

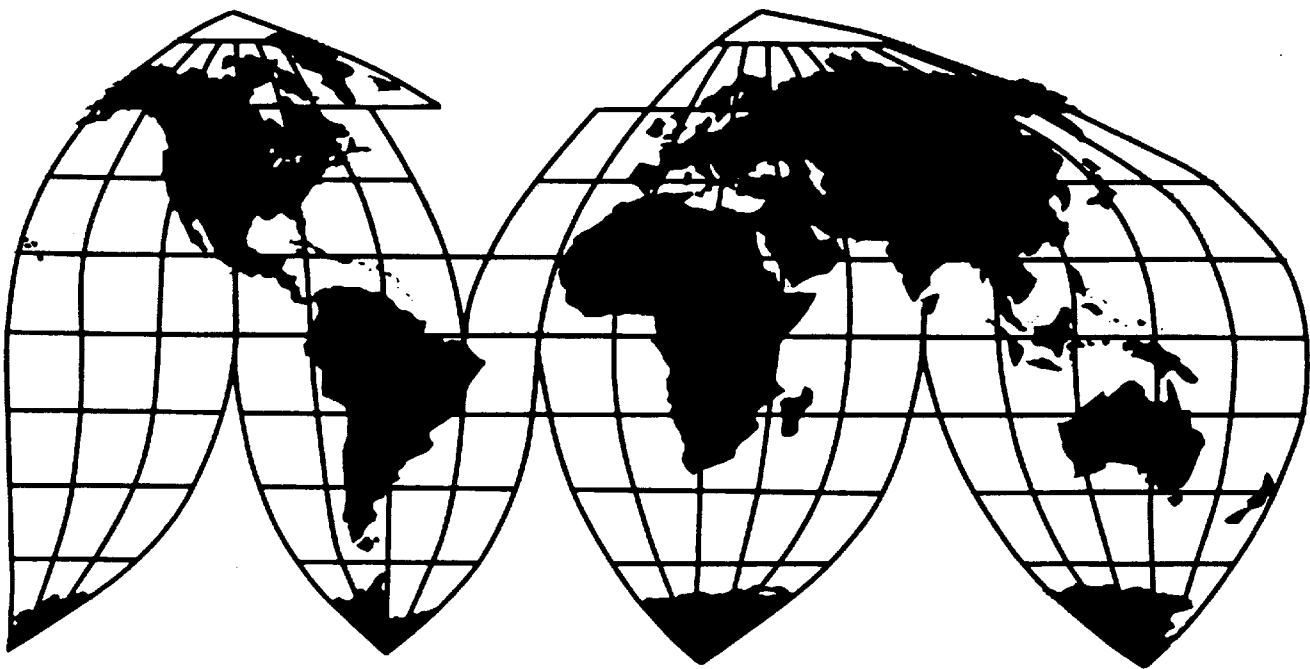
# **Stainless Steel Bar From France, Germany, Italy, Korea, and the United Kingdom**

Investigation Nos. 701-TA-413 and 731-TA-913-916 & 918 (Review)

**Publication 3981**

**January 2008**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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





## UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-413 and 731-TA-913-916 and 918 (Review)

STAINLESS STEEL BAR FROM FRANCE, GERMANY, ITALY,  
KOREA, AND THE UNITED KINGDOM

### DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the countervailing duty and antidumping duty orders on stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>2</sup>

### BACKGROUND

The Commission instituted these reviews effective February 1, 2007 (72 F.R. 4293) and determined on May 7, 2007 that it would conduct full reviews (72 F.R. 28071, May 18, 2007). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on June 26, 2007 (72 F.R. 35066). The hearing was held in Washington, DC, on November 6, 2007, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

<sup>2</sup> Commissioner Charlotte R. Lane dissenting. Commissioner Dean A. Pinkert dissenting as to Germany, Italy, and Korea.



## VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the countervailing duty order on stainless steel bar (“SSB”) from Italy and revocation of the antidumping duty orders on SSB from France, Germany, Italy, Korea, and the United Kingdom is not likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>1</sup>

### I. BACKGROUND

In February 2002, the Commission found that an industry in the United States was materially injured by reason of imports of SSB from France, Germany, Italy, Korea, and the United Kingdom.<sup>2</sup> The Department of Commerce (“Commerce”) published antidumping duty orders regarding SSB from France, Germany, Italy, Korea, and the United Kingdom on March 7, 2002, and a countervailing duty order with respect to SSB from Italy on March 8, 2002.<sup>3</sup>

Commerce’s determinations in its original investigations concerning SSB from France, Germany, Italy, and the United Kingdom were among the determinations successfully challenged at the World Trade Organization (“WTO”) by the European Communities with respect to Commerce’s offsetting of dumped sales with non-dumped sales in investigations involving average-to-average transactions. On April 9, 2007, Commerce issued findings pursuant to section 129 of the Uruguay Round Agreements Act (“URAA”) in order to comply with the WTO panel report finding that Commerce’s practice violates WTO rules.<sup>4</sup> On April 23, 2007, the U.S. Trade Representative instructed Commerce to implement those findings, which it did on April 30, 2007 with an effective date of April 23, 2007.<sup>5</sup> The effect of Commerce’s implementation of its findings was the revocation of the antidumping duty orders covering SSB with respect to: (1) Ugitech of France, (2) Walzwerke Einsal of Germany, (3) Acciaierie Valbruna, Rodacciai, and Acciaieria Foroni, of Italy, and (4) Corus Engineering Steels of the United Kingdom.<sup>6</sup> Collectively, these now-excluded foreign producers accounted for a substantial portion of the subject merchandise imported into the United States during the original investigations as well as of subject SSB production capacity in the countries in question.<sup>7</sup>

On February 1, 2007, the Commission instituted these reviews of the antidumping duty orders on SSB from France, Germany, Italy, Korea, and the United Kingdom and the countervailing duty order on

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<sup>1</sup> Commissioner Pinkert dissents with respect to imports from Germany, Italy, and Korea and Commissioner Lane dissents with respect to imports from France, Germany, Italy, Korea, and the United Kingdom. See Dissenting Views of Commissioner Charlotte R. Lane and Commissioner Dean A. Pinkert. Except as noted, Commissioners Lane and Pinkert join sections I-V.B (Domestic Like Product, Domestic Industry, Cumulation, and Conditions of Competition) of these Views.

<sup>2</sup> Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom, Inv. Nos. 701-TA-413 and 731-TA-913-916 and 918 (Final), USITC Pub. 3488 (Feb. 2002) (“USITC Pub. 3488”).

<sup>3</sup> 67 Fed. Reg. 10381 (March 7, 2002); 60 Fed. Reg. 10670 (March 8, 2002).

<sup>4</sup> United States - Laws, Regulations and Methodology for Calculating Dumping Margins (“Zeroing”) (WT/DS294).

<sup>5</sup> 72 Fed. Reg. 25261 (May 4, 2007).

<sup>6</sup> 72 Fed. Reg. 25261, 25261-64 (May 4, 2007).

<sup>7</sup> See Confidential Staff Report, INV-EE-172, (December 5, 2007) (“CR”) at IV-77, Public Report (“PR”) at IV-31; CR at IV-4 n.4, PR at IV-4 n.4; CR/PR at Table IV-30.

SSB from Italy.<sup>8</sup> The Commission received individually adequate responses to the notice of institution from seven domestic producers of SSB. The Commission received individually adequate responses from Ugitech S.A., a French producer, and Ugitech USA, Inc., an importer of the subject merchandise from France.<sup>9</sup> The Commission received individually adequate responses from German producers Bessey Präzisionsstahl GmbH, BGH Edelstahlwerke GmbH, Deutsche Edelstahlwerke GmbH, Walzwerke Einsal GmbH, and Schmiedewerke Gröditz GmbH. The Commission received individually adequate responses from Italian producers Cogne Acciai Speciali S.p.A., Ugitech, and Foroni S.p.A., and also received responses from importers of the subject merchandise from Italy (Cogne Specialty Steel USA Inc., Ugitech USA, and Foroni Metals of Texas). The Commission received individually adequate responses from British producers Corus Engineering Steels, Enpar Special Alloys, Ltd. and Sandvik Bioline. The Commission did not receive any responses from producers or importers of SSB from Korea.<sup>10</sup>

The Commission found that the domestic interested party group response to its notice of institution was adequate with respect to all reviews and that the respondent interested party group responses for France, Germany, and the United Kingdom were adequate. It found the respondent interested party group response for Italy was not adequate because it accounted for only a relatively small share of Italian production of SSB.<sup>11</sup> As the Commission received no responses from producers or importers of the subject merchandise from Korea, it found the foreign interested party group responses to be inadequate with respect to that order. The Commission determined to conduct full reviews of all the orders in order to promote administrative efficiency.<sup>12</sup>

The seven domestic producers (“Domestic Producers”), accounting for virtually all domestic production of SSB, entered a joint appearance and filed briefs with the Commission.<sup>13</sup> With the exception of Korea, respondents from all subject countries entered appearances, filed briefs, and/or participated at the public hearing.<sup>14</sup>

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<sup>8</sup> 72 Fed. Reg. 4293 (January 30, 2007).

<sup>9</sup> As of April 23, 2007, Ugitech S.A. is no longer subject to the antidumping duty order on France. CR at Table I-2.

<sup>10</sup> See Commission Determination on Adequacy, CR/PR at Appendix A.

<sup>11</sup> Commissioner Charlotte Lane and Commissioner Irving Williamson determined that the Italian interested party group response to the notice of institution was adequate. Commission Determination on Adequacy, CR at Appendix A.

<sup>12</sup> See Commission Determination on Adequacy, CR/PR at Appendix A.

<sup>13</sup> Domestic producers Carpenter Technology Corp. (“Carpenter”), Crucible Specialty Metals (“Crucible”), Dunkirk Specialty Steel (“Dunkirk”), Electralloy Corp., North American Stainless (“NAS”), Outokumpu Stainless Bar, Inc. (“Outokumpu”), and Valbruna Slater Stainless, Inc. (“Slater”) jointly participated in these reviews and represented virtually all domestic production of SSB during the period. See CR/PR at Table I-3.

<sup>14</sup> Ugitech S.A., a French producer, and Ugitech USA, Inc., an importer of the subject merchandise from France, entered an appearance and filed briefs with the Commission. German producers Bessey Präzisionsstahl GmbH, BGH Edelstahlwerke GmbH, Deutsche Edelstahlwerke GmbH, Walzwerke Einsal GmbH, and Schmiedewerke Gröditz GmbH (“German Respondents”) entered a joint appearance and filed briefs with the Commission. Cogne Acciai Speciali S.p.A., an Italian producer, and Cogne Specialty Steel USA Inc. an importer, entered appearances and filed a brief with the Commission. Three British producers of SSB, Corus Engineering Steels, Enpar Special Alloys, and Sandvik Bioline, entered separate appearances and filed separate briefs with the Commission. The European Union Delegation of the European Commission entered an appearance and filed a brief with the Commission. No Korean producers or importers of subject merchandise from Korea participated. Counsel to all respondents who entered appearances, with the exception of Corus Engineering Steels, Enpar Special Alloys, and Cogne Acciai Speciali, participated at the Commission’s public hearing on November 6, 2007.

## II. MARKET BACKGROUND

Stainless steel bars are articles of stainless steel<sup>15</sup> in straight lengths, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, or other convex polygons. SSB is used to produce a wide variety of products for use where its corrosion resistance, heat resistance, and/or appearance are desired. Applications include, but are not limited to, the automotive industry; the aerospace industry; chemical and petrochemical processing equipment; dairy, food processing, and pharmaceutical equipment; marine applications such as shafts and propellers; pumps and connectors for fluid-handling systems; and medical products. Bar is distinguished from rod and wire in that bar is in straight lengths as opposed to being coiled.<sup>16</sup>

There are nine known domestic producers of SSB, all of which provided questionnaire responses to the Commission. All responding domestic producers are located in the eastern United States.<sup>17</sup> SSB is commonly sold to both distributors and end users.<sup>18</sup>

Domestic production accounted for more than one-half of U.S. SSB consumption over the period of review.<sup>19</sup> For the latter part of the period, the next largest source was imports from Italy.<sup>20</sup> Imports from nonsubject sources, such as Taiwan and Austria, were also present in the market.<sup>21</sup>

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<sup>15</sup> Stainless steel is defined as alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. Stainless steel is distinguished from carbon steel and alloy steels chiefly by its superior resistance to corrosion, which is achieved through the addition of chromium. Stainless steel is produced in many grades, each containing a different combination of chemical elements. In addition to chromium, other alloying elements commonly used in stainless steel include nickel, molybdenum, and manganese, which are added based on the desired physical and mechanical properties of the end-use product.

<sup>16</sup> CR at I-15, PR at I-15.

<sup>17</sup> CR/PR at Table I-3.

