR) publishes price data by market for tin-plate.³² These data are distinct from the pricing data presented in Part V of this report, which are collected directly from U.S. producers and U.S. importers according to precise product definitions.

Table IV-14

Tin-plate: Median transaction prices, common grades excluding extras, by month, April 2003-April 2006

* * * * *

Entering 2006, MBR indicated that “****” were placing “****” on new orders, while also noting that regional demand was “****” and inventories were “understood to be ****.” MBR reported **** in Asia, in South America (due to ****), and in prices out of the CIS. MBR predicted **** demand in North Africa and the Middle East, however.³³

As 2006 progressed, MBR reported “****” demand and attempts to raise prices in light of increasing substrate prices. **** in the Philippines (an important market for Japanese product) were reportedly affecting Japanese and Korean exporters as well as the local producer, Global Steel Philippines. In addition, the Chinese market was characterized as being “****” in February, a result of “****” demand offset by supply from a “****” range of sources. However, “****” demand in the Middle East and a **** in Brazil provided some support for prices and import activity.³⁴

By the end of the first quarter, China continued to be characterized by a “****” of imports and production capacity “****.” In addition, the rest of Asia remained “****.” Even in the Middle East, there were suggestions that ****, a country which may see its tin-plate capacity ****.³⁵

Entering the second quarter of 2006, the North American market was characterized by “****,” while the market in China witnessed ****, as well as projections of **** by the end of the year. European tin-plate consumption, however, was characterized as “****,” with an emphasis on ****.³⁶

³¹ See also letter from counsel for ***.

³² MBR data were provided at the Commission’s request ***.

³³ MBR, *Coated Steels Monthly*, January 2006, pp. 8-9.

³⁴ MBR, *Coated Steels Monthly*, February 2006, pp. 8-9.

³⁵ MBR, *Coated Steels Monthly*, March 2006, pp. 8-9.

³⁶ MBR, *Coated Steels Monthly*, April 2006, pp. 8-9.

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Raw materials as a share of cost of goods sold for domestic producers of TCCSS increased between 2000 and 2005, increasing from *** percent of the cost of goods sold in 2000 to *** percent in 2005 for mills that produce black plate and from *** to *** percent between 2000 and 2005 for mills that purchase black plate. Black plate is the major cost component in producing TCCSS for mills, while the cost of the tin or chromium plating is incidental.

All four responding U.S. producers and eight of nine responding importers reported that changes in the prices of raw materials affected its firm's selling prices for TCCSS since 2000. All four of these producers and four of these importers specifically noted that the price of raw materials has increased since 2000. Also, one producer and two importers indicated that they expect a similar level of raw material costs in the future. All three responding producers and two of eight responding importers reported that they imposed or attempted to impose surcharges starting in 2004.¹

U.S. Steel indicated that during early 2004, every one of its major customers resisted a competitive market price adjustment of \$70 per net ton that it had asked for to cover its increased costs, and that in January of 2005 it was "ultimately able to obtain some improvement" although "prices generally remained much lower than were warranted" after it asked for another market price adjustment of \$85 per net ton, as well as an 8 percent increase in its base price.² Also, USS-POSCO indicated that it is presently facing a price cost squeeze³ and Mittal indicates that it is having trouble securing necessary price increases to compensate for increased costs.⁴

Transportation Costs to the U.S. Market

Transportation costs for TCCSS from Japan to the United States (excluding U.S. inland costs) ranged from 8 percent to 11 percent of the customs value for product from Japan between 2000 and 2005.

¹ However, one of these responding producers (***) indicated that it was not successful in collecting surcharges from its customers. This producer indicated that although it was able to negotiate increases in contract prices, these price increases were insufficient to cover increasing costs of raw material.

² Hearing transcript, pp. 60-61 (Gagliano). American Metal Market has reported that U.S. Steel instituted a "competitive market price adjustment" (CMPA) that increased tin mill product prices by \$70 per short ton effective April 12, 2004, and included additional increases to the CMPA in its price announcements for January 2005 and January 2006. See American Metal Market: "U.S. Steel imposes 'competitive' tinplate hike" (April 27, 2004), found at http://www.amm.com/news-2004-04-27_01-22-00.html and retrieved on November 10, 2005; "With surcharge, USS' tinplate to rise 21% in Jan." (November 10, 2004), found at http://www.amm.com/news-2004-11-10_14-38-51.html and retrieved on November 10, 2005; and "USS hikes tin mill items as hot-roll margins sink" (November 9, 2005), found at http://www.amm.com/news-2005-11-09_19-30-45.html and retrieved on November 10, 2005.

³ Hearing transcript, p. 66 (Petersen). USS-POSCO reportedly implemented a \$30 per short ton surcharge in February 2004, a \$130 per short ton surcharge effective July 2004, and a \$25 per short ton surcharge effective October 1, 2005. See American Metal Market: "USS-POSCO plans \$130/T tinplate hike for July" (April 8, 2004), found at http://www.amm.com/news-2004-04-08_01-18-00.html and retrieved on November 10, 2005; and "UPI sets \$25/T surcharge; watchful eyes on imports" (September 2005), found at http://www.amm.com/news-2005-09-14_11-32-46.html and retrieved on November 10, 2005.

⁴ Hearing transcript, p. 71 (Goedeke).

These estimates are derived from official import data and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value.⁵

U.S. Inland Transportation Costs

Three of four responding producers and 10 of 13 responding importers indicated that their firm generally arranges for transportation to the customers' locations, with one importer indicating that both the firm or purchaser arranges for transportation. Responding producers reported that U.S. transportation costs were between *** and *** percent of the total delivered cost of TCCSS and responding importers reported that these costs were between *** and *** percent of the total delivered cost of TCCSS. All responding U.S. producers reported that at least 68 percent of their sales were no more than 500 miles from their storage or production facilities. Five of 11 responding importers responded that at least 80 percent of their sales were no more than 100 miles from their storage or production facilities, while two of 11 responding importers reported that all of their sales were over 1,000 miles from their storage or production facilities.

Exchange Rates

Nominal and real values of the currency of Japan from 2000-05 are presented in figure V-1. Quarterly data reported by the International Monetary Fund indicate that the nominal value of the Japanese yen depreciated by 8.7 percent relative to the U.S. dollar from the first quarter of 2000 to the fourth quarter of 2005, while the real value depreciated by 29.3 percent.

PRICING PRACTICES

Pricing Methods

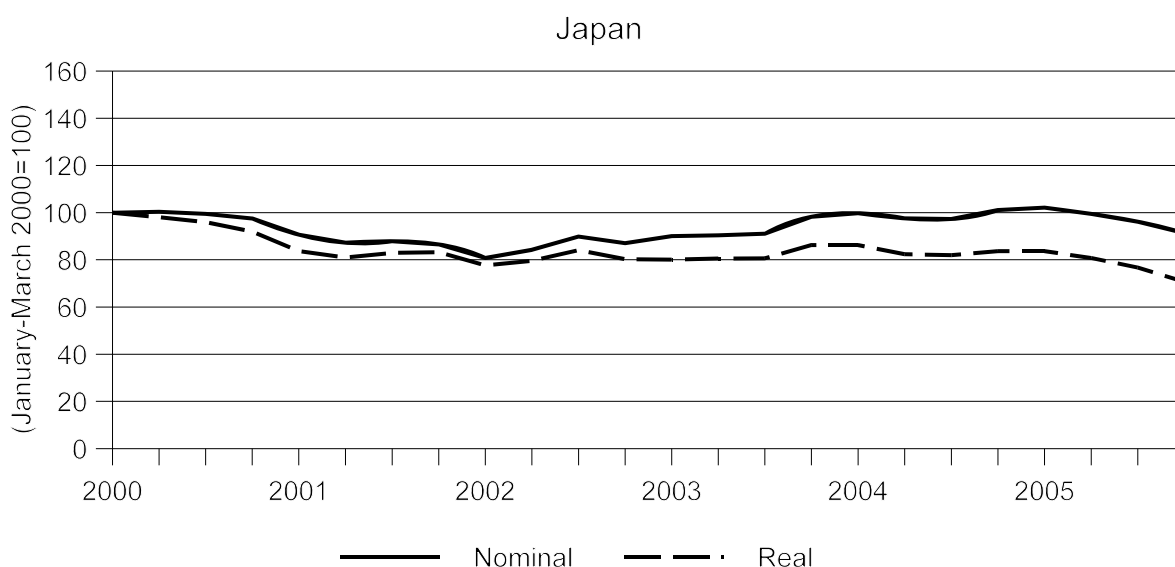
All responding producers and two of three responding importers reported making at least 85 percent of their sales through either short-term or long-term contracts.⁶ The remaining responding importer reported making *** of its sales on a spot basis. All four responding producers and five of seven responding importers indicated that the percentage of their sales through contracts and spot transactions remained the same since 2000. One importer (***) reported that the share of sales made on a spot basis had increased since 2000, while another importer (***) observed that the share of their sales made on a spot basis had decreased since 2000. All four responding producers and seven of eight responding importers indicated that they expect that the percentage of their sales through contracts and spot transactions will remain the same in the future. One importer (***) indicates that it believes that "foreign transactions will remain as spot transactions" given the risks of currency fluctuations, changing raw material costs, and other types of volatility. Nine of 15 responding purchasers require that their suppliers enter into annual or long-term supply arrangements.

Three responding producers indicated that long-term contracts typically have durations ranging from two to five years. Four of seven responding importers reported that long-term contracts typically are one year in duration. The other three responding importers indicated that long-term contracts typically last six months, six months to one year, and one to three years, respectively. Three of four

⁵ This includes import data from the following HTS numbers: 7210.11.0000, 7210.12.0000, 7210.50.0000, 7212.10.0000, 7212.50.0000, 7225.99.0090, and 7226.99.0000. Note that this includes any excluded product within these HTS numbers.

⁶ However, one producer (***) indicated that it did not negotiate any long-term contracts after 2005.

Figure V-1
TCCSS: Indices of the nominal and real exchange rate of Japan relative to the U.S. dollar, by quarters, January 2000 to December 2005



Source: International Monetary Fund, *International Financial Statistics*, <http://ifs.apdi.net/imf/ifsbrowser.aspx?branch=ROOT> retrieved March 10, 2006.

responding producers and all seven responding importers indicated that the length of long-term contracts have remained the same since 2000. One producer (***) indicated that the duration of long-term contracts has increased since 2000 for some customers and decreased for other customers. All four responding producers and two of eight responding importers indicated that their short-term contracts were one year in duration. Four responding importers indicated that their short-term contracts ranged from three to six months in duration. One of the remaining responding importers indicated that their short-term contracts were monthly and the other indicated that it was “a one time shipment.” All four U.S. producers and four of five responding importers indicated that their annual contracts are negotiated in the fourth quarter of the year.⁷ The remaining responding importer (***) indicated that its annual contracts are negotiated two to three months before the beginning of the contract (which could also be in the fourth quarter of the year).

All three responding producers indicated that their long-term contracts typically contain meet-or-release provisions, while six of seven responding importers indicated that their long-term contracts do not typically contain meet-or-release provisions. One importer (***) indicated that some of their long-term contracts contain meet-or-release provisions. Two of four responding producers indicated that their short-term contracts contained meet-or-release provisions in some cases, while the other two responding producers and all eight responding importers indicated that their short-term contracts do not typically contain meet-or-release provisions.

⁷ This statement is based on responses regarding both long-term and short-term contracts since all U.S. producer characterize annual contracts as short-term contracts and some importers characterize annual contracts as either long-term contracts, short-term contracts, or both.

Both price and volume may change during contracts which include meet competition or favored nations clauses. Meet competition (or “meet comp”) clauses allow purchasers to ask suppliers to either meet the lower price of a competing supplier, or allow the purchaser to buy some of the volume agreed to in the contract from the competing supplier at a lower price. Favored nations provisions force suppliers to charge a price that is no higher than the price charged to other customers for the same products. The existence and methodology of meet comp and favored nations provision varies by supplier and purchaser. Also, in many cases meet comp provisions only apply to competitive offers from other domestic suppliers.