<sup>18</sup> CR/PR at II-1.

<sup>19</sup> CR/PR at Table I-I.

<sup>20</sup> CR/PR at Table IV-1.

<sup>21</sup> CR/PR at IV-1. SSB from Brazil, India, Japan and Spain has been subject to antidumping orders since 1995. See Stainless Steel Bar from Brazil, India, Japan, and Spain, Inv. Nos. 731-TA-678, 679, 681 and 682 (Second Review) USITC Pub. 3895 (Dec. 2006).

### 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.”<sup>22</sup> 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.”<sup>23</sup> The Commission practice in five-year reviews is to look to the like product definitions from the original investigations and previous reviews and consider whether the record indicates any reason to revisit those definitions.

In its full and expedited sunset determinations, Commerce defined the subject merchandise in these reviews as:

includ[ing] articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. Stainless steel bar includes cold-finished stainless steel bars that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process. Except as specified above, the scope does not include stainless steel semifinished products, cut length flat-rolled products (i.e., cut length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), products that have been cut from stainless steel sheet, strip or plate, wire (i.e., cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.<sup>24</sup>

The above scope definition is essentially unchanged from the original investigations.<sup>25</sup> In the original investigations, the Commission defined the domestic like product to be all SSB within

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<sup>22</sup> 19 U.S.C. § 1677(4)(A).

<sup>23</sup> 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, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979). The Commission generally considers the following factors: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes and production employees; (5) customer or producer perceptions; and, when appropriate, (6) price. See Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

<sup>24</sup> See 72 Fed. Reg. 30772 (June 4, 2007) (final results of the expedited sunset reviews of the antidumping duty orders on France, Italy, Korea and the United Kingdom); 72 Fed. Reg. 31288 (June 6, 2007) (final results of the expedited sunset review of the countervailing duty order on Italy); 72 Fed. Reg. 56985 (October 5, 2007) (final result of the full sunset review of the antidumping duty order on Germany).

<sup>25</sup> See USITC Pub. 3488 at 4.

Commerce's scope definition.<sup>26</sup> The Commission rejected arguments that it should find oil field bar and medical bar to be separate domestic like products.<sup>27</sup> It found that these products were part of a continuum of SSB products, many of which have distinct uses. It also declined to define ultra-low sulphur bar as a separate domestic like product, and it defined a single domestic like product encompassing the entire range of SSB products within the scope of the orders.

The Domestic Producers urge the Commission to define the domestic like product as it did in the original investigations.<sup>28</sup> No respondent has argued that a different like product definition is appropriate in these reviews, and there is no new information obtained during these reviews that would indicate that we should revisit the Commission's domestic like product definition in the original investigations.<sup>29</sup> Accordingly, for purposes of these five-year reviews, we find a single domestic like product consisting of all SSB corresponding to Commerce's definition of the scope of the orders.

## **B. Domestic Industry and Related Parties**

Section 771(4)(A) of the Act defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."<sup>30</sup>

There were at least nine known U.S. producers of SSB during the period of review, which covers full years 2001-2006 as well as January-June ("interim") 2007.<sup>31</sup> These producers include the seven producers who entered a joint appearance before the Commission in these reviews, along with Allvac and Latrobe.<sup>32</sup> Based on our definition of the domestic like product, we define the domestic industry as all U.S. producers of SSB, subject to our consideration of related parties under 19 U.S.C. § 1677(4)(B).

Subsection 1677(4)(B) allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or that are themselves importers.<sup>33</sup> Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.<sup>34</sup> We must therefore determine whether any

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<sup>26</sup> USITC Pub. 3488 at 5-8.

<sup>27</sup> USITC Pub. 3488 at 5-7.

<sup>28</sup> Domestic Producers' Prehearing Brief at 4.

<sup>29</sup> See CR at I-20, PR at I-17.

<sup>30</sup> 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).

<sup>31</sup> CR at I-21, PR at I-18.

<sup>32</sup> CR/PR at Table I-3.

<sup>33</sup> 19 U.S.C. § 1677(4)(B).

<sup>34</sup> The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, *i.e.*, whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market, and (3) the position of the related producer vis-a-vis the rest of the industry, *i.e.*, whether inclusion or exclusion of the related party will skew the data for the rest of the industry. See, *e.g.*, Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interest of the related producer lies in domestic production or importation. These

(continued...)

producer of the domestic like product should be excluded from the domestic industry pursuant to section 19 U.S.C. § 1677(4)(B).

In these reviews, Slater and \*\*\* are related parties. Slater is a wholly owned subsidiary of Valbruna Slater, Inc., a U.S. company that is owned by Acciaierie Valbruna of Italy. Valbruna Stainless, Inc., which is owned by Acciaierie Valbruna of Italy, imported subject merchandise during the period of review.<sup>35</sup> Because Slater was related by common ownership with an importer of subject merchandise during the period, it is a related party.<sup>36</sup> \*\*\* is a related party because it was an importer of subject merchandise from the United Kingdom during the period of review.

The Domestic Producers argued that appropriate circumstances do not exist that would warrant exclusion of either company. They acknowledged that Valbruna Stainless' imports were significant and \*\*\* Slater's production in 2006, but argued that the importing activity of a related company does not alone justify Slater's exclusion.<sup>37</sup> With respect to \*\*\*, the Domestic Producers argued that \*\*\* imports of subject merchandise were minuscule relative to its domestic production and this reflects its emphasis on domestic production.<sup>38</sup> None of the respondents addressed exclusion of domestic producers pursuant to the related party provision.

We find that appropriate circumstances do not exist to exclude either Slater or \*\*\* from the definition of the domestic industry. There is no evidence that Slater benefitted from its related company's imports of subject merchandise during the period of review. Moreover, most of the SSB Valbruna Stainless reported as \*\*\*. \*\*\*.<sup>39</sup> With respect to \*\*\*, the ratio of its imports of subject merchandise relative to its domestic production has been consistently less than \*\*\* percent during the period of review, and there is no evidence that it was shielded from the effects of the subject imports.<sup>40 41 42</sup> Accordingly, we find that appropriate circumstances do not exist to exclude either Slater or \*\*\* from the definition of

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<sup>34</sup> (...continued)

latter two considerations were cited as appropriate factors in Allied Mineral Products, Inc. v. United States, —F. Supp. 2d—, Slip Op. 04-139 (Ct. Int'l Trade 2004) at 5-6 (“The most significant factor considered by the Commission in making the ‘appropriate circumstances’ determination is whether the domestic producer accrued a substantial benefit from its importation of the subject merchandise.”); USEC, Inc. v. United States, 132 F. Supp. 2d 1, 12 (Ct. Int'l Trade 2001) (“the provision’s purpose is to exclude from the industry headcount domestic producers substantially benefitting from their relationships with foreign exporters.”), aff’d, USEC Inc. v. U.S., 34 Fed.Appx. 725, 24 ITRD 1128 (Fed.Cir. Apr 25, 2002); S. Rep. No. 249, 96th Cong. 1st Sess. at 83 (1979) (“where a U.S. producer is related to a foreign exporter and the foreign exporter directs his exports to the United States so as not to compete with his related U.S. producer, this should be a case where the ITC would not consider the related U.S. producer to be a part of the domestic industry”).

<sup>35</sup> CR/PR at Table I-3 n. 10 and \*\*\*.

<sup>36</sup> 19 U.S.C. § 1677(4)(B).

<sup>37</sup> Domestic Industry’s Prehearing Brief at 6-7.

<sup>38</sup> Domestic Industry’s Prehearing Brief at 7-8.

<sup>39</sup> Domestic Industry Prehearing Brief at 6; \*\*\*.

<sup>40</sup> See CR/PR at Table III-10; CR/PR at Table III-7.

<sup>41</sup> Consistent with her practice in past investigations and reviews, Vice Chairman Shara L. Aranoff does not rely on individual-company operating income margins in assessing whether a related party has benefitted from importation of subject merchandise. Rather, she determines whether to exclude a related party based principally on its ratio of subject imports to domestic shipments and whether its primary interests lie in domestic production or importation. She finds that, unlike its related importer, Slater’s interest lies primarily in domestic production.

<sup>42</sup> For purposes of these reviews, Commissioner Pinkert does not rely upon related parties’ financial performance as a factor in determining whether there are appropriate circumstances to exclude them from the domestic industry.



the domestic industry. We therefore find a single domestic industry consisting of all domestic producers of SSB.

#### IV. CUMULATION<sup>43</sup>

##### A. Overview

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.<sup>44</sup>

Thus, cumulation is discretionary in five-year reviews. The Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market.<sup>45</sup> The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.<sup>46</sup> We note that neither the statute nor the URAA Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.<sup>47</sup> With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.<sup>48</sup>

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<sup>43</sup> Chairman Pearson and Commissioner Okun note that while they consider the same issues discussed in this section in determining whether to exercise their discretion to cumulate the subject imports, their analytical framework begins with whether imports from the subject countries are likely to face similar conditions of competition. For those subject imports which are likely to compete under similar conditions of competition, they next proceed to consider whether those imports are likely to compete with each other and with the domestic like product. Finally, if based on that analysis they intend to exercise their discretion to cumulate one or more subject countries, they analyze whether they are precluded from cumulating such imports because the imports from one or more subject countries, assessed individually, are likely to have no discernible adverse impact on the domestic industry. See Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review), USITC Pub. 3933 (July 2007) (Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation).

<sup>44</sup> 19 U.S.C. § 1675a(a)(7).

<sup>45</sup> In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as Commerce initiated the six reviews on February 1, 2007. 72 Fed. Reg. 4689 (February 1, 2007).

<sup>46</sup> 19 U.S.C. § 1675a(a)(7).

<sup>47</sup> SAA, H.R. Rep. No. 103-316, vol. I (1994).

<sup>48</sup> As explained in their additional views, Chairman Pearson and Commissioner Pinkert take likely volume into account, but in their view, the “no discernible adverse impact” provision centers on likely impact, not likely volume. See Additional Views of Chairman Pearson and Commissioner Pinkert Regarding Cumulation.

## **B. Likelihood of No Discernible Adverse Impact<sup>49</sup>**

The French respondent Ugitech argued that subject imports from France and Italy are likely to have no discernible adverse impact upon revocation of the orders, noting that subject imports from the remaining producers subject to the antidumping duty orders and countervailing duty order accounted for less than \*\*\* percent of the U.S. market during the period of review.<sup>50</sup> British producers Enpar Special Alloys and Corus Specialty Steels also contended that subject imports from the United Kingdom will likely have no discernible adverse impact upon revocation because of the \*\*\* of the two remaining subject producers, and the fact that Enpar's \*\*\*.<sup>51</sup>

We find that subject imports from each of the five countries would not be likely to have no discernible adverse impact if the orders were revoked. There remain subject producers in France, Germany, Italy,<sup>52</sup> and the United Kingdom, and these remaining foreign producers continue to export an appreciable portion of their production.<sup>53</sup> Subject imports from the non-excluded producers in France, Germany, Italy and the United Kingdom continue to enter the U.S. market. Indeed, the volume of subject imports from non-excluded producers in each of the countries was higher in 2006 than in 2002 when the antidumping and countervailing duty orders were issued, indicating that the subject producers remain interested in selling to customers in the United States.<sup>54</sup> Thus, upon revocation, these remaining subject producers are likely to ship at least some additional volumes of SSB to the United States.

With respect to Korea, subject imports represented 2.7 percent of U.S. apparent consumption and 6.4 percent of U.S. imports in 2001, although subject imports from Korea declined after issuance of the order.<sup>55</sup> In contrast to the antidumping duty orders and countervailing duty order on the European countries, all SSB producers in Korea remain subject to the antidumping duty order. We find therefore that subject imports from Korea are likely to increase to some extent if the order is revoked.

For these reasons, with respect to each of the orders, we do not find that there would likely be no discernible adverse impact if the orders were revoked.

## **C. Reasonable Overlap of Competition<sup>56</sup>**

### **1. Background**

In assessing likely competition, the Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic

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<sup>49</sup> Chairman Pearson and Commissioner Pinkert do not join this section with respect to France and the United Kingdom. Chairman Pearson and Commissioner Pinkert find that there is likely to be no discernible adverse impact on the domestic industry if either the antidumping duty order with respect to France or the United Kingdom is revoked. See Additional Views of Chairman Pearson and Commissioner Pinkert Regarding Cumulation.

<sup>50</sup> Ugitech's Prehearing Brief at 6.

<sup>51</sup> Enpar's Prehearing Brief at 4-5; Corus' Prehearing Brief at 6.

<sup>52</sup> Because the antidumping duty order and countervailing duty order largely cover the same Italian producers, the no discernible adverse impact analysis is identical for each order. See CR/PR at Table I-2. Italian producer Italfond is covered by the antidumping duty order but not the countervailing duty order.

<sup>53</sup> See CR/PR at Tables IV-6, IV-11, IV-16, and IV-24.

<sup>54</sup> See CR/PR at Table IV-2.

<sup>55</sup> CR/PR at Tables I-1 and IV-1.

<sup>56</sup> Chairman Pearson and Commissioner Pinkert join this section only insofar as it pertains to imports from Germany, Italy, and Korea. See Additional Views of Chairman Daniel R. Pearson and Commissioner Dean A. Pinkert Regarding Cumulation.

like product.<sup>57</sup> Only a “reasonable overlap” of competition is required.<sup>58</sup> With regard to likely overlap of competition, we note that the relevant inquiry is whether there likely would be competition upon revocation even if there are no current imports from a subject country.<sup>59</sup>

The Commission found a reasonable overlap of competition in the original investigations. It noted that a plurality of purchasers reported that domestic SSB and the subject imports were used interchangeably and that there were no significant quality differences among the products.<sup>60</sup> Subject imports and the domestically produced product were found to be comparable in product consistency, product quality, and product range by at least a plurality of purchasers of the Korean product, and majorities of purchasers of product from the other subject countries.<sup>61</sup> The Commission noted that a majority of shipments of domestically produced SSB and a majority of the subject imports were sold through distributors, although subject imports from France tended to be sold to end users.<sup>62</sup> The Commission observed that imports from each subject country were present in the United States throughout the period of investigation.<sup>63</sup> Despite the different distribution pattern of the subject imports from France, the Commission concluded that there was a reasonable overlap of competition between the subject imports and domestic SSB.<sup>64</sup>

The Domestic Producers argued that the four factors the Commission typically examines to determine whether a likely reasonable overlap in competition is likely indicate that there would be competition among subject imports and the domestic like product if the orders were revoked.<sup>65</sup> None of the respondents addressed the likelihood of a reasonable overlap of competition.

## 2. Analysis

*Fungibility.* The great majority of purchasers, producers, and importers reported in these reviews that the subject imports from each country were “always” or “frequently” interchangeable with domestic

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<sup>57</sup> The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (CIT 1989).

<sup>58</sup> *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (CIT 1996); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (CIT 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp.2d 1353 (CIT 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

<sup>59</sup> *See generally Cheflin Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

<sup>60</sup> USITC Pub. 3488 at 10-11.

<sup>61</sup> USITC Pub. 3488 at 10-11.

<sup>62</sup> USITC Pub. 3488 at 11.

<sup>63</sup> USITC Pub. 3488 at 12.

<sup>64</sup> USITC Pub. 3488 at 12.

<sup>65</sup> Domestic Producers’ Prehearing Brief at 11.

SSB and with subject imports from each of the other subject countries.<sup>66</sup> Six of seven responding domestic producers reported that non-price factors were never significant, though importers' responses suggested less interchangeability.<sup>67</sup> The record therefore indicates that domestic SSB and the subject imports are sufficiently fungible for purposes of finding a likely reasonable overlap of competition.

*Channels of Distribution and Geographic Overlap.* Domestic SSB and the subject imports share the same channels of distribution as both are generally sold to distributors and end users.<sup>68</sup> As for geographic overlap, domestic SSB and the subject imports were sold nationwide and entered the United States in geographically dispersed customs districts.<sup>69</sup> Both the channels of distribution and geographic overlap factors weigh in favor of a likely overlap of competition if the orders were to be revoked.

*Simultaneous Presence in Market.* Subject imports from all five subject countries have been present during the period of review.<sup>70</sup> While the number of subject producers has been reduced by Commerce's revocation of the orders with respect to certain producers, there were subject imports from the remaining subject producers during each year of the period of review.<sup>71</sup>

*Conclusion.* Based upon our analysis of the four factors, we conclude that subject imports from France, Germany, Italy, Korea, and the United Kingdom will likely compete with each other and with the domestic like product should the orders under review be revoked.<sup>72</sup>

#### **D. Other Considerations<sup>73</sup>**

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether the subject imports from France, Germany, Italy, Korea, and the United Kingdom are likely to compete under similar or different conditions in the U.S. market.<sup>74</sup>

Ugitech urged the Commission to decline to cumulate subject imports from France and Italy with those from Korea because of differences in the European and Asian markets and differences in the trends with respect to subject imports from each country.<sup>75</sup> The German Respondents argued that subject

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<sup>66</sup> See CR/PR at Table II-5.

<sup>67</sup> See CR/PR at Table II-6.

<sup>68</sup> CR/PR at Table II-1.

<sup>69</sup> CR at IV-11, PR at IV-5; CR/PR at Table IV-4.

<sup>70</sup> See CR/PR at Table IV-2.

<sup>71</sup> See CR/PR at Table IV-2.

<sup>72</sup> Based on his analysis of the four factors, Commissioner Pinkert concludes that subject imports from Germany, Italy, and Korea would likely compete with each other and with the domestic like product if the orders on review were revoked.

<sup>73</sup> Chairman Pearson joins this section only insofar as it pertains to imports from Germany, Italy, and Korea. See Additional Views of Chairman Daniel R. Pearson and Commissioner Dean A. Pinkert Regarding Cumulation.

<sup>74</sup> Commissioners Lane and Pinkert do not join in this analysis of other considerations. Where, in a five-year review, they do not find that the subject imports would be likely to have no discernible adverse impact on the domestic industry if the order were revoked, and find that such imports would be likely to compete with each other and with the domestic like product in the U.S. market, they cumulate such imports unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted. Commissioner Lane has performed this analysis with respect to all five subject countries. Commissioner Pinkert has performed this analysis with respect to subject imports from Germany, Italy, and Korea.

In these reviews, they find there is no such condition or propensity with respect to the subject imports that they have respectively cumulated. Any differences in export orientation do not appear to be structural in nature.

<sup>75</sup> Ugitech's Posthearing Brief at 13.

imports from Korea should not be cumulated with those from the other subject countries for several reasons, including that Korea is the only subject country not in the European Union or any free trade area, Korean producers are not export oriented, no Korean producers have been excluded from the order, and unlike the European producers, the Korean producers do not have U.S. subsidiaries.<sup>76</sup>

Despite these assertions, we do not find that there are likely to be differing conditions of competition so significant as to cause us to decline to exercise our discretion to cumulate the subject imports for purposes of these reviews. As we discuss further below, subject producers in all countries \*\*\* appear primarily dedicated to their home and regional markets, the latter consisting of either the European Union in the case of the European subject producers, and Asia in the case of the Korean subject producers. Moreover, by 2006, Germany, Korea, and the United Kingdom had become net importers of SSB, suggesting a continued focus on home markets.<sup>77</sup> Given their focus on these established home and regional markets, and their generally \*\*\* rates of capacity utilization, producers in these countries have little incentive to undersell the domestic like product or otherwise act aggressively to gain market share in the United States.<sup>78</sup> While there are some product mix differences among the subject imports from the different subject countries, we find that the subject imports from the five subject countries are likely, in general, to compete similarly in the U.S. market. Accordingly, we exercise our discretion to cumulate subject imports from all five countries.

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<sup>76</sup> German Respondents' Prehearing Brief at 20-21.

<sup>77</sup> See CR/PR at Table IV-37.

<sup>78</sup> While reported capacity utilization rates were \*\*\* in the case of the subject British producers, they collectively accounted for so little capacity that they would likely be able to obtain an increase in sales to the U.S. market on a scale that is meaningful to them yet remaining very small in relation to the U.S. market, thus obviating the need to price aggressively. In the case of French producers, \*\*\* of their reported SSB production is already shipped to the United States, and their capacity utilization rates are \*\*\*, likewise indicating that the subject producers in that country lack strong incentives to undersell or otherwise act aggressively in order to increase sales volumes to the United States. The subject producers in France have only a small production capacity relative to the size of the U.S. market.

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

### A. Legal Standard In A Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>79</sup> 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.”<sup>80</sup> Thus, the likelihood standard is prospective in nature.<sup>81</sup> 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.<sup>82 83 84</sup>

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.”<sup>85</sup> According to

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<sup>79</sup> 19 U.S.C. § 1675a(a).

<sup>80</sup> 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.

<sup>81</sup> 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.

<sup>82</sup> 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)”); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int’l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int’l Trade Dec. 20, 2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>83</sup> For a complete statement of Commissioner Okun’s interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

<sup>84</sup> 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) at 15-17, 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 these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue.

<sup>85</sup> 19 U.S.C. § 1675a(a)(5).

the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis [in antidumping investigations].”<sup>86</sup>

Although the standard in a five-year review is not the same as the standard applied in an original antidumping investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>87</sup> 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).<sup>88</sup>

As noted above, the Commission has relatively complete coverage for the domestic industry and for foreign producers in France, Germany, Italy, and the United Kingdom.<sup>89</sup> Foreign producer coverage,

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<sup>86</sup> 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.” SAA at 887.

<sup>87</sup> 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>88</sup> There have been no duty absorption findings by Commerce with respect to the orders under review.

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

In a full sunset review for Germany, Commerce found likely margins of dumping of 0.73 percent for BGH, 10.82 percent for Edelmetall Witten-Krefeld, 31.25 percent for Krupp Edelmetallprofile, and 15.16 percent for all others. 72 Fed. Reg. 56985 (October 5, 2007). As noted, the antidumping duty order was revoked with respect to German producer Walzwerke Einsal. For subject producers in Italy, Commerce found a likely margin of dumping of 33.00 percent for Cogne Acciai Speciali and 6.60 percent for percent for all other producers in Italy. 72 Fed. Reg. 30772, 30773 (June 4, 2007). Italian producers Acciaierie Valbruna, Acciaierie Foroni, and Rodacciai are no longer subject to the antidumping duty order. Trafilerie Bedini has never been subject to the antidumping duty order. Commerce found a likely margin of dumping of 13.38 percent for Changwon Specialty Steel (POSCO), 4.75 percent for Dongbang Industrial and 11.30 percent for all other Korean SSB producers. 72 Fed. Reg. 30772, 30773 (June 4, 2007). With respect to the United Kingdom, Commerce found likely margins of dumping of 125.77 percent for Crownridge Stainless Steels, Ltd. (Valkai, Ltd.) and for Firth Rixson Special Steels, Ltd., and 83.85 percent for all other producers. 72 Fed. Reg. 30772, 30773 (June 4, 2007). British producer Corus Engineering Steels is no longer subject to the antidumping duty order.

Commerce in its expedited determination with respect to the countervailing duty order on Italy found a likely subsidy margin of 1.57 percent for Cogne Acciai Speciali and 12.93 percent for all other Italian producers. 72 Fed. Reg. 31289 (June 6, 2007). Italian producers Acciaierie Valbruna, Acciaierie Foroni, Rodacciai, and Trafilerie Bedini have never been subject to the countervailing duty order. Commerce did not provide information concerning the nature of the countervailable subsidy in its review of the countervailing duty order on Italy. 72 Fed. Reg. 31289 (June 6, 2007).

<sup>89</sup> See CR at IV-13, IV-23, IV-34, IV-49, PR at IV-7, IV-10, IV-15, IV-22.

however, was less complete for Korea.<sup>90</sup> We have relied on the facts otherwise available when appropriate in these reviews, which consist primarily of information from the original investigations, information submitted in these reviews, and information available from published sources collected in these reviews.<sup>91 92</sup>

## **B. Conditions of Competition and the Business Cycle**

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.”<sup>93</sup> The following conditions of competition are relevant to our determination.

### **1. Demand Conditions**

SSB is used in many sectors of the economy, with the automotive, chemical, oil and gas, and food processing sectors estimated to account for over half of consumption in the U.S. market.<sup>94</sup> The level of demand for SSB largely depends on the general level of economic activity, though only 4 of 14 purchasers indicated that SSB is subject to a business cycle.<sup>95</sup>

In the original investigations, apparent U.S. consumption declined from 258,000 short tons in 1998 to 238,000 short tons in 1999, and then increased to 290,000 short tons in 2000.<sup>96</sup> Total apparent U.S. consumption during the current period of review also was variable, falling from 237,000 short tons in 2001 to 208,000 short tons in 2003, before increasing to 247,000 short tons in 2004, 296,000 short tons in 2005, and 297,000 short tons in 2006.<sup>97</sup> The record indicates a likely increase in demand in the reasonably foreseeable future, but growth beyond the high levels seen in 2006 is projected to be limited.

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<sup>90</sup> See CR at IV-44, PR at 20.

<sup>91</sup> 19 U.S.C. § 1677e(a) authorizes the Commission to “use the facts otherwise available” in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to 19 U.S.C. § 1677m(i). The verification requirements in 19 U.S.C. § 1677m(i) are applicable only to Commerce. See Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750, 765 (Ct. Int’l Trade 2002) (“the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of Commission investigations.”).

<sup>92</sup> Commissioner Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. See 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties’ suggested interpretations of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” SAA at 869.