Table V-1 shows the minimum volume commitments major U.S. purchasers have made to U.S. Steel, USS-POSCO, and Mittal and meet competition and favored nations clauses included in these contracts. Table V-2 show the minimum volume committed to these U.S. producers by major purchasers subject to various types of meet competition and favored nations clauses. For these contracts, ***.⁸ Volumes currently committed by contract in 2006 and not subject to any meet competition or favored nations clauses made up *** percent of U.S. shipments in 2005.

Table V-1

TCCSS: Minimum contract commitments of U.S. producers and U.S. purchasers, 2006 to 2009

* * * * *

Table V-2

TCCSS: Minimum contract commitments of major U.S. purchasers, 2006 to 2009

* * * * *

***.⁹ ***.¹⁰
 ***.¹¹ ***.
 ***.¹² ***.¹³
 ***.¹⁴ ***.

All three responding producers indicated that negotiated prices in their long-term contracts typically change during the contract period, while all seven responding importers indicated that these typically do not change during the contract period. Two of four responding producers indicated that negotiated prices in their short-term contracts typically change during the contract period, while the other two responding producers and all eight responding importers indicated that these prices do not change during the contract period. Eleven of 14 responding purchasers indicated that negotiated prices “sometimes” change during the contract period, with two purchasers indicating “never,” and one purchaser indicating “always.” Many purchasers cited raw material surcharges as the reason why prices

⁸ ***.

⁹ Silgan contracts submission, May 5, 2006, U.S. Steel contracts submission, May 5, 2006, Mittal contracts submission, May 8, 2006, and USS-POSCO contract submission, May 10, 2006.

¹⁰ ***. Silgan contract submission, May 4, 2006.

¹¹ Ball Corporation contracts submission, May 5, 2006.

¹² Ball Corporation contracts submission, May 5, 2006, U.S. Steel contracts submission, May 5, 2006, Mittal contracts submission, May 8, 2006,

¹³ Mittal contract submission, May 8, 2006.

¹⁴ U.S. Steel contracts submission, May 5, 2006 and USS-POSCO contracts submission, May 10, 2006.

change. Ten of 14 responding purchasers indicated that negotiated quantities “sometimes” change during the contract period, with three purchasers indicating “usually,” and one purchaser indicating “never.”

All three responding producers and three of six responding importers indicated that prices in long term contracts are negotiated for multiple specifications while the other three responding importers indicated that prices are negotiated separately for each product specification. For short term contracts, all four responding producers and two of eight responding importers indicated that prices are negotiated for multiple specifications while the other six responding importers indicated that prices are negotiated separately for each product specification. Eight of 15 responding purchasers indicated that they negotiated for multiple product specifications and four responding purchasers indicated that they negotiated individually for each product specification. Two purchasers indicated that whether they negotiate for each product specification or for multiple product specifications varies by the product sold. The remaining responding purchaser indicated they negotiated for multiple product specifications except in cases of unique manufacturing capabilities, where only one specification may be covered in their contract negotiations.

All three responding producers and three of six responding importers indicated that both foreign and domestic producer prices are referenced during long-term contract negotiations with prospective customers. For short-term contracts, all four responding producers and four of eight responding importers indicated that both foreign and domestic producer prices are referenced during contract negotiations with prospective customers. Five of 13 responding purchasers indicated that both foreign and domestic producer prices are referenced during contract negotiations.

One of these five purchasers (***) indicated that there is always some reference to prevailing competitive prices in the marketplace during any negotiations with prospective suppliers and that although it does not share specific prices of one supplier with another as a matter of policy, it gives prospective suppliers indications when their proposed pricing is too high. This purchaser indicated that its suppliers often reconsider and adjust their pricing and that there is no difference in this process between foreign and domestic producers. Another of these five purchasers (***) reported that although specific prices are rarely mentioned, pricing trends and commercial trends at variance with those trends are noted in negotiations and that differences in expectations between buyer and seller concerning the general market level are discussed. The third of these five purchasers (***) indicated that all pricing is reviewed during negotiations. The fourth purchaser (***) indicated that some of their “meet competition” negotiations reference prices. ***. The final purchaser (***) indicated that it references a range of prices and that specific prices are normally not mentioned. However, one of the purchasers who indicated that foreign and domestic producer prices are not referenced during contract negotiations (***) indicated that foreign producer prices are higher than domestic producer prices and that even if foreign prices were lower than domestic prices, any reference to domestic prices would have little or no impact on negotiations with prospective suppliers.

Eight of 15 responding purchasers indicated that a reference price list is used for negotiating prices; all eight responding purchasers indicated discounts are used from this reference list. Nine of 15 responding purchasers indicated that their firm negotiates with some suppliers separately from others. Two of these nine purchasers indicated that they negotiate with all suppliers contemporaneously.

Fifteen responding purchasers indicated that there are price leaders in the U.S. market for TCCSS.¹⁵ U.S. Steel was named by 13 purchasers, Mittal was named by five purchasers, USS-POSCO was named by three purchasers, Ohio Coatings by two purchasers, and Rasselstein was named by one purchaser as price leaders. Purchaser responses sometimes varied by time period and region. One purchaser (***) indicated that while U.S. Steel has typically been a price leader, the leadership role now appears to be shared with Mittal after Mittal’s purchase of ISG.

¹⁵ In addition, two purchasers responded that they did not know if there were price leaders.

Sales Terms and Discounts

All responding U.S. producers and importers reported that they have no set discount policy, but offer discounts that vary by customer and transactions. Three responding producers reported discounts ranging from about 35 percent to about 64 percent. One responding importer (***) indicated that it offers discounts for imported TCCSS from 2 percent to 4 percent to reflect longer lead-times and customers' desire to hedge on changes in their demand when purchasing further out than domestic supplies. No responding producers or importers indicated that prices in contracts to customers who receive discounts off of a price list are different from prices in contracts to customers not based off of a price list.

All three responding producers and seven of ten responding importers reported making all of their sales to order, and one of the remaining importers (***) reported making all of its sales from inventory, another (***) reported making 65 percent of its sales from inventory, and the other (***) reported making 30 percent of its sales from inventory. Responding producers reported lead times for products made to order ranging from four weeks to twelve weeks, and importers reported lead times for products made to order ranging from two weeks to six months. Three of four responding importers reported lead times from inventory ranging from 7 to 15 days. The remaining responding importer (***) indicated that lead times from inventory ranged from 90 to 100 days. Three of four responding producers and eight of nine responding importers indicated that their average lead times remained the same since 2000. One producer (***) indicated that its lead times increased in 2005 due to the *** and one importer (***) noted that its lead times increased between 2003 and 2005. Three of four responding producers and all 10 responding importers indicated that they expect their average lead times to remain the same in the future. One producer (***) indicated that it expects the lead times to be reduced from 8 weeks to 6 weeks beginning in the first quarter of 2006 once the ***.

Thirteen of 16 responding purchasers indicated that their firm experienced delivery delays from any suppliers of TCCSS since 2000. Several of these purchasers cited suppliers including U.S. Steel, Rasselstein, and Weirton as having delivery delays in 2004 and 2005 and some purchasers cited raw material shortages as a reason for the delays.

PRICE DATA

The Commission requested U.S. producers and importers of TCCSS to provide quarterly data for the total quantity and f.o.b. value of TCCSS that was shipped to unrelated customers in the U.S. market during 2000-05. The products for which pricing data were requested are as follows:

Product 1.-- Single reduced, electrolytic tin plate with base box weights of 75 lbs.-95 lbs. inclusive, in coils.

Product 2.-- Double reduced, electrolytic tin plate with base box weights of 50 lbs.-60 lbs. inclusive, in coils.

Product 3.-- Single reduced, electrolytic chromium-coated steel with base box weights of 65 lbs.-80 lbs. inclusive, in coils.

Product 4.-- Double reduced, electrolytic chromium-coated steel with base box weights of 55 lbs.-65 lbs. inclusive, in coils.

Four U.S. producers (***) provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Price data reported by these firms accounted for *** percent of U.S. producers' commercial shipments of TCCSS in 2005. Four importers

(***) provided usable pricing data for sales in 2000 of imports from Japan. Price data are presented in tables V-3 to V-6 and figure V-2.

Price Trends

Prices for U.S.-produced TCCSS did not vary much between 2000 and 2003, then increased in 2004 and the first half of 2005. Prices of all products except product 4, however, decreased in the second half of 2005. From the first quarter of 2000 to the fourth quarter of 2005, the weighted-average sales price of U.S.-produced products 1, 2, 3, and 4 increased by 13.6, 16.4, ***, and *** percent, respectively. Prices of Japanese product were only reported for 2000 and were higher than U.S. producers' prices in that year.

Price Comparisons

Overall there were seven instances where prices for domestic TCCSS and imported subject TCCSS could be compared. Of these seven comparisons, there were no instances where the subject imported product was priced below the domestic product. In all seven instances, the subject imported product was priced above the comparable domestic product. Margins of overselling averaged 11.8 percent, ranging from 6.6 percent to 28.4 percent.

BID DATA

The Commission requested U.S. purchasers of TCCSS to report information for all bids received by their firm for delivery of TCCSS on or after January 1, 2005. Four purchasers (***) provided usable information about their bids, which is presented in table V-7.¹⁶ Three purchasers reported receiving bids from suppliers of TCCSS in the United States and nonsubject countries and in both instances reporting awarding some, but not all sales to U.S. suppliers.

***.

¹⁶ Some purchasers which indicated that they require their suppliers to enter into annual or long-term supply arrangements did not provide bid data. For example, ***.

Table V-3
TCCSS: Weighted-average f.o.b. prices and quantities of domestic product 1¹ by quarters,
January 2000-December 2005

Period	United States		Japan		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin
2000:					
Jan.-Mar.	\$631.88	83,895	\$***	***	***
Apr.-June	622.97	101,332	***	***	***
July-Sept.	577.49	115,636	***	***	***
Oct.-Dec.	635.10	100,474		-	-
2001:					
Jan.-Mar.	610.57	97,586	-	-	-
Apr.-June	619.44	105,200	-	-	-
July-Sept.	607.56	119,018	-	-	-
Oct.-Dec.	610.98	107,240	-	-	-
2002:					
Jan.-Mar.	601.54	114,456	-	-	-
Apr.-June	599.01	114,770	-	-	-
July-Sept.	598.53	129,480	-	-	-
Oct.-Dec.	602.05	142,997	-	-	-
2003:					
Jan.-Mar.	608.72	130,142	-	-	-
Apr.-June	608.37	123,799	-	-	-
July-Sept.	610.32	133,672	-	-	-
Oct.-Dec.	595.36	155,435	-	-	-
2004:					
Jan.-Mar.	622.75	166,192	-	-	-
Apr.-June	661.91	126,730	-	-	-
July-Sept.	677.89	136,606	-	-	-
Oct.-Dec.	676.80	163,447	-	-	-
2005:					
Jan.-Mar.	743.99	140,014	-	-	-
Apr.-June	761.35	140,923	-	-	-
July-Sept.	744.65	120,683	-	-	-
Oct.-Dec.	717.93	113,276	-	-	-

¹ Single reduced, electrolytic tin plate with base box weights of 75 lbs.-95 lbs. inclusive, in coils.

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

Table V-4
TCCSS: Weighted-average f.o.b. prices and quantities of domestic product 2¹ by quarters,
January 2000-December 2005

Period	United States		Japan		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin
2000:					
Jan.-Mar.	\$691.06	71,263	\$***	***	***
Apr.-June	699.62	68,194	***	***	***
July-Sept.	708.70	65,526	-	-	-
Oct.-Dec.	712.85	54,995	-	-	-
2001:					
Jan.-Mar.	700.24	56,867	-	-	-
Apr.-June	682.71	60,397	-	-	-
July-Sept.	685.34	53,930	-	-	-
Oct.-Dec.	678.15	53,251	-	-	-
2002:					
Jan.-Mar.	672.24	62,923	-	-	-
Apr.-June	678.17	65,642	-	-	-
July-Sept.	675.37	61,144	-	-	-
Oct.-Dec.	683.83	55,490	-	-	-
2003:					
Jan.-Mar.	678.70	59,023	-	-	-
Apr.-June	678.54	62,279	-	-	-
July-Sept.	678.12	60,424	-	-	-
Oct.-Dec.	667.17	58,230	-	-	-
2004:					
Jan.-Mar.	697.46	65,721	-	-	-
Apr.-June	729.22	68,061	-	-	-
July-Sept.	766.57	64,820	-	-	-
Oct.-Dec.	758.37	70,749	-	-	-
2005:					
Jan.-Mar.	824.05	57,747	-	-	-
Apr.-June	825.70	70,664	-	-	-
July-Sept.	812.54	61,117	-	-	-
Oct.-Dec.	804.35	50,291	-	-	-

¹ Double reduced, electrolytic tin plate with base box weights of 50 lbs.-60 lbs. inclusive, in coils.

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

Table V-5

TCCSS: Weighted-average f.o.b. prices and quantities of domestic product 3 by quarters, January 2000-December 2005

* * * * *

Table V-6

TCCSS: Weighted-average f.o.b. prices and quantities of domestic product 4 by quarters, January 2000-December 2005

* * * * *

Figure V-2

TCCSS: Weighted average f.o.b. prices of domestic and imported products 1-4, by quarters, January 2000-December 2005

* * * * *

Table V-7

TCCSS: U.S. purchasers' bid data

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***.

APPENDIX A

***FEDERAL REGISTER* NOTICES AND THE
COMMISSION'S STATEMENT ON ADEQUACY**

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-860 (Review)]

Tin- and Chromium-Coated Steel Sheet From Japan

AGENCY: United States International Trade Commission.

ACTION: Institution of a five-year review concerning the antidumping duty order on tin- and chromium-coated steel sheet from Japan.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on tin- and chromium-coated steel sheet from Japan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is August 22, 2005. Comments on the adequacy of responses may be filed with the Commission by September 13, 2005. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: Effective July 1, 2005.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for

this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On August 28, 2000, the Department of Commerce issued an antidumping duty order on imports of tin- and chromium-coated steel sheet from Japan (65 FR 52067). The Commission is conducting a review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The *Subject Country* in this review is Japan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original determination, the Commission defined the Domestic Like Product as tin- and chromium-coated steel sheet corresponding to Commerce's definition of the scope of the investigation.

(4) The *Domestic Industry* is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original determination, the Commission defined the Domestic Industry as domestic producers of tin- and chromium-coated steel sheet.

(5) The *Order Date* is the date that the antidumping duty order under review became effective. In this review, the Order Date is August 28, 2000.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the review and public service list.—Persons, including industrial users of the Subject Merchandise and, if the merchandise is

sold at the retail level, representative consumer organizations, wishing to participate in the review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission's designated agency ethics official has advised that a five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this review available to authorized applicants under the APO issued in the review, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the review. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this review must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 05-5-136, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions.—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is August 22, 2005. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The deadline for filing such comments is September 13, 2005. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

Inability to provide requested information.—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

Information to be Provided in Response to this Notice of Institution: As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and e-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Product, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the Domestic Industry in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in the Subject Country that currently export or have exported Subject Merchandise to the United States or other countries since the Order Date.

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic

Like Product accounted for by your firm's(s') production;

(b) the quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s); and

(c) the quantity and value of U.S. internal consumption/company transfers of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Country, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from the Subject Country accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of Subject Merchandise imported from the Subject Country; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from the Subject Country.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Country, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in the Subject Country accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from the Subject Country accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand

conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Country since the Order Date, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Country, and such merchandise from other countries.

(11) *(Optional)* A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: June 22, 2005.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-13158 Filed 6-30-05; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-539-C (Second Review)]

Uranium From Russia

AGENCY: United States International Trade Commission.

ACTION: Institution of a five-year review concerning the suspended investigation on uranium from Russia.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether termination of the suspended investigation on uranium from Russia would be likely to lead to continuation or recurrence of material

injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is August 22, 2005. Comments on the adequacy of responses may be filed with the Commission by September 13, 2005. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* July 1, 2005.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202) 205-3193, Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on (202) 205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On October 16, 1992, the Department of Commerce suspended an antidumping duty investigation on imports of uranium from Russia (57 FR 49220, October 30, 1992). Following five-year reviews by Commerce and the Commission, effective August 22, 2000, Commerce issued a continuation of the suspended investigation on imports of uranium from Russia (65 FR 50958 and 65 FR 52407 (corrected)). The Commission is now conducting a second review to determine whether termination of the suspended investigation would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party

responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The *Subject Country* in this review is Russia.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original preliminary determination concerning the U.S.S.R. and in its first full five-year review determination concerning Russia, the Commission defined the Domestic Like Product as uranium coextensive with Commerce's scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original preliminary determination concerning the U.S.S.R., the Commission defined the Domestic Industry as domestic producers of the product coextensive with Commerce's scope of the investigation, including the U.S. Department of Energy's uranium enrichment operations. In its full five-year review determination concerning Russia, the Commission defined the Domestic Industry as all domestic producers of uranium, including concentrators, the converter, the enricher, and fabricators.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the review and public service list.—Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 05-5-137, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

and products containing same by reason of infringement of claims 1–22 of the '600 patent. The notice of investigation named Fortinet, Inc. ("Fortinet") of Sunnyvale, California as the sole respondent.

On May 9, 2005, the ALJ issued his final ID finding a violation of section 337 based on his findings that claims 4, 7, 8, and 11–15 of the '600 patent are not invalid or unenforceable, and are infringed by respondent's products. The ALJ also found that claims 1 and 3 of the '600 patent are invalid as anticipated by prior art and that a domestic industry exists. He also issued his recommended determination on remedy and bonding.

On July 8, 2005, the Commission issued a notice that it had determined not to review the ALJ's final ID on violation, thereby finding a violation of Section 337. 70 FR 40731 (July 14, 2005). The Commission also requested briefing on the issues of remedy, the public interest, and bonding. *Id.* Submissions on the issues of remedy, the public interest, and bonding were filed on July 18, 2005, by all parties. All parties filed response submissions on July 25, 2005. On August 8, 2005, the Commission terminated the investigation, and issued a limited exclusion order and a cease and desist order covering respondent's systems for detecting and removing viruses or worms, components thereof, and products containing same covered by claims 4, 7, 8, and 11–15 of the '600 patent.

On September 13, 2005, complainant Trend Micro Inc. filed a complaint for enforcement proceedings of the Commission's remedial orders. Trend Micro asserts that respondent Fortinet, and its distributors, have circumvented the cease and desist order by continuing to advertise, market, sell and offer for sale in the United States the imported infringing products and antivirus features of Fortinet's infringing software.

The Commission, having examined the complaint seeking a formal enforcement proceeding, and having found that the complaint complies with the requirements for institution of a formal enforcement proceeding contained in Commission rule 210.75, has determined to institute formal enforcement proceedings to determine whether Fortinet is in violation of the Commission's cease and desist order issued in the investigation, and what if any enforcement measures are appropriate. The following entities are named as parties to the formal enforcement proceeding: (1) Complainant Trend Micro, (2)

respondent Fortinet, and (3) a Commission investigative attorney to be designated by the Director, Office of Unfair Import Investigations.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in § 210.75 of the Commission's Rules of Practice and Procedure (19 CFR 210.75).

By order of the Commission.

Issued: October 7, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–20572 Filed 10–13–05; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–860 (Review)]

Tin- and Chromium-Coated Steel Sheet from Japan

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determination to conduct a full five-year review concerning the antidumping duty order on tin- and chromium-coated steel sheet from Japan.

SUMMARY: The Commission hereby gives notice that it will proceed with a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the antidumping duty order on tin- and chromium-coated steel sheet from Japan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the review will be established and announced at a later date. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: October 4, 2005.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the

Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On October 4, 2005, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Act. The Commission found that both the domestic and respondent interested party group responses to its notice of institution (70 FR 38210, July 1, 2005) were adequate. A record of the Commission's votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: October 11, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–20622 Filed 10–13–05; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF LABOR

Office of the Secretary

Submission for OMB Review: Comment Request

October 7, 2005.

The Department of Labor (DOL) has submitted the following public information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104–13, 44 U.S.C. Chapter 35). A copy of this ICR, with applicable supporting documentation, may be obtained by calling the Department of Labor. To obtain documentation contact Ira Mills on 202–693–4122 (this is not a toll-free number) or e-mail: Mills.Ira@dol.gov.

Comments should be sent to Office of Information and Regulatory Affairs, Attn: OMB Desk Officer for ETA, Office of Management and Budget, Room 10235, Washington, DC 20503, 202–395–7316 (this is not a toll free number), within 30 days from the date of this publication in the **Federal Register**.

The OMB is particularly interested in comments which:

- Evaluate whether the proposed collection of information is necessary

Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Stainless Steel Wire Rods from Brazil, France, and India; Final Results, from Stephen J. Claeys, Deputy Assistant Secretary for AD/CVD Operations to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated October 31, 2005 (Decision Memo), which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these sunset reviews and the corresponding recommendations in this public memo, which is on file in room B-099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn/>. The paper copy and electronic version of the Decision Memo are identical in content.

Final Results of Reviews

We determine that revocation of the antidumping duty order on stainless steel wire rods from Brazil would likely lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted-Average Margins
Acos Finos Piratini SA ..	26.50 percent
Acos Villares SA	26.50 percent
Electrometal - Metals Especiais S.A.	24.63 percent
All Others	25.88 percent

We determine that revocation of the antidumping duty order on stainless steel wire rods from France would likely lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted-Average Margins
Imphy	24.51 percent
Ugine-Savoie	24.51 percent
All Others	24.51 percent

We determine that revocation of the antidumping duty order on stainless steel wire rods from India would likely lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted-Average Margins
Mukand Ltd.	48.80 percent

Manufacturers/Exporters/Producers	Weighted-Average Margins
Sunstar Metals Ltd.	48.80 percent
Grand Foundry Ltd.	48.80 percent
All Others	48.80 percent

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 31, 2005.
Joseph A. Spetrini,
Acting Assistant Secretary for Import Administration.
 [FR Doc. 05-22140 Filed 11-4-05; 8:45 am]
BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

**International Trade Administration
 (A-588-854)**

**Certain Tin Mill Products from Japan;
 Final Results of the Expedited Sunset
 Review of the Antidumping Duty Order**

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

SUMMARY: On July 1, 2005, the Department of Commerce (the Department) initiated the sunset review of the antidumping duty order on certain tin mill products from Japan, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of a notice of intent to participate and adequate substantive responses filed on behalf of domestic interested parties and no response from respondent interested parties, the Department conducted an expedited (120-day) sunset review. As a result of this sunset review, the Department finds that revocation of the antidumping duty order would likely lead to the continuation or recurrence of dumping. The dumping margins are identified in the *Final Results of Review* section of this notice.

EFFECTIVE DATE: November 7, 2005.
FOR FURTHER INFORMATION CONTACT: Dana Mermelstein, Office 6, and Dena

Aliadinov, Office 7, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, telephone: (202) 482-1391 and (202) 482-3362, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 1, 2005, the Department initiated a sunset review of the antidumping duty order on tin mill products from Japan pursuant to section 751(c) of the Act. *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 38101 (July 1, 2005). The Department received notices of intent to participate from two domestic interested parties, United States Steel Corporation (U.S. Steel) and Mittal Steel USA ISG Inc. (Mittal Steel) (collectively, domestic interested parties), within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. Domestic interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of the domestic like product. We received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). However, we did not receive any response from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited sunset reviews of these orders.