<sup>93</sup> 19 U.S.C. § 1675a(a)(4).

<sup>94</sup> See Domestic Producers’ Posthearing Brief at Exhibit 1.

<sup>95</sup> CR/PR at II-1; Transcript of Commission Hearing of November 6, 2007 (“Tr.”) at 95, 200 (Blot).

<sup>96</sup> CR/PR at Table I-1.

<sup>97</sup> CR/PR at Table I-1.



Although the Domestic Producers asserted that there were signs of a slowdown in demand in the second half of 2007,<sup>98</sup> even a pessimistic forecast, which was offered by the Domestic Producers, calls for only a slight decline in consumption in 2007 followed by a recovery in 2008.<sup>99</sup> Worldwide demand for SSB has grown in recent years and is forecast to remain strong, increasing by \*\*\* percent in 2008.<sup>100 101</sup>

## 2. Supply Conditions

The domestic industry has undergone substantial restructuring since the original investigations. There are currently nine domestic producers of SSB, although 17 firms produced SSB during the Commission's original investigation.<sup>102</sup> Over the past several years, the U.S. industry consolidated and U.S. producers ceased as well as started production of SSB.<sup>103</sup> Despite the reduction in the number of domestic producers, total domestic production capacity increased significantly. Total production capacity increased from 238,109 short tons in 2001 to 372,288 short tons in 2006, an increase of 56.4 percent.<sup>104</sup> Domestic production capacity increased further in the interim periods.<sup>105</sup> The domestic industry's production also increased over the period of review.<sup>106</sup>

The most significant change in the U.S. industry was the entry of a new producer, North American Stainless ("NAS"). NAS constructed a greenfield plant in Ghent, Kentucky and began production in 2003.<sup>107</sup> NAS reported capital expenditures of \$\*\*\* million in 2003, which accounted for \*\*\* of the industry's total capital expenditures over the period.<sup>108</sup> NAS accounted for \*\*\* of the increase in domestic production capacity; during the period examined, NAS' production capacity increased from \*\*\* short tons in 2003 to \*\*\* short tons in 2006.<sup>109</sup> NAS is now the \*\*\* U.S. producer of SSB. NAS has affected prices in the U.S. market as well, with the pricing data gathered by the Commission suggesting

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<sup>98</sup> CR/PR at Table I-1; Tr. at 44-47 (Blot).

<sup>99</sup> See Domestic Producers' Posthearing Brief, Exhibit 8 (projecting consumption of \*\*\* short tons in 2007 and \*\*\* short tons in 2008). See also Ugitech's Posthearing Brief at Exh. 1-B (calling for \*\*\* percent growth for 2008 in NAFTA region).

<sup>100</sup> See CR/PR at Table IV-37 (showing increase in apparent consumption in the EU and China); Ugitech's Posthearing Brief at Exh. 1-B. Ugitech's market forecast estimates that regional demand for SSB in 2008 will increase \*\*\*. *Id.*

<sup>101</sup> Commissioner Lane and Commissioner Pinkert do not join in this discussion of demand projections and the related citations. They discuss their views on future demand in their dissenting views. See Dissenting Views of Commissioner Charlotte R. Lane and Commissioner Dean A. Pinkert.

<sup>102</sup> USITC Pub. 3488 at III-1.

<sup>103</sup> CR at I-22, PR at I-18. In 1997, Empire/AL Tech filed for bankruptcy, and its assets were liquidated. However, its production facility was purchased by Universal in 2003. CR at I-23, PR at I-19. In 2000, Republic closed its SSB facility. In 1998, Carpenter purchased Talley, and Talley is now a wholly owned subsidiary of Carpenter. CR at I-23, PR at I-19. In 2001, Avesta merged with Outokumpu, and Slater filed for bankruptcy in 2003. In 2004, Acciaierie Valbruna, S.P.A., an Italian company, purchased Slater's stainless steel production facility in Fort Wayne, Indiana, and resumed production at a reduced level. CR at I-23, PR at I-19.

<sup>104</sup> CR/PR at Table III-1.

<sup>105</sup> CR/PR at Table III-1.

<sup>106</sup> CR/PR at Table III-1.

<sup>107</sup> CR at I-23, PR at I-19.

<sup>108</sup> CR at III-18 to III-19, PR at III-10.

<sup>109</sup> CR/PR at Table III-1.

that NAS is a \*\*\* in the U.S. market.<sup>110 111</sup> NAS has focused on the production of so-called commodity grades of SSB and has reported operating margins \*\*\* the domestic industry average.<sup>112</sup> In sum, the entry of NAS as a \*\*\* producer in the U.S. market is an important change in the conditions of competition since the original investigations.

Imports accounted for approximately 40 percent of apparent U.S. consumption during the period of review.<sup>113</sup> Total import volume tracked apparent consumption, declining and then increasing over the period.<sup>114</sup> The total volume of SSB imports from producers in France, Germany, Italy, and the United Kingdom that are now nonsubject due to Commerce's section 129 findings or were never subject<sup>115</sup> exceeded the cumulated volume of SSB imports from remaining subject producers in each year of the period of review.<sup>116</sup>

There are currently antidumping duty orders on SSB from Brazil, India, Japan, and Spain dating from 1995;<sup>117</sup> imports from those countries generally increased during the period of review as well. There are also nonsubject imports from other sources; these generally increased toward the end of the period of review. We note that as part of the broad safeguard investigations involving steel products (including SSB), the President imposed temporary import relief via proclamation on March 5, 2002. Import relief relating to SSB consisted of an additional tariff of 15 percent ad valorem in the first year, which was reduced to 12 percent in the second year.<sup>118</sup> The relief was terminated by the President on December 4, 2003.<sup>119</sup>

### 3. Other Considerations

Purchasers indicated that subject imports are generally used interchangeably with domestic SSB.<sup>120</sup> Sales of SSB are typically made on a spot basis,<sup>121</sup> and purchasers reported that quality and price are the most important factor in purchasing decisions.<sup>122</sup> There appear to be limited substitutes for SSB.<sup>123</sup> Domestic producers ship the majority of their product to service centers or distributors, but they also sell

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<sup>110</sup> \*\*\*. CR at V-38 n.7, PR at V-10 n.7. See also CR at IV-88 n.68, PR at IV-37 n.68.

<sup>111</sup> Commissioner Lane and Commissioner Pinkert find that the record is mixed as to whether NAS is a \*\*\*. Although NAS may be \*\*\*, the record also indicates that subject imports are underselling the domestic industry as a whole. See Dissenting Views of Commissioner Charlotte R. Lane and Commissioner Dean A. Pinkert.

<sup>112</sup> Tr. at 39 (Bilz); CR/PR at Table III-10.

<sup>113</sup> See CR/PR at Table I-1.

<sup>114</sup> CR/PR at Table I-1.

<sup>115</sup> Trafilerie Bedini of Italy was excluded from the orders in the original investigations. CR at IV-34 n.13, PR at IV-15 n.13.

<sup>116</sup> CR/PR at Table IV-2.

<sup>117</sup> CR/PR at Table IV-1. See Stainless Steel Bar from Brazil, India, Japan, and Spain, Inv. Nos. 731-TA-678, 679, 681 and 682 (Second Review) USITC Pub. 3895 (Dec. 2006).

<sup>118</sup> See CR at I-8, PR at I-8.

<sup>119</sup> See CR at I-8 PR at I-8.

<sup>120</sup> See CR/PR at Table II-5; CR at II-18, PR at II-8.

<sup>121</sup> CR at V-8, PR at V-7.

<sup>122</sup> See CR/PR at Table II-3.

<sup>123</sup> CR at II-8, PR at II-5.

directly to end users.<sup>124</sup> Importers' shipments of subject imports also tended to be sold to service centers and master distributors during the period.<sup>125</sup>

Raw materials constitute a substantial portion of the cost of producing SSB. Metals such as nickel, chromium, and molybdenum are used in the production of stainless steel.<sup>126</sup> Prices for these metals have increased sharply overall during the period,<sup>127</sup> and domestic producers' raw material costs per short ton more than doubled from 2001 to 2006.<sup>128</sup> However, domestic producers were able to pass their increased raw material costs through to their customers, at least partly through the use of surcharges.<sup>129</sup>

We find that these conditions in the market for SSB are likely to persist in the reasonably foreseeable future and provide us with a reasonable basis on which to assess the effects of revocation of the orders.

### **C. Revocation of the Orders on Subject Imports of SSB from France, Germany, Italy, Korea, and the United Kingdom Is Not Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time<sup>130</sup>**

#### **1. Likely Volume of the Subject Imports**

In evaluating the likely volume of imports of subject merchandise if the antidumping and countervailing duty orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>131</sup> 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.<sup>132</sup>

In the original investigations, the Commission found the subject import volumes to be significant.<sup>133</sup> The volume and market share of the cumulated subject imports increased over the period of investigation, from 1998 to 2000. Subject import market share increased from \*\*\* percent in 1998 to \*\*\* percent in 2000.<sup>134</sup> The increase came at the expense of the domestic industry, whose market share

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<sup>124</sup> CR/PR at Table II-1.

<sup>125</sup> CR/PR at Table II-1.

<sup>126</sup> CR/PR at V-1.

<sup>127</sup> See CR/PR at Figs. V-2, V-3, V-4.

<sup>128</sup> See CR/PR at Table III-9 (indicating an increase from \$1,038 per ton in 2001 to \$2,824 per ton in 2006).

<sup>129</sup> CR at III-17 n.21, PR at III-7 n.21; Tr. at 45, 109-111.

<sup>130</sup> Commissioner Lane dissents with respect to imports from France, Germany, Italy, Korea, and the United Kingdom, and Commissioner Pinkert dissents with respect to imports from Germany, Italy, and Korea. See Dissenting Views of Commissioner Charlotte R. Lane and Commissioner Dean A. Pinkert.

<sup>131</sup> 19 U.S.C. § 1675a(a)(2).

<sup>132</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>133</sup> USITC Pub. 3488 at 17.

<sup>134</sup> CR/PR at Table I-1.

declined from 62.7 percent in 1998 to 56.5 percent in 2000.<sup>135</sup> However, over one-third of these subject imports during the original investigations were from producers no longer subject to the orders.<sup>136</sup>

As a result of Commerce's section 129 implementation of the WTO dispute settlement findings, a significant portion of SSB imports from France, Germany, Italy, and the United Kingdom over the period of review originated from producers that as of April 23, 2007 are no longer subject to the orders. Reported subject imports from producers still subject to the orders fell from \*\*\* short tons in 2001 to \*\*\* short tons in 2003 before increasing to \*\*\* short tons in 2006.<sup>137 138</sup> Their share of U.S. apparent consumption was \*\*\* percent in 2001, \*\*\* percent in 2003, and \*\*\* percent in 2006.<sup>139</sup>

The Commission received questionnaire responses from foreign producers accounting for the majority of SSB production in each of the five countries. For France, the Commission received responses from Ugitech and Ascometal.<sup>140</sup> Ugitech, which is no longer subject to the antidumping duty order, currently accounts for approximately \*\*\* percent of French production of SSB.<sup>141</sup> With respect to Germany, the Commission received responses from six producers accounting for approximately \*\*\* percent of the German industry.<sup>142</sup> For Italy, the Commission received information from six firms, four of which accounted for \*\*\* percent of the subject imports from Italy to the United States during the original investigation.<sup>143</sup> One Korean exporter responded to the Commission's questionnaire, indicating that it accounted for \*\*\* percent of SSB production in Korea.<sup>144</sup> The Commission received responses from three firms in the United Kingdom, which indicated that they currently account for over \*\*\* percent of SSB produced in the United Kingdom and the majority of exports to the United States of SSB.<sup>145</sup> We find that the information on the record provides a reasonable basis for assessing the SSB industries in the five subject countries.<sup>146 147</sup>

In assessing the likely volume of subject imports, we have considered whether unused production capacity of the subject producers would likely be a significant source of increased exports to the United States within a reasonably foreseeable time. In conducting that evaluation, we examine not only the size

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<sup>135</sup> USITC Pub. 3488 at 16.

<sup>136</sup> CR at IV-4. For France and Italy, \*\*\* of the subject imports were from now-excluded producers. CR at IV-4 n.4, PR at IV-4 n.4.

<sup>137</sup> CR/PR at Table IV-2.

<sup>138</sup> Total subject imports, including those from producers no longer subject to the orders, were \*\*\* short tons in 2001, \*\*\* short tons in 2003, and \*\*\* short tons in 2006. CR/PR at Table I-1.

<sup>139</sup> See CR/PR at Tables I-1 and IV-2.

<sup>140</sup> CR at IV-13, PR at IV-7.

<sup>141</sup> CR at IV-13, PR at IV-7. While there appear to be other producers of the subject merchandise in France, none of the producers appears to produce more than \*\*\*. See CR at IV-13 n.7.

<sup>142</sup> CR at IV-23, PR at IV-10. One of the responding producers, Walzwerke Einsal, is no longer subject to the antidumping duty order.

<sup>143</sup> CR at IV-34 n.17, PR at IV-15 n.17. Four of the responding producers are now not subject to the orders.

<sup>144</sup> CR at IV-44, PR at IV-20.

<sup>145</sup> CR at IV-49, PR at IV-22.

<sup>146</sup> "The ITC 'is not required to gather 100% coverage in the questionnaire responses before it can make a determination.'" American Bearing Manufacturers Association v. United States, — F. Supp. 2d—, Slip Op. 04-119 (Ct. Int'l Trade September 16, 2004) at 43, n. 22 (upholding negative threat finding even though the Commission did not receive exporter questionnaire responses from all foreign producers), quoting United States Steel Group v. United States, 873 F. Supp. 673, 688 (Ct. Int'l Trade 1994), aff'd 96 F.3d 1352 (Fed. Cir. 1996).

<sup>147</sup> For the reasons described below, the available record evidence indicates that the non-reporting producers will face substantially the same market conditions and incentives and production constraints as the reporting producers.

of the unused capacity of the foreign producers but also any incentives that those producers may have to substantially increase production and to ship any additional production volumes to the United States. In 2006, reported production capacity of the remaining subject producers in the five subject countries was \*\*\* short tons, and production totaled \*\*\* short tons.<sup>148</sup> Producers remaining subject to the antidumping duty and countervailing duty orders were generally operating at high rates of capacity utilization and they reported an average utilization rate of \*\*\* percent in 2006.<sup>149</sup> Excess capacity was \*\*\* short tons in 2006, which was equivalent to only \*\*\* percent of U.S. apparent consumption that year.<sup>150</sup> The remaining subject producers also projected that their total capacity would increase by less than \*\*\* tons by 2008.<sup>151</sup> While the foreign producers report some likely unused capacity, we consider that it is not large enough to represent a significant source of increased exports to the United States unless a large share of it were likely to be directed to the production of subject imports for shipment to the United States. Such an outcome does not appear likely, for two reasons.

First, the producers of the subject SSB have little incentive to increase production substantially above current levels. An industry operating at a low rate of capacity utilization has a strong incentive to increase production, in order to spread fixed costs over greater volume of production.<sup>152</sup> In the current reviews, however, the foreign producers are already operating at a high capacity utilization rate. Accordingly, they have relatively little incentive to increase capacity utilization substantially above the high rates they already enjoy.

Second, even if the foreign producers were to increase production, past shipping patterns contradict the conclusion that the additional volumes would be primarily directed to the United States. The record indicates that \*\*\* percent of the European subject producers' shipments are either shipped to the home market or exported to the European Union.<sup>153</sup> Subject producers in France, Germany, Italy, and the United Kingdom have significant incentives to ship to the European Union and these incentives likely will continue in the reasonably foreseeable future. The EU market offers proximity, tariff advantages over non-EU suppliers, preferential transportation tariffs for shipments within the EU, no possibility of trade remedy measures being imposed on shipments within the EU, and for most EU members, a common currency.<sup>154</sup> Similarly, the Korean industry is focused on its home market and Asia. In 2006, the reporting Korean producer exported only approximately \*\*\* short tons to markets outside of Asia, and

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<sup>148</sup> CR/PR at Table IV-32.

<sup>149</sup> CR/PR at Table IV-32. In 2006, subject producers in France reported a capacity utilization rate of \*\*\* percent; subject producers in Germany reported a rate of \*\*\* percent; subject producers in Italy reported a rate of \*\*\* percent; subject producers in Korea reported a rate of \*\*\* percent, and subject producers in the United Kingdom reported a capacity utilization rate of \*\*\* percent. CR/PR at Tables IV-6, IV-11, IV-16, IV-20, and IV-24. While the capacity utilization rate was \*\*\* in the case of the subject producers in the United Kingdom, the subject U.K. industry is so small that the resulting unused capacity is minimal in relation to the size of the U.S. market (\*\*\* short tons in 2006, compared to apparent U.S. consumption of 297,074 short tons). Hence, the United Kingdom has only a relatively small impact on the average capacity utilization rate for the subject SSB producers of the five countries as a whole.

<sup>150</sup> See CR/PR at Tables I-1 and IV-32.

<sup>151</sup> See CR/PR at Tables IV-20 and IV-33.

<sup>152</sup> German Respondents' Posthearing Brief at App. 1 at 15-16, Cogne Prehearing Brief at 11 n.50, Ugitech Posthearing Brief at Exh. 1 at 3; \*\*\*.

<sup>153</sup> See CR/PR at Table IV-33. A share of the remaining shipments is to non-EU European markets.

<sup>154</sup> Moreover, the German industry submitted evidence showing that a large share of its production is consistently committed to long-term customers and that many of its EU customers have long order times or have been placed on allocation. German Respondents' Posthearing Brief, App. 1, at 6-7 and App. 4; Tr. at 221 (Plenkens); \*\*\*.

\*\*\* of its production serves the home market.<sup>155</sup> Thus, existing regional markets in which the subject producers have natural geographic advantages have consistently absorbed the vast majority of their productive capacity, and this indicates that the subject producers have little or no need to expand into new markets. Given the existence of these established markets, and the lack of an incentive to substantially increase capacity utilization above the high rates already in evidence, we conclude that the foreign producers are unlikely to substantially increase production or direct any additional volumes primarily to the United States. For these reasons, we find that the unused capacity production of the foreign producers is not likely to represent a significant source of increased shipments to the United States upon revocation.

In assessing the likelihood of a significant volume of subject imports, we also consider whether subject exporters are likely to shift production away from existing markets to the United States. The record does not indicate a price-based incentive for subject producers to shift shipments from their existing home and regional markets in order to increase sales in the United States. Prices in the United States tended to be lower than prices in the five subject countries during the first 10 months of 2007.<sup>156</sup> Moreover, subject producers hoping to expand sales of commodity grade stainless steel bar products would face strong competition from NAS, which, as noted above, has \*\*\* most other domestic producers, making competition for these sales a relatively unattractive prospect for producers able to achieve comparable or higher prices in their established markets.<sup>157</sup> By the same token, subject producers intending to compete in small-volume, specialized products will naturally find opportunities to expand sales volumes to be constrained by limited demand for such products. For these reasons, and given the forecasts for strong demand in Europe and Asia and the attractive prices in those markets, we do not find it is likely that significant quantities of subject imports will be shifted from these markets to the United States.

We have also considered the potential for product-shifting by the subject producers and their existing inventories.<sup>158</sup> The record does not indicate that there is an incentive for product-shifting given the high utilization rates of the remaining subject producers in facilities producing both subject and nonsubject products.<sup>159</sup> While inventories in the subject countries were reportedly \*\*\* short tons at the end of 2006, this was in large part due to data from \*\*\*. However, such inventories are unlikely to be shipped to the U.S. market in significant volumes given relative global price levels and strong demand in

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<sup>155</sup> CR/PR at Table IV-20. According to public data, Korea's five largest export markets are in Asia and its exports to non-Asian markets are small. CR/PR at Table IV-22.

<sup>156</sup> See CR/PR at Tables IV-38 to IV-41. Because the pricing data compiled by Metal Bulletin Research do not include surcharges and thus do not reflect actual transaction prices, we have not relied upon those data. See Prehearing Staff Report at IV-30.

<sup>157</sup> Lower U.S. prices for commodity grades 304 and 316 appear to have resulted from \*\*\* and suggest the United States will not be as attractive a market for foreign suppliers as before NAS' entry into the U.S. market. See CR at IV-88 n.68, PR at IV-37 n.68.

<sup>158</sup> The record does not indicate the presence of barriers to exports from any of the subject countries in any third-country markets. See CR at IV-75, PR at IV-30.

<sup>159</sup> The record indicates that the French subject producers are operating at \*\*\* capacity utilization rates for other products made on the same equipment as SSB and that they produce relatively small quantities of other products. See CR/PR at Table IV-8. For Germany, the record indicates the subject producers are operating at \*\*\* capacity for other products made on the same equipment. CR/PR at Table IV-13. It reportedly has long lead times and long-standing customer relationships that preclude a shift in production to SSB. See German Respondents' Posthearing Brief at 7-8. The Italian subject producers similarly report a \*\*\* capacity utilization rate for products made on the same equipment as SSB; in 2006, that capacity utilization rate was \*\*\* percent. See CR/PR at Table IV-18. The record indicates that the Korean industry is operating at \*\*\* of capacity utilization in its production of other products made on the same equipment as SSB. See CR/PR at Table IV-21. Finally, the British producers still subject to the order did not supply capacity information for their other products, but they are generally small producers. See CR/PR at Table IV-25.

Europe. We also note that this inventory is reportedly due to the desire of the \*\*\* to build inventories of certain products that were already allocated to existing customers, in order to avoid long lead times.<sup>160</sup>

The Domestic Producers have essentially argued that the nonresponding producers in France, Germany, Italy, and the United Kingdom have substantial capacity to produce SSB and are likely to be substantial sources of SSB upon revocation. They also point out that several of these producers are already shipping SSB to the United States.<sup>161</sup> After carefully considering these arguments, we find that the record does not indicate these producers are likely to ship significant volumes of SSB to the United States upon revocation. The available evidence on the record indicates that these nonresponding producers will likely face the same market conditions and incentives as the responding producers. Thus, as discussed above, these producers are benefitting from the integrated EU market, in which demand is forecast to remain healthy and prices are generally higher than in the United States. In fact, the publicly available export data (from Global Trade Atlas) indicates that these countries as a whole primarily export to other European markets.<sup>162</sup> We also note that the limited information on the record indicates that most if not all of these nonresponding producers manufacture a range of products, including nonsubject product.<sup>163</sup> Finally, while some of these producers exported SSB to the United States during the original investigations, these volumes were relatively small in comparison to the entire U.S. market.

In sum, in light of the remaining subject producers' limited production capacity and limited excess capacity, the dedication of the subject producers to regional markets, and the comparatively low prices prevailing in the U.S. market, we conclude that the likely volume of subject imports from France, Germany, Italy, Korea, and the United Kingdom will not be significant if the antidumping and countervailing duty orders are revoked.

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<sup>160</sup> See German Respondents' Posthearing Brief, Appendix 1, at 2. We also note that the German producers indicated that their \*\*\*.

<sup>161</sup> See, e.g., Domestic Producers' Posthearing Brief, Exhibit 1, at 28-68.

<sup>162</sup> CR/PR at Tables IV-9, IV-14, IV-19, and IV-26.

<sup>163</sup> For example, in France, Aubert et Duval also produces alloy and tool steels and nickel-based alloys; Bonpertuis also produces special sections and profiles, cutlery, surgical, and shearing steels (90 percent of its production is reportedly for cutlery). CR at IV-13 n.7, PR at IV-7 n.7. In Germany, Flanschenwerk Bebitz produces nonsubject carbon, alloy, and stainless steel flanges. CR at IV-23 n.12, PR at IV-10 n.12. In Italy, Safau produces carbon and alloy bar, ingots, blooms, billets, and wire rod; Sama Inox is predominantly a carbon steel bar drawing operation; Eure Inox produces stainless wire, channels, and special profiles; Zorzetto performs finishing operations; and Marcegaglia produces carbon, alloy, and stainless steel flat and long products, with its stainless production focusing on tube. CR at IV-34-35 n.18, PR at IV-15 n.18. In the United Kingdom, ELG Carrs produces other nonsubject stainless and alloy steel products, including ingots, billets, pipe, and forgings; SS Bright Drawers also produces nickel and titanium alloy bar products; and Bright Steels Ltd. produces other carbon and alloy bar products, including wire and cold drawn tube and pipe. CR at IV-49 n.28, PR at IV-22 n.28.

#### D. Likely Price Effects of the Subject Imports

In evaluating the likely price effects of cumulated subject imports if the antidumping and countervailing duty orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.<sup>164</sup>

In the original investigations, the Commission noted the low coverage of its pricing data. However, it found numerous instances where purchasers confirmed that domestic SSB producers lost sales or revenues because of the availability of lower-priced subject imports. In light of the importance of price in purchasing decisions and the significant and increasing volume of subject imports during the period of investigation, it found that the underselling indicated by the pricing data, and corroborated by the other information in the record, was significant.<sup>165</sup> It concluded that the low-priced imports contributed to the domestic industry's inability to raise prices during a period of rising costs.<sup>166</sup>

The record in these reviews indicates that price remains an important consideration in purchasing decisions and that the subject imports are generally substitutable for domestic SSB.<sup>167</sup> Price competition is facilitated by distribution of SSB through distributors and the use of the spot market for purchases rather than longer-term contractual arrangements.<sup>168</sup>

Domestic prices for the seven pricing products<sup>169</sup> for which the Commission sought information were sharply higher at the end of the period of review than at the beginning, in many instances more than doubling.<sup>170</sup> Most of the price increases occurred during the latter half of the period.<sup>171</sup> The higher prices for SSB late in the period of review are only partly explained by rising raw material costs as many domestic producers were able to increase their prices more than enough to cover their cost increases. This is demonstrated by the trend in the industry's ratio of cost of goods sold ("COGS") to price, which fell

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<sup>164</sup> 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.