Scope of the Order

The scope of this order includes tin mill flat-rolled products that are coated or plated with tin, chromium or chromium oxides. Flat-rolled steel products coated with tin are known as tin plate. Flat-rolled steel products coated with chromium or chromium oxides are known as tin-free steel or electrolytic chromium-coated steel. The scope includes all the noted tin mill products regardless of thickness, width, form (in coils or cut sheets), coating type (electrolytic or otherwise), edge (trimmed, untrimmed or further processed, such as scroll cut), coating thickness, surface finish, temper, coating metal (tin, chromium, chromium oxide), reduction (single- or double-reduced), and whether or not coated with a plastic material. All products that meet the written physical description are within the scope of this order unless specifically excluded. The following products, by way of example,

are outside and/or specifically excluded from the scope of this order:

- Single reduced electrolytically chromium coated steel with a thickness 0.238 mm (85 pound base box) (+/-10%) or 0.251 mm (90 pound base box) (+/-10%) or 0.255 mm (+/-10%) with 770 mm (minimum width) (+/-1.588 mm) by 900 mm (maximum length if sheared) sheet size or 30.6875 inches (minimum width) (+/-1/16 inch) and 35.4 inches (maximum length if sheared) sheet size; with type MR or higher (per ASTM) A623 steel chemistry; batch annealed at T2 1/2 anneal temper, with a yield strength of 31 to 42 kpsi (214 to 290 Mpa); with a tensile strength of 43 to 58 kpsi (296 to 400 Mpa); with a chrome coating restricted to 32 to 150 mg/square meter; with a chrome oxide coating restricted to 6 to 25 mg/m with a modified 7B ground roll finish or blasted roll finish; with roughness average (Ra) 0.10 to 0.35 micrometers, measured with a stylus instrument with a stylus radius of 2 to 5 microns, a trace length of 5.6 mm, and a cut-off of 0.8 mm, and the measurement traces shall be made perpendicular to the rolling direction; with an oil level of 0.17 to 0.37 grams/base box as type BSO, or 2.5 to 5.5 mg/square meter as type DOS, or 3.5 to 6.5 mg/square meter as type ATBC; with electrical conductivity of static probe voltage drop of 0.46 volts drop maximum, and with electrical conductivity degradation to 0.70 volts drop maximum after stoving (heating to 400 degrees F for 100 minutes followed by a cool to room temperature).
- Single reduced electrolytically chromium- or tin-coated steel in the gauges of 0.0040 inch nominal, 0.0045 inch nominal, 0.0050 inch nominal, 0.0061 inch nominal (55 pound base box weight), 0.0066 inch nominal (60 pound base box weight), and 0.0072 inch nominal (65 pound base box weight), regardless of width, temper, finish, coating or other properties.
- Single reduced electrolytically chromium coated steel in the gauge of 0.024 inch, with widths of 27.0 inches or 31.5 inches, and with T-1 temper properties.
- Single reduced electrolytically chromium coated steel, with a chemical composition of 0.005% max carbon, 0.030% max silicon, 0.25% max manganese, 0.025% max phosphorous, 0.025% max sulfur, 0.070% max aluminum, and the balance iron, with a metallic chromium layer of 70-130 mg/square meter, with a chromium oxide layer of 5-30 mg/square meter, with a tensile strength of 260-440 N/square millimeter, with an elongation of 28-48%, with a hardness (HR-30T) of 40-58, with a surface roughness of 0.5-1.5 microns Ra, with magnetic properties of Bm (kg) 10.0 minimum, Br (kg) 8.0 minimum, Hc (Oe) 2.5-3.8, and Mu 1400 minimum, as measured with a Riken Denshi DC magnetic characteristic measuring machine, Model BHU-60.
- Bright finish tin-coated sheet with a thickness equal to or exceeding 0.0299 inch, coated to thickness of 3/4 pound (0.000045 inch) and 1 pound (0.00006 inch).
- Electrolytically chromium coated steel having ultra flat shape defined as oil can maximum depth of 5/64 inch (2.0 mm) and edge wave maximum of 5/64 inch (2.0 mm) and no wave to penetrate more than 2.0 inches (51.0 mm) from the strip edge and coilset or curling requirements of average maximum of 5/64 inch (2.0 mm) (based on six readings, three across each cut edge of a 24 inches (61 cm) long sample with no single reading exceeding 4/32 inch (3.2 mm) and no more than two readings at 4/32 inch (3.2 mm)) and (for 85 pound base box item only: crossbuckle maximums of 0.001 inch (0.0025 mm) average having no reading above 0.005 inch (0.127 mm)), with a camber maximum of 1/4 inch (6.3 mm) per 20 feet (6.1 meters), capable of being bent 120 degrees on a 0.002 inch radius without cracking, with a chromium coating weight of metallic chromium at 100 mg/square meter and chromium oxide of 10 mg/square meter, with a chemistry of 0.13% maximum carbon, 0.60% maximum manganese, 0.15% maximum silicon, 0.20% maximum copper, 0.04% maximum phosphorous, 0.05% maximum sulfur, and 0.20% maximum aluminum, with a surface finish of Stone Finish 7C, with a DOS-A oil at an aim level of 2 mg/square meter, with not more than 15 inclusions/foreign matter in 15 feet (4.6 meters) (with inclusions not to exceed 1/32 inch (0.8 mm) in width and 3/64 inch (1.2 mm) in length), with thickness/temper combinations of either 60 pound base box (0.0066 inch) double reduced CADR8 temper in widths of 25.00 inches, 27.00 inches, 27.50 inches, 28.00 inches, 28.25 inches, 28.50 inches, 29.50 inches, 29.75 inches, 30.25 inches, 31.00 inches, 32.75 inches, 33.75 inches, 35.75 inches, 36.25 inches, 39.00 inches, or 43.00 inches, or 85 pound base box (0.0094 inch) single reduced CAT4 temper in widths of 25.00 inches, 27.00 inches, 28.00 inches, 30.00 inches, 33.00 inches, 33.75 inches, 35.75 inches, 36.25 inches, or 43.00 inches, with width tolerance of +/-1/8 inch, with a thickness tolerance of +/-0.0005 inch, with a maximum coil weight of 20,000 pounds (9071.0 kg), with a minimum coil weight of 18,000 pounds (8164.8 kg) with a coil inside diameter of 16 inches (40.64 cm) with a steel core, with a coil maximum outside diameter of 59.5 inches (151.13 cm), with a maximum of one weld (identified with a paper flag) per coil, with a surface free of scratches, holes, and rust.
- Electrolytically tin coated steel having differential coating with 1.00 pound/base box equivalent on the heavy side, with varied coating equivalents in the lighter side (detailed below), with a continuous cast steel chemistry of type MR, with a surface finish of type 7B or 7C, with a surface passivation of 0.7 mg/square foot of chromium applied as a cathodic dichromate treatment, with coil form having restricted oil film weights of 0.3-0.4 grams/base box of type DOS-A oil, coil inside diameter ranging from 15.5 to 17 inches, coil outside diameter of a maximum 64 inches, with a maximum coil weight of 25,000 pounds, and with temper/coating/dimension combinations of: 1) CAT 4 temper, 1.00/.050 pound/base box coating, 70 pound/base box (0.0077 inch) thickness, and 33.1875 inch ordered width; or 2) CAT5 temper, 1.00/0.50 pound/base box coating, 75 pound/base box (0.0082 inch) thickness, and 34.9375 inch or 34.1875 inch ordered width; or 3) CAT5 temper, 1.00/0.50 pound/base box coating, 107 pound/base box (0.0118 inch) thickness, and 30.5625 inch or 35.5625 inch ordered width; or 4) CADR8 temper, 1.00/0.50 pound/base box coating, 85 pound/base box (0.0093 inch) thickness, and 35.5625 inch ordered width; or 5) CADR8 temper, 1.00/0.25 pound/base box coating, 60 pound/base box (0.0066 inch) thickness, and 35.9375 inch ordered width; or 6) CADR8 temper, 1.00/0.25 pound/

base box coating, 70 pound/base box (0.0077 inch) thickness, and 32.9375 inch, 33.125 inch, or 35.1875 inch ordered width.

- Electrolytically tin coated steel having differential coating with 1.00 pound/base box equivalent on the heavy side, with varied coating equivalents on the lighter side (detailed below), with a continuous cast steel chemistry of type MR, with a surface finish of type 7B or 7C, with a surface passivation of 0.5 mg/square foot of chromium applied as a cathodic dichromate treatment, with ultra flat scroll cut sheet form, with CAT 5 temper with 1.00/0.10 pound/base box coating, with a lithograph logo printed in a uniform pattern on the 0.10 pound coating side with a clear protective coat, with both sides waxed to a level of 15–20 mg/216 sq. in., with ordered dimension combinations of 1) 75 pound/base box (0.0082 inch) thickness and 34.9375 inch x 31.748 inch scroll cut dimensions; or 2) 75 pound/base box (0.0082 inch) thickness and 34.1875 inch x 29.076 inch scroll cut dimensions; or 3) 107 pound/base box (0.0118 inch) thickness and 30.5625 inch x 34.125 inch scroll cut dimension.
- Tin-free steel coated with a metallic chromium layer between 100–200 mg/square meter and a chromium oxide layer between 5–30 mg/square meter; chemical composition of 0.05% maximum carbon, 0.03% maximum silicon, 0.60% maximum manganese, 0.02% maximum phosphorous, and 0.02% maximum sulfur; magnetic flux density (“Br”) of 10 kg minimum and a coercive force (“Hc”) of 3.8 Oe minimum.
- Tin-free steel laminated on one or both sides of the surface with a polyester film, consisting of two layers (an amorphous layer and an outer crystal layer), that contains no more than the indicated amounts of the following environmental hormones: 1 mg/kg BADGE (BisPhenol A Di-glycidyl Ether), 1 mg/kg BFDGE (BisPhenol F Di-glycidyl Ether), and 3 mg/kg BPA (BisPhenol A).

The merchandise subject to this order is classified in the Harmonized Tariff Schedule of the United States (“HTSUS”), under HTSUS subheadings 7210.11.0000, 7210.12.0000, 7210.50.0000, 7212.10.0000, and 7212.50.0000 if of non-alloy steel and under HTSUS subheadings 7225.99.0090, and 7226.99.0000 if of alloy steel. Although the subheadings are provided for convenience and

customs purposes, our written description of the scope of this order is dispositive.

Analysis of Comments Received

All issues raised in this sunset review are addressed in the “Issues and Decision Memorandum” from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated October 31, 2005, (“Decision Memorandum”), which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the order were revoked. Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Department building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>, under the heading “November 2005.” The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty order on tin mill products from Japan would likely lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturers/Exporters/Producers	Weighted-Average Margin (Percent)
Nippon Steel Corporation	95.29
Kawasaki Steel Corporation	95.29
NKK Corporation	95.29
Toyo Kohan Co., Ltd. ...	95.29
All Other Japanese Manufacturers and Exporters	32.52

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department’s regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with

sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 31, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 05–22141 Filed 11–4–05; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

Applications for Duty-Free Entry of Scientific Instruments

Pursuant to Section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89–651; 80 Stat. 897; 15 CFR part 301), we invite comments on the question of whether an instrument of equivalent scientific value, for the purposes for which the instrument shown below is intended to be used, is being manufactured in the United States.

Comments must comply with 15 CFR 301.5(a)(3) and (4) of the regulations and be filed within 20 days with the Statutory Import Programs Staff, U.S. Department of Commerce, Washington, D.C. 20230. Applications may be examined between 8:30 A.M. and 5:00 P.M. in Suite 4100W, U.S. Department of Commerce, Franklin Court Building, 1099 14th Street, NW, Washington, D.C.

Docket Number: 05–041. Applicant: Georgia Institute of Technology, 711 Marietta St., Atlanta, GA 30332. Instrument: Dual Beam SEM/FIB Electron Microscope System, Model Quanta 200 3D Nanolab. Manufacturer: FEI Company, Czech Republic. Intended Use: The instrument is intended to be used to improve understanding of molecular mechanisms and functional assemblies, initiate development of new materials, and facilitate advances in environmental analysis and detection. New research and creative concepts will include: (1) multifunctional scanning nanoprobe and quantum cascade laser-based sensing systems, (2) stimulated surface chemistry using metal-insulator-metal (MIM) devices containing nano-scale field emission arrays, (3) optically gated single molecule transistors, (4) shape-preserving chemical conversion of 3-D bioclastic structures, (5) impedance mapping AFM cantilever arrays and (6) nanobelts as nanobiosensors and nanocantilevers. Application accepted by Commissioner of Customs: September 15, 2005.

(3) For the investigation so instituted, the Honorable Sidney Harris is designated as the presiding administrative law judge.

Responses to the complaint and the notice of investigation must be submitted by the named respondents in accordance with section 210.13 of the Commission's Rules of Practice and Procedure, 19 CFR 210.13. Pursuant to 19 CFR 201.16(d) and 210.13(a), such responses will be considered by the Commission if received not later than 20 days after the date of service by the Commission of the complaint and the notice of investigation. Extensions of time for submitting responses to the complaint and the notice of investigation will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondents, to find the facts to be as alleged in the complaint and this notice and to enter a final determination containing such findings, and may result in the issuance of a limited exclusion order or cease and desist order or both directed against the respondent.

By order of the Commission.

Issued: December 2, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E5-7076 Filed 12-7-05; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Inv. No. 337-TA-519]

In the Matter of Certain Personal Computers, Monitors, and Components Thereof; Notice of Commission Decision to Review-In-Part an Initial Determination Finding No Violation of Section 337 of the Tariff Act of 1930 and to Remand Portions of the Investigation to the Administrative Law Judge

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to review-in-part the presiding administrative law judge's ("ALJ's") initial determination

("ID") issued on October 6, 2005, in the above-captioned investigation and to remand portions of the investigation to the ALJ to make additional factual findings and determinations.

FOR FURTHER INFORMATION CONTACT:

Michael Liberman, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436, telephone (202) 205-3065. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: This patent-based section 337 investigation was instituted by the Commission on August 6, 2004, based on a complaint filed by Gateway, Inc. of Poway, California ("Gateway"). 69 FR 47956 (August 6, 2004). The complainant alleged violations of section 337 in the importation and sale of certain personal computers, monitors, and components thereof, by reason of infringement of three U.S. patents. The complainant named Hewlett-Packard Company of Palo Alto, California as a respondent. Claims 9-11 and 15-19 of U.S. Patent No. 5,192,999 ("the '999 patent") remain at issue in this investigation.

The evidentiary hearing was held from May 23 through May 26, 2005. On October 6, 2005, the ALJ issued a final ID finding no violation of section 337. All the parties to the investigation, including the Commission investigative attorney, filed timely petitions for review of various portions of the final ID. Respondent's petition is contingent upon a Commission determination to review the ALJ's findings on the issue of inequitable conduct. HP's Petition at

1. The parties all filed timely responses to all the petitions

Having reviewed the record in this investigation, including the parties' written submissions, the Commission has determined to: (1) Review the ALJ's determination on induced infringement of Claim 19 and remand for further

factual findings and analysis; (2) review the ALJ's determination on obviousness solely for the purpose of clarifying the ID's discussion of *Sakraida v. AG Pro, Inc.*, 425 U.S. 273 (1976); (3) review the ALJ's determination on enablement; and (4) review the issue of inequitable conduct and remand for further factual findings and analysis. The Commission has further determined not to review the remainder of the ID.

Written Submissions: The Commission does not request any written submissions at this time.

This action is taken under the authority of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in sections 210.42-45 of the Commission's Rules of Practice and Procedure (19 CFR 210.42-45).

Issued: December 1, 2005.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E5-7026 Filed 12-7-05; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-860 (Review)]

Tin- and Chromium-Coated Steel Sheet From Japan

AGENCY: United States International Trade Commission.

ACTION: Scheduling of a full five-year review concerning the antidumping duty order on tin- and chromium-coated steel sheet from Japan.

SUMMARY: The Commission hereby gives notice of the scheduling of a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty order on tin- and chromium-coated steel sheet from Japan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: December 2, 2005.

FOR FURTHER INFORMATION CONTACT: Olympia DeRosa Hand (202-205-3182) or Douglas Corkran (202-205-3057), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain

information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background. On October 4, 2005, the Commission determined that responses to its notice of institution of the subject five-year review were such that a full review pursuant to section 751(c)(5) of the Act should proceed (70 F.R. 60110, October 14, 2005). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the review and public service list. Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in this review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the review need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this review available to authorized applicants under the APO issued in the review, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the review. A party granted access to BPI following publication of the Commission's notice of institution of the review need not reapply for such access. A separate service list will be maintained by the Secretary for those

parties authorized to receive BPI under the APO.

Staff report. The prehearing staff report in the review will be placed in the nonpublic record on April 7, 2006, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing. The Commission will hold a hearing in connection with the review beginning at 9:30 a.m. on April 27, 2006, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before April 20, 2006. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on April 24, 2006, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions. Each party to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is April 18, 2006. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is May 8, 2006; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the review may submit a written statement of information pertinent to the subject of the review on or before May 8, 2006. On June 2, 2006, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before June 6, 2006, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any

submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: December 5, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E5-7083 Filed 12-7-05; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF JUSTICE

Office of the Assistant Attorney General for Civil Rights; Certification of the State of North Carolina Accessibility Code Under the Americans With Disabilities Act

AGENCY: Department of Justice.

ACTION: Notice of certification of equivalency.

SUMMARY: The Department of Justice (Department) has determined that the 2002 North Carolina Accessibility Code with 2004 Amendments (NCAC) meets or exceeds the new construction and alterations requirements of title III of the Americans with Disabilities Act of 1990 (ADA). The Department has issued a certification of equivalency, pursuant to

Issued: April 18, 2006.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E6-6079 Filed 4-21-06; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-860 (Review)]

Tin- and Chromium-Coated Steel Sheet from Japan

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject review.

DATES: Effective Date: April 17, 2006.

FOR FURTHER INFORMATION CONTACT:

Olympia Hand (202-205-3182) or Douglas Corkran (202-205-3057), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: Effective December 2, 2005, the Commission established a schedule for the conduct of the subject full review (70 FR 73027, December 8, 2005). Subsequently, counsel on behalf of the Japanese respondents requested that the Commission postpone its deadline for the filing of posthearing briefs by two days, citing communication difficulties arising from multiple national holidays in Japan during the period between the Commission's hearing and the due date for posthearing briefs.¹ No party to the review objected to the requested postponement. The Commission, therefore, is revising its schedule to incorporate this and related changes to the schedule of the review.

The Commission's new schedule for the review is as follows: the deadline for filing posthearing briefs is May 10, 2006; the Commission will make its

final release of information on June 6, 2006; and final party comments are due on June 8, 2006.

For further information concerning this review see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: April 17, 2006.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E6-6028 Filed 4-21-06; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[USITC SE-06-027]

Sunshine Act Meeting

AGENCY HOLDING THE MEETING: United States International Trade Commission.

TIME AND DATE: April 26, 2006 at 3 p.m.

PLACE: Room 101, 500 E Street SW., Washington, DC 20436, Telephone: (202) 205-2000.

STATUS: Open to the public.

MATTERS TO BE CONSIDERED:

1. Agenda for future meetings: None.
2. Minutes.
3. Ratification List.
4. Inv. No. 731-TA-1091 (Final) (Artists' Canvas from China)—briefing and vote. (The Commission is currently scheduled to transmit its determination and Commissioners' opinions to the Secretary of Commerce on or before May 8, 2006.)

5. Outstanding action jackets: None.

In accordance with Commission policy, subject matter listed above, not disposed of at the scheduled meeting, may be carried over to the agenda of the following meeting.

Issued: April 19, 2006.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 06-3904 Filed 4-21-06; 9:12 am]

BILLING CODE 7020-02-U

DEPARTMENT OF LABOR

Employment and Training Administration

[TA-W-58,663]

Classic Print Products, Inc., Burlington, NC; Notice of Revised Determination on Reconsideration

By letter dated March 15, 2006, a company official requested administrative reconsideration regarding the Department's Negative Determination Regarding Eligibility to Apply for Worker Adjustment Assistance, applicable to the workers of the subject firm. On April 12, 2006, a Notice of Dismissal of Application for Reconsideration was issued, stating that the application did not contain new information supporting a conclusion that the determination was erroneous and did not provide a justification for reconsideration of the determination that was based on either mistaken facts or a misinterpretation of facts or of the law.

The petition, filed on behalf of workers at the subject firm producing sublimated printed paper, asserted that production of sublimated printed paper had shifted abroad. The denial, issued on March 1, 2006, was based on the findings that neither the subject firm nor surveyed customers imported sublimation printed paper during the relevant period and that the subject firm did not shift production abroad during the investigation period. The Department's Notice of determination was published in the **Federal Register** on March 24, 2006 (70 FR 14954).

Upon receipt of new information by the company official regarding the article produced at the subject firm, the Department conducted an investigation to determine whether the subject worker group is eligible to apply for worker adjustment assistance as provided by the Trade Act of 1974, as amended.

The new information indicated that the subject firm used sublimated printed paper as a medium to transfer ink graphics onto substrates. The substrates were then incorporated into the customer's final products (water boards and snow boards).

The investigation revealed that the subject firm supplied component parts (substrates) and a loss of business with a manufacturer of water boards and snow boards whose workers were certified eligible to apply for adjustment assistance contributed importantly to the separation or threat of separation of workers at Classic Print Products, Inc., Burlington, North Carolina.

¹ Correspondence of April 7, 2006, from Willkie Farr & Gallagher LLP.

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Tin- and Chromium-Coated Steel Sheet from Japan,

Inv. No. 731-TA-860 (Review)

On October 4, 2005, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).

In this review, the Commission determined that the domestic interested party group response to the notice of institution was adequate. The Commission received adequate responses containing company-specific data from two domestic producers of tin- and chromium-coated steel sheet: Mittal Steel USA ISG Inc., and United States Steel Corporation. The response filed by Mittal Steel USA ISG was also filed on behalf of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, and the Independent Steelworkers Union. Because the Commission received an adequate response from domestic producers accounting for a substantial percentage of U.S. production, the Commission determined that the domestic interested party group response was adequate.¹

The Commission also determined that the respondent interested party group response to the notice of institution was adequate. The Commission received adequate responses from three Japanese producers of tin- and chromium-coated steel sheet: Nippon Steel Corp., JFE-Steel Corp., and Toyo Kohan Co. Ltd. Because these responses contained company-specific data for all reported production of the subject imports in Japan, the Commission determined that the respondent interested party group response was adequate.

Because the domestic and respondent interested party group responses to the notice of institution were adequate, the Commission determined to conduct full reviews in this proceeding.

A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).

¹ The responding labor unions indicated that they do not have access to information concerning production or shipments for the firms in which their members are employed.

APPENDIX B
HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

Subject: Tin- and Chromium-Coated Steel Sheet from Japan
Inv. No.: 731-TA-860 (Review)
Date and Time: April 27, 2006 - 9:30 a.m.