<sup>165</sup> USITC Pub. 3488 at 19.

<sup>166</sup> USITC Pub. 3488 at 20.

<sup>167</sup> CR at II-11, PR at II-6, II-7; CR/PR at Tables II-3, II-4 and II-5.

<sup>168</sup> CR at V-8, PR at V-7; CR/PR at II-1.

<sup>169</sup> Product 1 - Stainless steel bar, grade ANSI 316/316L, 6 to 10 inches in diameter, annealed, peeled or peeled and polished, of round shape; Product 2 - Stainless steel bar, grade ANSI 303, 11/16 to 1.25 inch in diameter, cold finished from annealed wire rod coil, cut-to-length, straightened, or annealed in straight-length, cold finished bar, of round shape; Product 3 - Stainless steel bar, grade 630 (17-4PH), 3 to 8 inches in diameter, double precipitation hardened in condition DH1150, turned (peeled or peeled and polished), of round shape; Product 4 - Stainless steel bar, grade ANSI 630 (17-4), 2 to 4 inches in diameter, annealed, (condition A), cold finished (smooth turned, peeled and polished, or center less ground), of round shape; Product 5- Stainless steel bar, grade ANSI 304/304L, 3 to 5 inches in diameter, annealed, turned (peeled or peeled and polished), of round shape; Product 6 - Stainless steel bar, grade ANSI 410, 3 to 8 inches in diameter, annealed, quenched and double tempered, turned (peeled or peeled and polished), of round shape; Product 7 - Stainless steel bar, grade ANSI 410, 9 to 12 inches in diameter, quenched and double tempered, turned (peeled or peeled and polished), of round shape.

<sup>170</sup> CR/PR at Tables V-1 to V-11.

<sup>171</sup> See CR/PR at Fig. V-6.



overall over the period of review, indicating that prices rose faster than costs.<sup>172</sup> In addition, the industry increased its prices despite the increase in total imports during the period.

The Commission's pricing information indicates that the subject imports from the remaining subject producers undersold domestic SSB in 86 of 129 price comparisons reflecting sales to end users and distributors over the period of review.<sup>173</sup> Nevertheless, we do not find it likely that underselling by the subject imports would be significant if the orders were revoked for several reasons. First, the pricing comparisons in the record are not particularly instructive as many comparisons are based upon very small quarterly volumes, often 30 tons or less, of subject merchandise or, less often, domestic products.<sup>174</sup> We also note that the most recent price comparison data reflect only a small share of the SSB market for 2006, only 10.1 percent of U.S. producer shipments, 8.9 percent of subject imports from France, 10.4 percent of subject imports from Germany, and very small percentages of subject imports from Italy and the United Kingdom.<sup>175</sup> Second, the underselling that occurred during the period of review did not result in the subject imports gaining market share; subject import volume largely tracked U.S. consumption. Third, as discussed above, the remaining subject producers generally are operating at high rates of capacity utilization, have established customers in their home and regional markets, and have little incentive to undersell significantly in the U.S. market in order to increase their market share.

Domestic as well as European and Asian demand for SSB is forecast to remain strong, suggesting that prices in all three markets are likely to remain firm.<sup>176</sup> Further, U.S. SSB prices increased late in the period despite increases in total imports and some underselling by the subject imports. This indicates that the likely limited increase in the volume of subject imports upon revocation of the orders is not likely to have significant price depressing or suppressing effects in the U.S. market.

Consequently, on the basis of the record in these reviews, we find that revocation of the antidumping and countervailing duty orders would not be likely to lead to significant underselling by the subject imports or significant price depression or suppression within a reasonably foreseeable time.

## **E. Likely Impact of the Subject Imports**

In evaluating the likely impact of the subject merchandise if the countervailing duty order and antidumping duty orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more

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<sup>172</sup> See CR/PR at Table III-9 (The COGS to net sales ratio increased from 96.5 percent in 2001 to 105.4 percent in 2003 and then fell to 83.4 percent in 2006; the ratio was 84.2 percent in interim 2006 and 82.6 percent in interim 2007.).

<sup>173</sup> CR/PR at Table V-13. In the original investigations, the subject imports undersold domestic bar in 318 of 430 comparisons. USITC Pub. 3488 at 18 n.93. However, the comparisons in the original investigations included sales of imports from exporters that are now nonsubject producers.

<sup>174</sup> CR/PR at Tables V-1 to V-12.

<sup>175</sup> CR at V-10, PR at V-8. The Commission received no data on prices of subject imports from Korea, and there were no price comparisons available between U.S. producer shipments and subject imports from the United Kingdom.

<sup>176</sup> See CR/PR at Table IV-37 (showing increase in apparent consumption in the EU and China); Ugitech's Posthearing Brief at Exh. 1-B. Ugitech's market forecast estimates that regional demand for SSB in 2008 will increase \*\*\*. Id.

advanced version of the domestic like product.<sup>177</sup> 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.<sup>178</sup> 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 orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.<sup>179</sup>

In the original investigations, the Commission found that while several output-related indicators for the domestic stainless steel bar industry increased over portions of the period of investigation, the increases were not commensurate with increases in either U.S. apparent consumption or the domestic industry's productive capacity.<sup>180</sup> Raw material costs generally increased from 1998 to 2000, but price pressure imposed by the subject imports prevented the domestic industry from fully recovering these increased costs. Because domestic producers could not increase their prices as quickly as their costs, gross profits declined on both a per-unit basis and as a ratio to net sales from 1998 to 2000. Operating income and the domestic industry's capital expenditures declined sharply during the period of investigation.<sup>181</sup>

The domestic industry's performance improved markedly during the second half of the period of review. Despite the reduced level of subject imports in 2002 and 2003 after issuance of the orders, the domestic industry reported operating losses during 2001, 2002, and 2003.<sup>182</sup> However, the industry recovered and increased its profitability from 2004 through the first half of 2007, a period during which both subject and nonsubject imports increased.<sup>183</sup>

As domestic consumption rebounded during the second half of the period, the industry was able to improve its financial performance by raising prices and successfully utilizing surcharges, which more than compensated for increasing costs.<sup>184</sup> Consequently, as noted above, although the industry's cost of goods sold as a ratio to net sales increased in the first part of the period, it fell overall from 96.5 percent in 2001 to 83.4 percent in 2006.<sup>185</sup>

The domestic industry's market share rose from 2002 to 2004, but it declined in 2005 due to the increase in total imports.<sup>186</sup> Yet despite the increase in imports during 2005-2006 and the slowdown in

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<sup>177</sup> 19 U.S.C. § 1675a(a)(4).

<sup>178</sup> 19 U.S.C. § 1675a(a)(4).

<sup>179</sup> 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.

<sup>180</sup> USITC Pub. 3488 at 23.

<sup>181</sup> USITC Pub. 3488 at 24.

<sup>182</sup> See CR/PR at Table I-1.

<sup>183</sup> The industry's operating income to sales ratio was negative 6.3 percent in 2001, negative 5.1 percent in 2002, negative 12.9 percent in 2003, 9.7 percent in 2004, 9.7 percent in 2005, and 12.5 percent in 2006; it was 11.3 percent in interim 2006 and 14.1 percent in interim 2007. CR/PR at Table III-9. *Id.* The industry's return on investment followed a similar trend. See CR/PR at Table III-13.

<sup>184</sup> See CR at III-17, PR at III-7. The unit value of the cost of goods sold for domestic producers increased from \$2,805 per ton to \$4,299 per ton from 2001 to 2006. However, the industry's average net sales value increased from \$2,907 to \$5,152 from 2001 to 2006, resulting in improved profitability despite rising costs. CR/PR at Table III-9.

<sup>185</sup> CR/PR at Table III-9.

<sup>186</sup> See CR/PR at Table I-1. The industry's market share in terms of quantity increased slightly overall during the period, from 57.3 percent in 2001 to 59.4 percent in 2006. *Id.*

demand growth in 2006, the domestic industry increased its revenues, shipments, and sales during the final two years of the period.<sup>187</sup>

As discussed in more detail in our analysis of the conditions of competition, the domestic industry has undergone significant restructuring during the period of review. During this period, domestic production capacity increased steadily as existing domestic producers expanded and NAS entered the market as a large and \*\*\* producer. Domestic production increased substantially, from 137,299 short tons in 2001 to 192,168 short tons in 2006.<sup>188</sup> U.S. shipments similarly increased, from 135,990 short tons in 2001 to 176,583 short tons in 2006.<sup>189</sup> The industry's capacity utilization fell, however, because the industry increased its capacity faster than its production as the industry sought to integrate production facilities it consolidated or sold during the period.<sup>190</sup> Employment in the industry declined overall, falling from 1,498 workers in 2001 to 1,231 workers in 2004, before increasing to 1,317 workers in 2006.<sup>191</sup> However, total hours, wages paid, and hourly wages all increased.<sup>192</sup> The industry also increased its productivity and reduced its unit labor costs over the period.<sup>193</sup>

Given the domestic industry's increasing profitability during the latter portion of the period, its successful efforts to cut costs and improve efficiency,<sup>194</sup> as well as the industry's demonstrated ability to pass through its increased costs to purchasers at a time of increased imports, we do not find the industry to be vulnerable to material injury if the antidumping and countervailing duty orders are revoked.<sup>195</sup>

As described above, revocation of the antidumping duty and countervailing duty orders would likely lead to only a limited increase in the volume and market share of the subject imports. Given the forecasts of continued modest demand growth in the United States, a limited increase in subject imports at prices that are not likely to be significantly below prevailing levels is not likely to cause a significant decline in the volume of the domestic producers' shipments or an adverse impact on domestic prices. We therefore find that the subject imports would not be likely to have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. We therefore determine that revocation would not be likely to lead to recurrence of material injury to the SSB industry within the reasonably foreseeable future.

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<sup>187</sup> The industry's U.S. shipments increased from 135,990 short tons in 2001 to 176,583 short tons in 2006. CR/PR at Table III-5. Similarly, the industry's net sales increased from 137,456 short tons in 2001 to 188,636 short tons in 2006. CR/PR at Table III-9. Total revenues increased from \$400 million in 2001 to \$972 million in 2006. Id.

<sup>188</sup> CR /PR at Table III-1.

<sup>189</sup> CR/PR at Table III-5.

<sup>190</sup> CR at III-1, III-3, PR at III-1, (noting that Dunkirk and Slater purchased assets of bankrupt steel producers). We also note that the domestic industry's reported capacity utilization since 1998 has never exceeded 55.7 percent, and that its profitability does not appear to correlate with its capacity utilization.

<sup>191</sup> CR/PR at Table III-8.

<sup>192</sup> Hours worked per worker increased from 2,004 in 2001 to 2,306 in 2006; wages paid increased from \$66.3 million in 2001 to \$73.3 million in 2006, and hourly wages rose from \$22.08 per hour in 2001 to \$24.14 per hour in 2006. CR/PR at Table III-8.

<sup>193</sup> The industry's productivity increased from 45.7 short tons per 1,000 hours in 2001 to 63.3 short tons per 1,000 hours in 2006. CR/PR at Table III-8. Total capital expenditures fluctuated during the period as domestic producers such as NAS began operations and invested in new plants and in equipment during particular years. See CR/PR at Table III-12.

<sup>194</sup> As the Domestic Producers note, "[m]uch of the financial improvement has been a result of the domestic industry's focus on cutting costs and improving production efficiencies." Domestic Producers' Final Comments at 15.

<sup>195</sup> 19 U.S.C. §1675a(a)(1)(c). See also SAA at 885.

## **CONCLUSION**

For the above-stated reasons, we determine that revocation of the countervailing duty order on SSB from Italy and the antidumping duty orders on SSB from France, Germany, Italy, Korea, and the United Kingdom would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

## ADDITIONAL VIEWS OF CHAIRMAN DANIEL R. PEARSON AND COMMISSIONER DEAN A. PINKERT REGARDING CUMULATION

Section 751(d)(2) of the Tariff Act of 1930, as amended (“the Act”), requires that the U.S. Department of Commerce (“Commerce”) revoke a countervailing duty or antidumping duty order in a five-year (“sunset”) review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur in the event of revocation and the Commission determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time in the event of revocation.<sup>1</sup> We concur with the majority of our colleagues in determining that, based on the record in these five-year reviews, material injury would not be likely to continue or recur within a reasonably foreseeable time if the antidumping duty orders on stainless steel bar (“SSB”) from France or the United Kingdom were to be revoked.