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

CONGRESSIONAL WITNESSES:

The Honorable George Miller, U.S. Congressman, U.S. House of Representatives, 7th District, California

The Honorable Alan B. Mollohan, U.S. Congressman, U.S. House of Representatives, 1st District, West Virginia

The Honorable Peter J. Visclosky, U.S. Congressman, U.S. House of Representatives, 1st District, Indiana

The Honorable Shelley Moore Capito, U.S. Congresswoman, U.S. House of Representatives, 2nd District, West Virginia

STATE GOVERNMENT WITNESSES:

Zackary Mazey, Deputy General Counsel to the Governor of West Virginia, on behalf of the Honorable Joe Manchin III, Governor of West Virginia

The Honorable Edwin J. Bowman, State Senator, 1st District, West Virginia

OPENING REMARKS:

In Support of Continuation of Order
(**James C. Hecht**, Skadden, Arps, Slate, Meagher & Flom LLP)
In Opposition to Continuation of Order
(**William Barringer**, Willkie Farr & Gallagher, LLP)

**In Support of Continuation of
Antidumping Duty Order:**

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

Mittal Steel USA Inc. (“Mittal USA”)
The United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied
Industrial and Service Workers
International Union, AFL-CIO-CLC (“USW”)
The Independent Steelworkers Union (“ISU”)

M. Thomas Goedeke III, Director, Tin Mill Products,
Sales and Marketing, Mittal USA

William Stephans, Division Manager, Tin Mill
Products, Mittal-Weirton, Mittal USA

William J. Klinefelter, Legislative and Political
Director, USW

Mark Glyptis, President, ISU

Eric P. Salonen)
Philip A. Butler) – OF COUNSEL
J. Daniel Stirk)

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

United States Steel Corporation (“U.S. Steel”)

Joseph R. Scherrbaum, Vice President, Sales,
U.S. Steel

Gerald W. Gagliano, Manger, Sales and Service
for Tin and Container Products, U.S. Steel

Seth T. Kaplan, Vice President, Charles River
Associates

James C. Hecht)
Stephen P. Vaughn) – OF COUNSEL
Stephen J. Narkin)

**In Support of Continuation of
Antidumping Duty Order—Continued:**

Weil, Gotshal & Manges LLP
Washington, D.C.
on behalf of

USS-POSCO Industries

Craig Peterson, Vice President, Commercial,
USS-POSCO Industries

Chris Conkling, General Counsel, USS-POSCO
Industries

John M. Ryan)
Peter S. Kaldes) – OF COUNSEL
Christopher Farmer)

**In Opposition to Continuation of
Antidumping Duty Order:**

Willkie Farr & Gallagher LLP
Washington, D.C.
on behalf of

Japanese Respondent Interested Parties

John Moores, Vice President, Strategic Sourcing,
Silgan Containers Corp.

Robert Owen, Director, Procurement, Silgan
Containers Corp.

**In Opposition to Continuation of
Antidumping Duty Order (continued):**

Daniel Carson, Senior Vice President *and*
General Counsel, Silgan Containers Corp.

Mark Springfield, Director, Steel Purchasing,
Ball Corporation

Jan Rodriguez, General Attorney, Ball Corporation

David Gill, Vice President *and* General Manager,
Nippon Steel Trading

Thomas Prusa, Professor, Rutgers University

William H. Barringer)
Daniel L. Porter)
Robert DeFrancesco) – OF COUNSEL
Matthew P. McCullough)
Rebecca Griffin)

REBUTTAL/CLOSING REMARKS:

In Support of Continuation of Order
(**John M. Ryan**, Weil, Gotshal & Manges LLP)
In Opposition to Continuation of Order
(**Daniel L. Porter**, Willkie Farr & Gallagher)

APPENDIX C
SUMMARY DATA

Table C-1
TCCSS: Summary data concerning the U.S. market, 2000-05

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

Item	Reported data						Period changes					
	2000	2001	2002	2003	2004	2005	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05
U.S. consumption quantity:												
Amount	3,721,766	3,246,151	3,362,793	3,217,877	3,422,955	3,150,528	-15.3	-12.8	3.6	-4.3	6.4	-8.0
Producers' share (1)	86.0	87.4	89.8	88.1	85.4	82.1	-3.9	1.4	2.4	-1.7	-2.7	-3.3
Importers' share (1):												
Japan	2.6	0.0	0.0	0.0	0.0	0.0	-2.6	-2.6	0.0	0.0	0.0	0.0
All other sources	11.4	12.6	10.2	11.9	14.6	17.9	6.5	1.2	-2.4	1.7	2.7	3.3
Total imports	14.0	12.6	10.2	11.9	14.6	17.9	3.9	-1.4	-2.4	1.7	2.7	3.3
U.S. consumption value:												
Amount	2,199,070	1,936,374	2,018,250	1,963,398	2,281,267	2,382,943	8.4	-11.9	4.2	-2.7	16.2	4.5
Producers' share (1)	85.3	86.9	89.9	87.8	85.2	81.1	-4.2	1.6	3.0	-2.1	-2.6	-4.1
Importers' share (1):												
Japan	2.7	0.0	0.0	0.0	0.0	0.0	-2.7	-2.7	0.0	0.0	0.0	0.0
All other sources	12.0	13.1	10.1	12.2	14.8	18.9	6.9	1.0	-3.0	2.1	2.6	4.1
Total imports	14.7	13.1	10.1	12.2	14.8	18.9	4.2	-1.6	-3.0	2.1	2.6	4.1
U.S. shipments of imports from:												
Japan:												
Quantity	95,533	0	0	0	0	0	-100.0	-100.0	(2)	(2)	(2)	(2)
Value	58,990	0	0	0	0	0	-100.0	-100.0	(2)	(2)	(2)	(2)
Unit value	\$617.48	(2)	(2)	(2)	(2)	(2)	-100.0	-100.0	(2)	(2)	(2)	(2)
Ending inventory quantity	***	0	0	0	0	0	***	***	(2)	(2)	(2)	(2)
All other sources:												
Quantity	424,800	408,543	342,006	382,321	499,523	563,173	32.6	-3.8	-16.3	11.8	30.7	12.7
Value	264,629	253,260	204,206	239,326	337,928	450,765	70.3	-4.3	-19.4	17.2	41.2	33.4
Unit value	\$622.95	\$619.91	\$597.08	\$625.98	\$676.50	\$800.40	28.5	-0.5	-3.7	4.8	8.1	18.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
All sources:												
Quantity	520,333	408,543	342,006	382,321	499,523	563,173	8.2	-21.5	-16.3	11.8	30.7	12.7
Value	323,619	253,260	204,206	239,326	337,928	450,765	39.3	-21.7	-19.4	17.2	41.2	33.4
Unit value	\$621.95	\$619.91	\$597.08	\$625.98	\$676.50	\$800.40	28.7	-0.3	-3.7	4.8	8.1	18.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
U.S. producers:												
Average capacity quantity	4,591,145	3,777,878	3,629,045	3,670,240	3,670,240	3,670,240	-20.1	-17.7	-3.9	1.1	0.0	0.0
Production quantity	3,333,869	2,916,110	3,125,623	2,934,465	2,946,392	2,738,382	-17.9	-12.5	7.2	-6.1	0.4	-7.1
Capacity utilization (1)	72.6	77.2	86.1	80.0	80.3	74.6	2.0	4.6	8.9	-6.2	0.3	-5.7
U.S. shipments:												
Quantity	3,201,433	2,837,608	3,020,787	2,835,556	2,923,432	2,587,355	-19.2	-11.4	6.5	-6.1	3.1	-11.5
Value	1,875,451	1,683,114	1,814,044	1,724,072	1,943,339	1,932,178	3.0	-10.3	7.8	-5.0	12.7	-0.6
Unit value	\$585.82	\$593.15	\$600.52	\$608.02	\$664.75	\$746.78	27.5	1.3	1.2	1.2	9.3	12.3
Export shipments:												
Quantity	194,443	105,341	110,525	101,589	123,459	105,963	-45.5	-45.8	4.9	-8.1	21.5	-14.2
Value	108,274	61,367	65,880	56,774	72,304	81,455	-24.8	-43.3	7.4	-13.8	27.4	12.7
Unit value	\$556.84	\$582.56	\$596.06	\$558.86	\$585.65	\$768.71	38.0	4.6	2.3	-6.2	4.8	31.3
Ending inventory quantity	349,202	331,964	324,275	363,429	262,974	307,218	-12.0	-4.9	-2.3	12.1	-27.6	16.8
Inventories/total shipments (1)	10.3	11.3	10.4	12.4	8.6	11.4	1.1	1.0	-0.9	2.0	-3.7	2.8
Production workers	5,794	5,256	4,637	4,331	3,857	3,769	-34.9	-9.3	-11.8	-6.6	-10.9	-2.3
Hours worked (1,000s)	15,399	10,918	9,874	8,609	8,136	7,665	-50.2	-29.1	-9.6	-12.8	-5.5	-5.8
Wages paid (\$1,000s)	334,330	287,189	265,145	222,495	223,492	232,355	-30.5	-14.1	-7.7	-16.1	0.4	4.0
Hourly wages	\$21.71	\$26.30	\$26.85	\$25.84	\$27.47	\$30.31	39.6	21.2	2.1	-3.8	6.3	10.4
Productivity (tons/1,000 hours)	216.5	267.1	316.6	340.9	362.1	357.3	65.0	23.4	18.5	7.7	6.2	-1.3
Unit labor costs	\$100.28	\$98.48	\$84.83	\$75.82	\$75.85	\$84.85	-15.4	-1.8	-13.9	-10.6	0.0	11.9
Net sales:												
Quantity	3,358,878	2,940,949	3,132,312	2,936,145	3,048,847	2,695,138	-19.8	-12.4	6.5	-6.3	3.8	-11.6
Value	1,975,725	1,740,481	1,872,924	1,778,843	2,016,042	2,016,252	2.1	-11.9	7.6	-5.0	13.3	0.0
Unit value	\$588.21	\$591.81	\$597.94	\$605.84	\$661.25	\$748.11	27.2	0.6	1.0	1.3	9.1	13.1
Cost of goods sold (COGS)	1,958,057	1,732,228	1,805,419	1,622,522	1,923,537	1,920,750	-1.9	-11.5	4.2	-10.1	18.6	-0.1
Gross profit or (loss)	17,668	8,253	67,505	156,321	92,505	95,502	440.5	-53.3	717.9	131.6	-40.8	3.2
SG&A expenses	97,321	81,965	79,271	133,678	110,965	110,244	13.3	-15.8	-3.3	68.6	-17.0	-0.6
Operating income or (loss)	(79,653)	(73,712)	(11,766)	22,643	(18,460)	(14,742)	81.5	7.5	84.0	292.4	-181.5	20.1
Capital expenditures	83,191	35,529	***	***	***	***	***	***	***	***	***	***
Unit COGS	\$582.95	\$589.00	\$576.39	\$552.60	\$630.91	\$712.67	22.3	1.0	-2.1	-4.1	14.2	13.0
Unit SG&A expenses	\$28.97	\$27.87	\$25.31	\$45.53	\$36.40	\$40.90	41.2	-3.8	-9.2	79.9	-20.1	12.4
Unit operating income or (loss)	(\$23.71)	(\$25.06)	(\$3.76)	\$7.71	(\$6.05)	(\$5.47)	76.9	-5.7	85.0	305.3	-178.5	9.7
COGS/sales (1)	99.1	99.5	96.4	91.2	95.4	95.3	-3.8	0.4	-3.1	-5.2	4.2	-0.1
Operating income or (loss)/ sales (1)	(4.0)	(4.2)	(0.6)	1.3	(0.9)	(0.7)	3.3	-0.2	3.6	1.9	-2.2	0.2