We write separately because, in making these negative determinations, we do not cumulate imports from France and the United Kingdom with each other or with imports from Germany, Italy, and Korea. We decline to cumulate imports from France with other subject imports because we conclude that, if the antidumping duty order on imports of SSB from France were to be revoked, imports from France would be likely to have no discernible adverse impact on the domestic industry producing SSB. Likewise, we decline to cumulate imports from the United Kingdom with other subject imports because we conclude that, if the antidumping duty order on imports from the United Kingdom were to be revoked, imports of SSB from the United Kingdom would be likely to have no discernible adverse impact on the domestic industry producing SSB.<sup>2 3</sup>

### I. France

We find that, in the event the antidumping duty order on subject imports from France were to be revoked, such imports would have no discernible adverse impact on the domestic industry producing SSB. In performing our analysis with respect to subject imports from France, we have considered the following: (1) the likelihood of significant production of the subject merchandise in the foreign country; (2) the degree of competition between the imported product and the domestic like product; and (3) pre-order and likely post-order subject import volumes.<sup>4 5</sup>

Taking these factors in order, Ugitech is by far the largest French SSB producer. Ugitech accounted for \*\*\* of stainless steel bar produced in France in 2006. Commerce has revoked the antidumping duty order with respect to Ugitech, leaving only \*\*\* percent of French production subject to

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<sup>1</sup> 19 U.S.C. § 1675(d)(2).

<sup>2</sup> Because we have determined not to cumulate subject imports from France or the United Kingdom with other subject countries based on the fact that imports from these sources are likely to have no discernible adverse impact on the domestic industry, we have not considered whether imports from France or the United Kingdom would be likely to compete with other subject imports and with domestic like products in the U.S. market, as provided in 19 U.S.C. § 1675a(a)(7).

<sup>3</sup> For Chairman Pearson’s views concerning the appropriate legal standard to be used in analyzing the issue of “no discernible adverse impact,” see, e.g., Stainless Steel Wire Rod from Brazil, France, and India, USITC Pub. 3866 (July 2006) (Additional Views of Chairman Daniel R. Pearson Regarding Cumulation).

<sup>4</sup> Cf. Titanium Sponge from Japan, Kazakhstan, Russia, and Ukraine, Inv. Nos. 751-TA-17-20, USITC Pub. 3119 at 7 (August 1998), aff’d, Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750 (Ct. Int’l Trade 2001); Solid Urea from Armenia, Belarus, Estonia, Lithuania, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan, Inv. Nos. 731-TA-339 and 340-A-1 (Review), USITC Pub. 3248 (October 1999) at 9 (discussion of Armenia); Cheflene Corp. v. United States, 170 F. Supp. 2d 1320, 1331 (Ct. Int’l Trade 2001).

<sup>5</sup> Thus, although we take likely volume into account, it is our view that the “no discernible adverse impact” standard concerns likely impact, not likely volume.

the order.<sup>6</sup> Thus, Commerce's action with respect to Ugitech has resulted in a dramatic decline in French production capacity subject to the order. Moreover, Ugitech accounted for approximately \*\*\* of reported 2006 exports of stainless steel bar from France to the United States. Those exports are no longer subject to the order.<sup>7</sup>

Ugitech accounted for \*\*\* percent of reported French production capacity in 2006 in this review, which consisted of data from Ugitech and Ascometal.<sup>8</sup> Ascometal, a French producer subject to the order, had a production capacity of \*\*\* short tons in 2006 and produced \*\*\* short tons of SSB in that year. Ascometal operated at \*\*\* capacity from 2004 through interim 2007, and it is projected to operate at \*\*\*.<sup>9</sup> It reported exports of \*\*\* short tons to the United States in 2006, \*\*\* over the review period. Ascometal stated that \*\*\* to \*\*\* metric tons is the maximum amount of stainless steel bar capacity that it can allocate to the U.S. market.<sup>10</sup> Moreover, the potential for product shifting by Ascometal is low. Reported capacity and production of subject and other products produced on the same equipment reflect that Ascometal produced other products at \*\*\* during the period of review. Capacity utilization for other products produced on the same equipment by Ascometal was \*\*\* in all but two years of the review period, (\*\*\* and \*\*\*); even then it had excess capacity of \*\*\* short tons in \*\*\* and \*\*\* short tons in \*\*\*.<sup>11</sup> Although the domestic industry contends that Ascometal has future plans to expand capacity, details regarding these plans were not available. Thus, the record does not indicate that such capacity will go on line in 2008 or 2009.<sup>12</sup>

Aubert & Duval ("A&D"), a French producer that was in the U.S. market prior to the order, is estimated to have an annual SSB production level of \*\*\* short tons and some excess capacity.<sup>13</sup> As explained in our discussion below of the third factor, however, due to A&D's apparently limited interest in the U.S. market, we have relied on its pre-order shipment volumes to the United States rather than its production levels or its excess capacity in assessing likely subject import volume.

Turning to the second factor, French SSB producer Acieries Bonpertuis ("Bonpertuis") remains subject to the order, but there is a limited degree of competition between the SSB it produces and the domestic like product. Bonpertuis is a small producer engaged in the production of niche products, predominantly SSB used in the production of cutlery, which include both subject and non-subject merchandise.<sup>14</sup> Even if Bonpertuis exported to the U.S. market in the event of revocation, the record does not indicate that its shipments would likely have a discernible adverse impact on the U.S. SSB industry.<sup>15</sup>

Finally, we have considered pre-order volumes and likely post-order volumes of the subject merchandise from France. During the period of the original investigation, from 1998 to

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<sup>6</sup> CR at IV-13; PR at IV-7.

<sup>7</sup> CR at IV-13; PR at IV-7.

<sup>8</sup> CR, PR at Table IV-5 and Table IV-6 (ratio of nonsubject production capacity in Table IV-6 \*\*\* to total French capacity in Table IV-5).

<sup>9</sup> CR, PR at Table IV-6.

<sup>10</sup> CR at IV-14; PR at IV-7. \*\*\* to \*\*\* metric tons is equivalent to \*\*\* to \*\*\* short tons.

<sup>11</sup> CR/PR at Table IV-8.

<sup>12</sup> Domestic Producers' Posthearing Brief, Exhibit 3.

<sup>13</sup> CR at IV-13, n.7; PR at IV-7, n.7.

<sup>14</sup> CR at IV-13, n.7; PR at IV-7, n.7. Ninety percent of Bonpertuis' capacity is reportedly allocated to the production of SSB used in cutlery. CR at IV-13, n.7; PR at IV-7, n.7. In particular, Bonpertuis supplies "manufacturers of fine cutlery, surgical instruments, and scissors." Petitioners' Posthearing Brief, Exhibit 3 at 13.

<sup>15</sup> Similarly, yet another French producer, Aciers du Tarn, is capable of producing SSB. The only information on the record regarding this firm, however, pertains to its overall steel capacity and indicates nothing about its subject stainless steel bar capacity, production, or exports or the type of product it produces and exports. CR at IV-13, n.7; PR at IV-7, n.7.

2000, France had the smallest share of the U.S. market by quantity of any of the subject countries: 1.9 percent in 1998, 2.0 percent in 1999, and 2.2 percent in 2000. Moreover, over that period subject imports from France increased by only 1,363 short tons.<sup>16</sup>

During the original investigation, \*\*\* French production of stainless steel bar was accounted for by Ugitech (or Ugine Savoie-Imphy, as it was previously known) and A&D.<sup>17</sup> Our record reflects that A&D exported approximately \*\*\* short tons of stainless steel bar to the U.S. market in 2000 based on CNIF data.<sup>18</sup> Excluding Ugitech's shipments of \*\*\* short tons from the 2000 total of \*\*\* short tons would leave only \*\*\* short tons, \*\*\* of which would be accounted for by A&D.<sup>19</sup> Given apparent U.S. consumption in 2000 of 290,479 short tons, which is comparable to current levels, the share of the U.S. market in 2000 accounted for by imports by French firms other than Ugitech was minuscule, at \*\*\* percent.<sup>20</sup>

Based on Customs data that exclude Ugitech imports, subject imports from France increased overall over the review period, but remained at low levels. Reported U.S. imports in short tons, excluding those from Ugitech, declined from \*\*\* in 2001, to \*\*\* in 2002, to \*\*\* in 2003, and then increased to \*\*\* in 2004, \*\*\* in 2005, and \*\*\* in 2006; they were \*\*\* lower in interim 2007 (\*\*\*) than in interim 2006 (\*\*\*).<sup>21</sup> \*\*\* of these imports (in the aggregate, from 2001 to 2006) represented shipments by Ascometal.<sup>22</sup> Ascometal accounted for \*\*\* of subject imports from France in 2005 and 2006, which were \*\*\*. In earlier years examined, subject imports from France ranged from \*\*\* to \*\*\* short tons.<sup>23</sup> Thus, French producers other than Ascometal that remain subject to the order \*\*\* during the review period.

We find that Ascometal's exports to the U.S. market are not likely to increase beyond 2006 levels. Indeed, they are likely to decrease from those levels. \*\*\*.<sup>24</sup> SSB is a \*\*\* segment of Ascometal's business, accounting for \*\*\* percent of its total sales.<sup>25</sup>

As previously discussed, subject producers other than Ascometal, which include A&D, \*\*\* over the review period. We find it reasonable in this case to assume that A&D's pre-order behavior in the U.S. market is indicative of its likely behavior in this market if the order on France were to be revoked. We make this assumption notwithstanding the fact that A&D produces \*\*\* and may have some excess capacity, because the record does not indicate that A&D has \*\*\* the U.S. market either before the order or during the period of review. There is simply nothing in the record indicating that A&D's volumes are likely to vary materially from pre-order levels in the reasonably foreseeable future.

In sum, if the antidumping order on France were to be revoked, we find it likely that Ascometal would not increase its exports to the United States beyond 2001- 2006 levels, which at their peak did not exceed \*\*\* short tons; that Bonpertuis would produce niche products that are not likely to have a

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<sup>16</sup> CR, PR at Table I-1.

<sup>17</sup> CR at IV-13, n.8; PR at IV-7, n.8.

<sup>18</sup> CNIF 2000 data (kilograms converted to short tons).

<sup>19</sup> Trading firms purchasing SSB in France and then importing it to the United States may account for the discrepancy between \*\*\* short tons and \*\*\* short tons. Moreover, it is possible that some of these imports may have been SSB produced by Ugitech.

<sup>20</sup> Based on Customs data, Ugitech accounted for well over \*\*\* percent of total U.S. imports of stainless steel bar from France in calendar years 1999 and 2000. In 2000, Ugitech accounted for at least \*\*\* of a total of \*\*\* short tons in that year. CR at IV-13, n.8; PR at IV-7, n.8.

<sup>21</sup> CR, PR at Table IV-2.

<sup>22</sup> CR, PR at Table IV-6; CR at IV-13, PR at IV-7.

<sup>23</sup> CR, PR at Table IV-2 and Table IV-6 (Ascometal's exports to the United States (in short tons) were \*\*\* in 2001, \*\*\* in 2002, \*\*\* in 2003, \*\*\* in 2004, \*\*\* short tons in 2005, and \*\*\* short tons in 2006).

<sup>24</sup> CR at D-25, PR at D-24 ; CR, PR at Table IV-6.

<sup>25</sup> CR at IV-14; PR at IV-7.

discernible adverse impact on the U.S. SSB industry; and that A&D's U.S. exports to the United States would likely be at pre-order levels, approximately \*\*\* short tons per year. Consequently, we conclude that, in the event the antidumping order on SSB from France were to be revoked, imports of SSB from France would be likely to have no discernible adverse impact on the domestic SSB industry.

## II. United Kingdom

We find that, in the event the antidumping duty order on subject imports from the United Kingdom were to be revoked, such imports would be likely to have no discernible adverse impact on the domestic industry producing SSB. As with subject imports from France, we have considered the following factors in performing our analysis of this issue: (1) the likelihood of significant production of the subject merchandise in the foreign country; (2) the degree of competition between the imported product and the domestic like product; and (3) pre-order and likely post-order import volumes.<sup>26</sup>

Taking these factors in order, given the revocation of the order with regard to Corus Engineering Steels ("Corus"), we find that there will not be significant production of the subject merchandise in the United Kingdom. The change in Corus's status from a subject producer to a nonsubject producer represents a substantial decline in the U.K. production capacity that remains subject to the order. In 2002, when the order was imposed, U.K. capacity was \*\*\* short tons. Revocation of the order as to Corus represents a \*\*\*-percent decline in total U.K. capacity since revocation of the order.<sup>27</sup>

The impact of the removal of Corus from the order has been dramatic. Corus is \*\*\* the largest U.K. producer of SSB, accounting for an estimated \*\*\* percent of SSB production in the United Kingdom in 2006.<sup>28</sup> The capacity in 2006 of the remaining subject producers reporting data to the Commission (Enpar and Sandvik) was \*\*\* short tons, and actual production by those firms in that year was \*\*\* short tons.<sup>29</sup> Even if we make the unrealistic assumption that, upon revocation of the order, these remaining subject producers will immediately begin operating at full capacity and shift all of their production to the U.S. market, such shipments would represent only \*\*\* percent of U.S. consumption.<sup>30</sup> Thus, the volume of subject imports from the United Kingdom upon revocation is not likely to be significant.