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

Table C-2
Tin mill products: U.S. imports, by principal sources, 1997-2005

COUNTRY	1997	1998	1999	2000	2001	2002	2003	2004	2005
Quantity (short tons)									
Japan	199,583	231,507	347,712	147,056	64,191	19,555	14,710	28,708	30,729
Canada	78,542	84,608	97,282	91,570	101,912	131,769	144,532	144,974	152,673
Germany	43,126	48,084	59,493	92,996	70,185	66,912	119,622	126,835	106,878
France	29,466	29,257	49,303	50,655	28,859	7,483	16,865	71,517	100,269
Netherlands	54,294	46,872	62,634	68,447	69,124	62,550	61,022	60,762	86,195
Brazil	11,761	10,386	27,222	44,809	50,879	23,856	26,872	7,483	11,226
Turkey	0	0	0	0	0	0	0	5,218	10,288
China	0	0	3	326	12,374	3,242	35	4,144	8,888
Belgium	83	510	1,521	10,520	21,235	4,255	100	10,681	8,731
Korea	935	3,445	2,495	23,270	53,037	43,369	3,097	6,478	7,523
Norway	18,879	24,614	38,175	32,959	28,536	12,992	1,681	166	2,987
Venezuela	300	60	1,599	252	0	478	2,039	0	2,031
Taiwan	30	910	3,602	4,618	16,959	8,667	695	343	1,977
United Kingdom	549	410	6,140	3,045	3,110	1,230	279	2,840	1,368
Australia	341	0.3	19	490	9,581	2,417	0	40	0
Spain	28	38	778	7,997	8,903	5,737	7	52	0
All other	204	910	565	1,187	1,369	839	1,389	1,975	635
Total	438,121	481,611	698,543	580,196	540,254	395,352	392,946	472,216	532,397
Value (\$1,000)									
Japan	133,303	159,044	208,738	85,127	45,276	12,516	10,311	20,692	26,509
Canada	49,945	54,215	59,716	58,932	65,286	75,503	87,068	92,396	124,014
Germany	29,773	32,148	37,524	57,572	45,901	42,612	72,793	77,680	68,423
France	18,544	18,924	28,340	30,363	17,231	4,760	10,980	45,967	74,775
Netherlands	35,817	30,331	37,914	40,656	40,433	36,877	36,815	37,777	66,428
Brazil	7,112	6,497	13,841	21,510	23,452	12,573	16,502	5,258	10,014
Turkey	0	0	0	0	0	0	0	4,079	8,621
China	0	0	3	215	6,497	1,741	22	3,858	7,480
Belgium	69	367	857	6,076	12,039	2,375	68	6,819	7,083
Korea	636	3,579	1,246	11,905	28,197	22,291	1,722	4,665	6,177
Norway	11,561	14,900	21,610	18,674	16,689	7,571	996	99	2,129
Venezuela	185	33	429	153	0	248	1,089	0	1,641
Taiwan	19	575	2,202	2,767	8,430	4,418	511	268	1,977
United Kingdom	652	691	3,055	1,905	2,081	1,194	157	2,563	1,053
Australia	260	1	14	241	4,772	1,130	0	25	0
Spain	25	37	466	4,874	5,554	3,012	15	84	0
All other	142	691	625	620	599	431	752	1,454	658
Total	288,043	322,033	416,579	341,589	322,437	229,252	239,801	303,683	406,985
Unit value (dollars per short ton)									
Japan	668	687	600	579	705	640	701	721	863
Canada	636	641	614	644	641	573	602	637	812
Germany	690	669	631	619	654	637	609	612	640
France	629	647	575	599	597	636	651	643	746
Netherlands	660	647	605	594	585	590	603	622	771
Brazil	605	626	508	480	461	527	614	703	892
Turkey	-----	-----	-----	-----	-----	-----	-----	782	838
China	-----	-----	943	659	525	537	646	931	842
Belgium	829	719	564	578	567	558	679	638	811
Korea	680	1,039	499	512	532	514	556	720	821
Norway	612	605	566	567	585	583	593	596	713
Venezuela	617	546	268	609	-----	519	534	-----	808
Taiwan	629	632	611	599	497	510	735	781	1,000
United Kingdom	1,188	1,684	498	625	669	971	563	902	770
Australia	760	4,689	746	493	498	467	-----	620	-----
Spain	903	964	599	610	624	525	2,225	1,595	-----
All other	696	760	1,106	522	438	514	542	736	1,036
Average	657	669	596	589	597	580	610	643	764

Source: Compiled from official Commerce statistics for HTS subheadings 7210.11.0000, 7210.12.0000, 7210.50.0000, and 7212.10.0000.

Table C-3
Tin mill products: U.S. imports from Japan and all other sources, by region, 1997-2005

Region	1997	1998	1999	2000	2001	2002	2003	2004	2005
Quantity (short tons)									
<u>Japan:</u>									
Northeast	13,027	15,769	37,343	29,652	42,513	7,144	4,041	4,945	2,139
Midwest	8,048	9,083	17,627	5,279	3,151	821	35	7	0
South	58,828	66,390	117,308	47,527	13,804	7,846	7,017	19,704	23,997
West	93,881	122,439	162,966	58,247	4,723	3,745	3,617	4,051	4,593
Other	25,799	17,825	12,467	6,352	0	0	0	0	0
Total	199,583	231,507	347,712	147,056	64,191	19,555	14,710	28,708	30,729
<u>All other:</u>									
Northeast	64,107	59,856	84,512	98,565	90,055	73,466	83,911	80,351	108,771
Midwest	82,249	105,460	144,409	168,614	178,239	138,176	233,469	237,571	241,618
South	67,344	65,635	100,405	118,453	123,132	107,545	32,514	66,371	60,818
West	10,191	6,497	11,370	25,034	61,228	38,017	14,215	46,491	68,394
Other	14,647	12,656	10,134	22,474	23,409	18,593	14,127	12,724	22,067
Total	238,538	250,104	350,831	433,139	476,063	375,797	378,237	443,508	501,668
<u>Total:</u>									
Northeast	77,134	75,625	121,855	128,216	132,568	80,610	87,952	85,297	110,910
Midwest	90,297	114,543	162,036	173,893	181,390	138,997	233,505	237,577	241,618
South	126,172	132,025	217,713	165,980	136,936	115,390	39,530	86,075	84,815
West	104,072	128,937	174,337	83,281	65,950	41,762	17,832	50,542	72,987
Other	40,446	30,481	22,601	28,825	23,409	18,593	14,127	12,724	22,067
Total	438,121	481,611	698,543	580,196	540,254	395,352	392,946	472,216	532,397
Share of quantity (percent)									
<u>Japan:</u>									
Northeast	6.5	6.8	10.7	20.2	66.2	36.5	27.5	17.2	7.0
Midwest	4.0	3.9	5.1	3.6	4.9	4.2	0.2	0.0	0.0
South	29.5	28.7	33.7	32.3	21.5	40.1	47.7	68.6	78.1
West	47.0	52.9	46.9	39.6	7.4	19.2	24.6	14.1	14.9
Other	12.9	7.7	3.6	4.3	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<u>All other:</u>									
Northeast	26.9	23.9	24.1	22.8	18.9	19.5	22.2	18.1	21.7
Midwest	34.5	42.2	41.2	38.9	37.4	36.8	61.7	53.6	48.2
South	28.2	26.2	28.6	27.3	25.9	28.6	8.6	15.0	12.1
West	4.3	2.6	3.2	5.8	12.9	10.1	3.8	10.5	13.6
Other	6.1	5.1	2.9	5.2	4.9	4.9	3.7	2.9	4.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<u>Total:</u>									
Northeast	17.6	15.7	17.4	22.1	24.5	20.4	22.4	18.1	20.8
Midwest	20.6	23.8	23.2	30.0	33.6	35.2	59.4	50.3	45.4
South	28.8	27.4	31.2	28.6	25.3	29.2	10.1	18.2	15.9
West	23.8	26.8	25.0	14.4	12.2	10.6	4.5	10.7	13.7
Other	9.2	6.3	3.2	5.0	4.3	4.7	3.6	2.7	4.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note.--Northeast = Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; Midwest = Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; South = Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia; West = Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming; Other = Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

Source: Compiled from official Commerce statistics for HTS subheadings 7210.11.0000, 7210.12.0000, 7210.50.0000, and 7212.10.0000.

APPENDIX D
EXCLUDED FORMS OF TIN MILL PRODUCTS

EXCLUDED FORMS OF TIN MILL PRODUCTS

The following products are outside and/or specifically excluded from the scope of the order:

– Single reduced electrolytically chromium coated steel with a thickness 0.238 mm (85 pound base box) (+/-10%) or 0.251 mm (90 pound base box) (+/-10%) or 0.255 mm (+/-10%) with 770 mm (minimum width) (+/-1.588 mm) by 900 mm (maximum length if sheared) sheet size or 30.6875 inches (minimum width) (+/-1/16 inch) and 35.4 inches (maximum length if sheared) sheet size; with type MR or higher (per ASTM) A623 steel chemistry; batch annealed at T2 ½ anneal temper, with a yield strength of 31 to 42 kpsi (214 to 290 MPa); with a tensile strength of 43 to 58 kpsi (296 to 400 MPa); with a chrome coating restricted to 32 to 150 mg/square meter; with a chrome oxide coating restricted to 6 to 25 mg/square meter with a modified 7B ground roll finish or blasted roll finish; with roughness average (Ra) 0.10 to 0.35 micrometers, measured with a stylus instrument with a stylus radius of 2 to 5 microns, a trace length of 5.6 mm, and a cut-off of 0.8 mm, and the measurement traces shall be made perpendicular to the rolling direction; with an oil level of 0.17 to 0.37 grams/base box as type BSO, or 2.5 to 5.5 mg/square meter as type DOS, or 3.5 to 6.5 mg/square meter as type ATBC; with electrical conductivity of static probe voltage drop of 0.46 volts maximum, and with electrical conductivity degradation to 0.70 volts drop maximum after stoving (heating to 400 degrees F for 100 minutes followed by a cool to room temperature).

-- Single reduced electrolytically chromium- or tin-coated steel in the gauges of 0.0040 inch nominal, 0.0045 inch nominal, 0.0050 inch nominal, 0.0061 inch nominal (55 pound base box weight), 0.0066 inch nominal (60 pound base box weight), and 0.0072 inch nominal (65 pound base box weight), regardless of width, temper, finish, coating or other properties.

-- Single reduced electrolytically chromium coated steel in the gauge of 0.024 inch, with widths of 27.0 inches or 31.5 inches, and with T-1 temper properties.

-- Single reduced electrolytically chromium coated steel, with a chemical composition of 0.005% max carbon, 0.030% max silicon, 0.25% max manganese, 0.025% max phosphorous, 0.025% max sulfur, 0.070% max aluminum, and the balance iron, with a metallic chromium layer of 70-130 mg/square meter, with a chromium oxide layer of 5-30 mg/square meter, with a tensile strength of 260-440 N/square millimeter, with an elongation of 28-48%, with a hardness (HR-30T) of 40-58, with a surface roughness of 0.5-1.5 microns Ra, with magnetic properties of Bm (kg) 10.0 minimum, Br (kg) 8.0 minimum, Hc (Oe) 2.5-3.8, and Mu 1400 minimum, as measured with a Riken Denshi DC magnetic characteristic measuring machine, Model BHU-60.

-- Bright finish tin-coated sheet with a thickness equal to or exceeding 0.0299 inch, coated to thickness of 3/4 pound (0.000045 inch) and 1 pound (0.00006 inch).

-- Electrolytically chromium coated steel having ultra flat shape defined as oil can maximum depth of 5/64 inch (2.0 mm) and edge wave maximum of 5/64 inch (2.0 mm) and no wave to penetrate more than 2.0 inches (51.0 mm) from the strip edge and coilset or curling requirements of average maximum of 5/64 inch (2.0 mm) (based on six readings, three across each cut edge of a 24 inches (61 cm) long sample with no single reading exceeding 4/32 inch (3.2 mm) and no more than two readings at 4/32 inch (3.2 mm)) and (for 85 pound base box item only: crossbuckle maximums of 0.001 inch (0.0025 mm) average having no reading above 0.005 inch (0.127 mm)), with a camber maximum of 1/4 inch (6.3 mm) per 20 feet (6.1 meters), capable of being bent 120 degrees on a 0.002 inch radius without cracking, with a chromium coating weight of metallic chromium at 100 mg/square meter and chromium oxide of 10 mg/square meter, with a chemistry of 0.13% maximum carbon, 0.60% maximum manganese, 0.15% maximum silicon, 0.20% maximum copper, 0.04% maximum phosphorous, 0.05% maximum sulfur, and 0.20% maximum aluminum, with a surface finish of Stone Finish 7C, with a DOS-A oil at an aim level of 2 mg/square meter, with not more than 15 inclusions/foreign matter in 15 feet (4.6 meters) (with inclusions not to exceed 1/32 inch (0.8 mm) in width and 3/64 inch (1.2 mm) in length), with thickness/temper combinations of either 60 pound base box (0.0066 inch) double reduced CADR8 temper in widths of 25.00 inches, 27.00 inches, 27.50 inches, 28.00 inches, 28.25 inches, 28.50 inches, 29.50 inches, 29.75 inches, 30.25 inches, 31.00 inches, 32.75 inches, 33.75 inches, 35.75 inches, 36.25 inches, 39.00 inches,

or 43.00 inches, or 85 pound base box (0.0094 inch) single reduced CAT4 temper in widths of 25.00 inches, 27.00 inches, 28.00 inches, 30.00 inches, 33.00 inches, 33.75 inches, 35.75 inches, 36.25 inches, or 43.00 inches, with width tolerance of +/-1/8 inch, with a thickness tolerance of +/-0.0005 inch, with a maximum coil weight of 20,000 pounds (9071.0 kg), with a minimum coil weight of 18,000 pounds (8164.8 kg) with a coil inside diameter of 16 inches (40.64 cm) with a steel core, with a coil maximum outside diameter of 59.5 inches (151.13 cm), with a maximum of one weld (identified with a paper flag) per coil, with a surface free of scratches, holes, and rust.

-- Electrolytically tin coated steel having differential coating with 1.00 pound/base box equivalent on the heavy side, with varied coating equivalents in the lighter side (detailed below), with a continuous cast steel chemistry of type MR, with a surface finish of type 7B or 7C, with a surface passivation of 0.7 mg/square foot of chromium applied as a cathodic dichromate treatment, with coil form having restricted oil film weights of 0.3-0.4 grams/base box of type DOS-A oil, coil inside diameter ranging from 15.5 to 17 inches, coil outside diameter of a maximum 64 inches, with a maximum coil weight of 25,000 pounds, and with temper/coating/dimension combinations of: 1) CAT 4 temper, 1.00/0.50 pound/base box coating, 70 pound/base box (0.0077 inch) thickness, and 33.1875 inch ordered width; or 2) CAT5 temper, 1.00/0.50 pound/base box coating, 75 pound/base box (0.0082 inch) thickness, and 34.9375 inch or 34.1875 inch ordered width; or 3) CAT5 temper, 1.00/0.50 pound/base box coating, 107 pound/base box (0.0118 inch) thickness, and 30.5625 inch or 35.5625 inch ordered width; or 4) CADR8 temper, 1.00/0.50 pound/base box coating, 85 pound/base box (0.0093 inch) thickness, and 35.5625 inch ordered width; or 5) CADR8 temper, 1.00/0.25 pound/base box coating, 60 pound/base box (0.0066 inch) thickness, and 35.9375 inch ordered width; or 6) CADR8 temper, 1.00/0.25 pound/base box coating, 70 pound/base box (0.0077 inch) thickness, and 32.9375 inch, 33.125 inch, or 35.1875 inch ordered width.

-- Electrolytically tin coated steel having differential coating with 1.00 pound/base box equivalent on the heavy side, with varied coating equivalents on the lighter side (detailed below), with a continuous cast steel chemistry of type MR, with a surface finish of type 7B or 7C, with a surface passivation of 0.5 mg/square foot of chromium applied as a cathodic dichromate treatment, with ultra flat scroll cut sheet form, with CAT 5 temper with 1.00/0.10 pound/base box coating, with a lithograph logo printed in a uniform pattern on the 0.10 pound coating side with a clear protective coat, with both sides waxed to a level of 15-20 mg/216 sq. in., with ordered dimension combinations of 1) 75 pound/base box (0.0082 inch) thickness and 34.9375 inch x 31.748 inch scroll cut dimensions; or 2) 75 pound/base box (0.0082 inch) thickness and 34.1875 inch x 29.076 inch scroll cut dimensions; or 3) 107 pound/base box (0.0118 inch) thickness and 30.5625 inch x 34.125 inch scroll cut dimension.

The following products were excluded from the scope after the imposition of the antidumping duty order:

-- Tin-free steel coated with a metallic chromium layer between 100-200 mg/square meter and a chromium oxide layer between 5-30 mg/square meter; chemical composition of 0.05% maximum carbon, 0.03% maximum silicon, 0.60% maximum manganese, 0.02% maximum phosphorous, and 0.02% maximum sulfur; magnetic flux density ("Br") of 10 kg minimum and a coercive force ("Hc") of 3.8 Oe minimum.

-- Tin-free steel laminated on one or both sides of the surface with a polyester film, consisting of two layers (an amorphous layer and an outer crystal layer), that contains no more than the indicated amounts of the following environmental hormones: 1 mg/kg BADGE (BisPhenol A Di-glycidyl Ether), 1 mg/kg BFDGE (BisPhenol F Di-glycidyl Ether), and 3 mg/kg BPA (BisPhenol A).

APPENDIX E

**RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS,
U.S. PURCHASERS, AND FOREIGN PRODUCERS
CONCERNING THE SIGNIFICANCE
OF THE ANTIDUMPING DUTY ORDER AND
THE LIKELY EFFECTS OF REVOCATION**

**U.S. PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested U.S. producers to describe any anticipated changes to the character of their operations or organization relating to the production of TCCSS in the future if the antidumping duty order covering imports of TCCSS from Japan was revoked. (Question II-4.) The following are quotations from the responses of producers.

Mittal

Ohio Coatings

U.S. Steel

USS-POSCO

The Commission requested U.S. producers to describe the significance of the existing antidumping order covering imports of TCCSS from Japan in terms of their effect on their firms' production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. (Question II-14.) The following are quotations from the responses of producers.

Mittal

***¹ ***

Ohio Coatings

U.S. Steel

USS-POSCO

¹ ***.

The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values relating to the production of TCCSS in the future if the existing antidumping duty order was revoked. (Question II-15.) The following are quotations from the responses of producers.

Mittal

Ohio Coatings

U.S. Steel

USS-POSCO

**U.S. IMPORTERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY
EFFECTS OF REVOCATION**

The Commission requested importers to describe any anticipated changes to the character of their operations or organization relating to the importation of TCCSS in the future if the antidumping duty order covering imports of TCCSS from Japan was revoked. (Question II-4.) The following are quotations from the responses of importers.

Can Corp. of America

Cargill Ferrous International

Corus America Inc.

Hamilton Ontario Canada

Dongbu USA

Husky Injection Molding Systems Ltd.

JFE Shoji Trade America, Inc.

Kanematsu USA, Inc.

Kemeny Overseas Products Corp.

Man Ferrostaal Inc.

Marubeni Itochu Steel America

Metal One America, Inc.

Mitsui & Co. (U.S.A.), Inc./Mitsui Steel, Inc.

Okaya (U.S.A.), Inc.

Renown Steel (a division of Samuel, Son & Co. Ltd

Schaeffler Group USA

Steelsummit International, Inc.

Sumitomo Corp. of America

Taylor Steel International

Totem Steel International

Titan Steel Corp.

The Commission requested importers to describe the significance of the existing antidumping duty order covering imports of TCCSS from Japan in terms of their effect on their imports, U.S. shipments of imports, and inventories. (Question II-9.) The following are quotations from the responses of importers.

Can Corp. of America

Cargill Ferrous International

Corus America Inc.

Hamilton Ontario Canada

Dongbu USA

Husky Injection Molding Systems Ltd.

JFE Shoji Trade America, Inc.

Kanematsu USA, Inc.

Kemeny Overseas Products Corp.

Man Ferrostaal Inc.

Marubeni Itochu Steel America

Metal One America, Inc.

Mitsui & Co. (U.S.A.), Inc./Mitsui Steel, Inc.

Okaya (U.S.A.), Inc.

Renown Steel (a division of Samuel, Son & Co. Ltd

Schaeffler Group USA

Steelsummit International, Inc.

Sumitomo Corp. of America

Taylor Steel International

Totem Steel International

Titan Steel Corp.

The Commission requested importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of TCCSS in the future if the existing antidumping duty order was revoked. (Question II-10.) The following are quotations from the responses of importers.

Can Corp. of America

Cargill Ferrous International

Corus America Inc.

Hamilton Ontario Canada

Dongbu USA

Husky Injection Molding Systems Ltd.

JFE Shoji Trade America, Inc.

Kanematsu USA, Inc.

Kemeny Overseas Products Corp.

Man Ferrostaal Inc.

Marubeni Itochu Steel America

Metal One America, Inc.

Mitsui & Co. (U.S.A.), Inc./Mitsui Steel, Inc.

Okaya (U.S.A.), Inc.

Renown Steel (a division of Samuel, Son & Co. Ltd

Schaeffler Group USA

Steelsummit International, Inc.

Sumitomo Corp. of America

Taylor Steel International

Totem Steel International

Titan Steel Corp.

**U.S. PURCHASERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested U.S. purchasers to describe any potential effects on (1) the future activities of your firm and (2) the U.S. market as a whole if the antidumping duty order covering imports of TCCSS from Japan was revoked. (Question III-35). The following are quotations from the responses of purchasers.

Ball Metal Food Container Corp.

Bway Corp.

Central Can Co.

Champion Labs

Corus America

Crown Cork & Seal USA

G&S Metal Products

Impress USA, Inc.

Nestle Purina Pet Care

Pacific Coast Producers

Randall Metals Corp.

Seneca Foods Corp

Silgan Containers Corp.

Sonoco Products Co.

US Can Co.

Van Can Co.

**FOREIGN PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested foreign producers to describe any anticipated changes to the character of their operations or organization relating to the production of TCCSS in the future if the antidumping order covering imports of TCCSS from Japan was revoked. (Question II-3.) The following summarizes the answers of firms.

JFE-Steel Corp.

Nippon Steel Corp. (NSC)

Toyo Kohan Co. Ltd.

The Commission requested foreign producers to identify export markets other than the United States that have been developed as a result of the antidumping duty order from Japan. (Question II-13.) The following are quotations from the responses of foreign producers.

JFE-Steel Corp.

Nippon Steel Corp. (NSC)

Toyo Kohan Co. Ltd.

The Commission requested foreign producers to describe the significance of the existing antidumping duty order covering imports of TCCSS from Japan in terms of their effect on their firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. (Question II-14.) The following are quotations from the responses of foreign producers.

JFE-Steel Corp.

Nippon Steel Corp. (NSC)

Toyo Kohan Co. Ltd.

The Commission requested foreign producers to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of TCCSS in the future if the existing antidumping duty order was revoked. (Question II-15.) The following are quotations from the responses of foreign producers.

JFE-Steel Corp.

Nippon Steel Corp. (NSC)

Toyo Kohan Co. Ltd.

APPENDIX F
DATA CONCERNING TIN MILL PRODUCTS COMBINED

Table F-1

Tin mill products: U.S. imports, by sources, 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
Quantity (short tons)						
Imports from Japan	147,056	64,191	19,555	14,710	28,708	30,729
Imports from all other sources	433,139	476,063	375,797	378,237	443,508	501,668
Total imports	580,196	540,254	395,352	392,946	472,216	532,397
Value (\$1,000)¹						
Imports from Japan	85,127	45,276	12,516	10,311	20,692	26,509
Imports from all other sources	256,462	277,161	216,736	229,490	282,991	380,475
Total imports	341,589	322,437	229,252	239,801	303,683	406,985
Unit value (per short ton)						
Imports from Japan	\$578.87	\$705.34	\$640.02	\$700.95	\$720.79	\$862.68
Imports from all other sources	592.10	582.19	576.74	606.74	638.07	758.42
Total imports	588.75	596.82	579.87	610.26	643.10	764.44
Share of quantity (percent)						
Imports from Japan	25.3	11.9	4.9	3.7	6.1	5.8
Imports from all other sources	74.7	88.1	95.1	96.3	93.9	94.2
Total imports	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)						
Imports from Japan	24.9	14.0	5.5	4.3	6.8	6.5
Imports from all other sources	75.1	86.0	94.5	95.7	93.2	93.5
Total imports	100.0	100.0	100.0	100.0	100.0	100.0
¹ Landed, duty-paid. Note.--Because of rounding, figures may not add to totals shown. Source: Data compiled from official Commerce statistics for HTS subheadings 7210.11.00; 7210.12.00; 7210.50.00; and 7212.10.00.						

Table F-2

Tin mill products: Japanese producers' reported production capacity, production, shipments, and inventories, 2000-05

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