The change in Corus's status has also had an effect on the second factor noted above, namely, whether there will be significant competition between the domestic product and imports from the United Kingdom in the event of revocation. Indeed, record evidence indicates that competition between the remaining U.K. subject producers and the U.S. industry would be considerably attenuated. Responding subject U.K. firms provided pricing data for only one of the seven products specified by the Commission (grade \*\*\*), indicating that, at least during the period examined, there was little direct competition between the subject U.K. producers and U.S. producers in the commodity grades of SSB traditionally sold by the U.S. industry. We also note that average unit values ("AUVs") for subject U.K. producers are \*\*\* AUVs for the U.S. industry.<sup>31</sup> In 2006, the AUV of shipments to the United States by subject U.K.

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<sup>26</sup> Cf. Titanium Sponge from Japan, Kazakhstan, Russia, and Ukraine, Inv. Nos. 751-TA-17-20, USITC Pub. 3119 at 7 (August 1998), *aff'd*, Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750 (Ct. Int'l Trade 2001); Solid Urea from Armenia, Belarus, Estonia, Lithuania, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan, Inv. Nos. 731-TA-339 and 340-A-1 (Review) USITC Pub. 3248 (October 1999) at 9 (discussion of Armenia); Cheflene Corp. v. United States, 170 F. Supp. 2d 1320, 1331 (Ct. Int'l Trade 2001).

<sup>27</sup> CR, PR at Table IV-24.

<sup>28</sup> CR at IV-49, PR at IV-22.

<sup>29</sup> CR, PR at Table IV-24.

<sup>30</sup> CR, PR at Table I-1. U.S. apparent consumption of SSB was 297,074 short tons in 2006.

<sup>31</sup> CR, PR at Table IV-24, compared with Table III-5.



producers was \$\*\*\* per short ton, \*\*\* the AUV of SSB sold by the U.S. industry, which was only \$4,908 per short ton.<sup>32</sup>

With regard to the third factor, we note that, during the original investigation, imports from the United Kingdom fluctuated, first decreasing from 6,193 short tons in 1998 to 5,407 short tons in 1999, then increasing to 7,442 short tons in 2000.<sup>33</sup> These imports accounted for between 2.3 and 2.6 percent of the U.S. market by quantity during that three-year period. In addition, imports from the United Kingdom accounted for 6.4 percent of total imports in 1998, 6.2 percent in 1999, and 5.9 percent in 2000. This declining trend, coupled with the fluctuation in actual import levels prior to the order (when no import restraints were in effect), indicates that imports from the United Kingdom would not have a discernible adverse impact upon revocation.

Finally, we recognize that not all U.K. producers of SSB provided data to the Commission, and therefore we may not have complete coverage of the portion of the U.K. industry that is still subject to the order. The record, however, does not indicate that any of these companies are currently significant producers of SSB, and, similarly, there is no evidence that any of them exported SSB to the United States during the original investigation. Thus, it would be unduly speculative to conclude that these firms in the reasonably foreseeable future would shift the bulk of their production to SSB production, which would then be shipped to the U.S. market.

Consequently, we conclude that, in the event the antidumping duty order on SSB from the United Kingdom were to be revoked, imports of SSB from the United Kingdom would be likely to have no discernible adverse impact on the domestic SSB industry.

### **III. Conclusion**

Accordingly, we determine that, in the event the antidumping duty order on imports of SSB from France were to be revoked, imports of SSB from France would be likely to have no discernible adverse impact on the domestic industry producing SSB. We also determine that, in the event the antidumping duty order on imports from SSB from the United Kingdom were to be revoked, those imports would be likely to have no discernible adverse impact on the domestic industry producing SSB.<sup>34 35</sup>

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<sup>32</sup> CR, PR at Table III-5 and Table IV-24. Even the AUV of U.K. subject producers' home market shipments, at \$\*\*\* per short ton, \*\*\* the AUV of U.S. producers' shipments of SSB.

<sup>33</sup> CR, PR at Table I-1.

<sup>34</sup> Chairman Pearson notes that because he joins the Commission majority in concluding that, even if imports from France and the United Kingdom are cumulated with other subject imports, material injury to the U.S. SSB industry would not continue or recur if the orders on France, Germany, Italy, Korea, and the United Kingdom were to be revoked, it is unnecessary for him to address the issue of whether, when imports from France or the United Kingdom are viewed in isolation, material injury to the U.S. SSB industry would continue or recur if the antidumping orders on imports from France or the United Kingdom were to be revoked.

<sup>35</sup> Commissioner Pinkert has written separately to explain his determinations that material injury is not likely to continue or recur within a reasonably foreseeable time if the antidumping orders on SSB from France or the United Kingdom were to be revoked. See Concurring Views of Commissioner Dean A. Pinkert on Subject Imports from France and the United Kingdom.



**CONCURRING VIEWS OF COMMISSIONER DEAN A. PINKERT  
REGARDING SUBJECT IMPORTS FROM FRANCE AND THE UNITED KINGDOM**

I concur with the majority of my colleagues in determining that material injury would not likely continue or recur within a reasonably foreseeable time if the antidumping duty order on stainless steel bar (“SSB”) from France or the antidumping duty order on the United Kingdom were to be revoked. Having determined that subject imports from France and the United Kingdom would not likely have a discernible adverse impact on the domestic SSB industry in the event of revocation, however, I do not join the majority in cumulating subject imports from those countries with each other or with subject imports from any other country.<sup>1</sup> Thus, I write separately to explain my determinations that (1) revocation of the antidumping duty order on subject imports from France would not likely lead to continuation or recurrence of material injury to the domestic industry and (2) revocation of the antidumping duty order on subject imports from the United Kingdom would not likely lead to continuation or recurrence of material injury to the domestic industry. In these determinations, I have taken into consideration the conditions of competition distinctive to this industry, including a mixed demand forecast, a restructured domestic industry, and raw material costs that increased over the review period.<sup>2</sup>

**A. Revocation of the Antidumping Duty Order on Subject Imports from France Would Not Likely Lead to Continuation or Recurrence of Material Injury to the Domestic Industry**

1. Likely Volume of Subject Imports

As discussed in the Additional Views of Chairman Pearson and myself, Ugitech is no longer subject to the order. Based on the current coverage of the order, total subject imports from France in 2000 amounted to approximately \*\*\* short tons. At that time, the volume of subject imports from France (based on the current coverage of the order) represented a very small share of apparent U.S. consumption, \*\*\* percent. Since the order on France was imposed, the volume of such imports has increased. The highest level was \*\*\* short tons in 2006, which was less than \*\*\* percent of apparent U.S. consumption.<sup>3</sup>

The only reporting producer that remains subject to the order, Ascometal, is producing subject merchandise at \*\*\* capacity utilization levels and is expected to continue to do so. Ascometal has reported that its \*\*\*.<sup>4</sup> The potential for product shifting is \*\*\*. Reported capacity and production of subject and other products produced on the same equipment indicate that Ascometal produced other products at \*\*\* during the period of review. Capacity utilization for other products produced on the same equipment by Ascometal was at \*\*\* in all but two years of the review period, 2002 and 2006; Ascometal had \*\*\*.<sup>5</sup> Ascometal has stated that it cannot allocate more than \*\*\* of its capacity to the U.S. market.<sup>6</sup> Ascometal has \*\*\* end-of-period inventories, and there are no barriers to French exports to other markets.<sup>7</sup>

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<sup>1</sup> I dissent from the Commission’s negative determinations with respect to Germany, Italy and Korea. See Dissenting Views of Commissioner Charlotte R. Lane and Commissioner Dean A. Pinkert.

<sup>2</sup> Views of the Commission at Section V.B.

<sup>3</sup> CR/PR at Table IV-2 and Table C-1.

<sup>4</sup> CR at D-25; PR at D-24.

<sup>5</sup> CR/PR at Table IV-8.

<sup>6</sup> CR at IV-14, n.9; PR at IV-7, n.9. \*\*\*.

<sup>7</sup> CR at IV-75; PR at IV-29. CR/PR at Table IV-6.

The domestic industry contends that A&D and Bonpertuis would increase their exports to the U.S. market if the order were revoked because they have \*\*\*.<sup>8</sup> A&D's pre-order volumes, however, were \*\*\*, and there is nothing on the record indicating that they would vary from pre-order levels if the order were revoked. Furthermore, even if Bonpertuis increased its shipments of subject imports to the U.S. market, the significance of the increased volume would be limited due to differences in the product mixes of Bonpertuis and the domestic like product. In addition, I note that imports from subject French producers other than Ascometal were \*\*\* (based on Ascometal's exports relative to total subject imports) during the review period.

For all of these reasons, I do not find it likely that the volume of subject SSB from France would be significant in the event of revocation, in absolute terms or relative to production or consumption in the United States, within a reasonably foreseeable time.

## 2. Likely Price Effects of Subject Imports

In these reviews, I have taken into account the limited pricing data specific to SSB from France that can be used for purposes of comparison with the pricing data for the domestic like product.<sup>9</sup> In addition, I have considered that, in the original investigations, imports from France undersold the domestic like product in the majority of comparisons.<sup>10</sup> Given both the pricing information and the likely small volume of subject imports from France, I find that revocation of the antidumping duty order on subject imports of SSB from France would not likely lead to significant underselling or significant price depression or suppression within a reasonably foreseeable time.

## 3. Likely Impact of Subject Imports

In evaluating the likely impact on the domestic industry, I note that I have not found the domestic industry to be vulnerable. Given also that I do not find it likely that there will be a significant volume of subject imports from France or significant price effects from these imports, I find that revocation of the antidumping duty order on subject imports from France is not likely to lead to a significant adverse impact on the domestic industry within a reasonably foreseeable time.

I conclude that revocation of the antidumping duty order on subject imports from France would not likely lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

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<sup>8</sup> Domestic Industry Posthearing Brief at 3-4.

<sup>9</sup> In these reviews, there were only eight possible price comparisons; they were with respect to sales of \*\*\* between 2005 and 2007. These comparisons indicate that the subject imports from France undersold the domestic like product in all instances. CR/PR at Table V-11. We also have some sales price data on subject imports from France for \*\*\*, but no domestic like product sales prices that could be used for comparison purposes.

<sup>10</sup> CR/PR at V-38, n.9.

**B. Revocation of the Antidumping Duty Order on Subject Imports from the United Kingdom Would Not Likely Lead to Continuation or Recurrence of Material Injury to the Domestic Industry**

1. Likely Volume of Subject Imports

The capacity in 2006 of the responding producers that continue to be subject to the order, Enpar and Sandvik, was \*\*\* short tons. Actual production by these firms in 2006 was \*\*\* short tons.<sup>11</sup>

Record evidence reflects differences in product mix between the domestic like product and the product manufactured and exported to the U.S. market by Enpar and Sandvik. \*\*\*.<sup>12</sup> Sandvik reports that its exports to the U.S. market are focused on custom-produced SSB for the medical bar market.<sup>13</sup> Consistent with Enpar's and Sandvik's statements, subject imports from the United Kingdom have \*\*\* the domestic like product.<sup>14</sup> Furthermore, responding U.K. firms provided pricing data for only one of the seven products specified by the Commission (grade \*\*\*), indicating that, at least during the period examined, there was little direct competition between the subject U.K. producers and U.S. producers in the commodity grades of SSB traditionally sold by the U.S. industry. The differences in product mix between the domestic like product and the product manufactured and exported to the U.S. market by Enpar and Sandvik lessen the significance of any import volume from these producers.

The record does not reflect a potential for product shifting. \*\*\* producer in the United Kingdom that reported capacity and production of subject and other products produced on the same equipment for the period of review.<sup>15</sup> Enpar and Sandvik have end-of-period inventories at or below \*\*\* short tons throughout the review period, and there are no barriers to United Kingdom exports to other markets.<sup>16</sup>

The domestic industry contends that other subject producers in the United Kingdom are pursuing sales in the U.S. market.<sup>17</sup> The record, however, does not indicate that any of these producers are currently significant producers of SSB. Thus, there is no basis upon which to conclude that these firms would shift the bulk of their production in the reasonably foreseeable future to SSB production that would be exported to the United States.

For all of these reasons, I do not find it likely that the volume of subject SSB from the United Kingdom would be significant in the event of revocation, in absolute terms or relative to production or consumption in the United States, within a reasonably foreseeable time.

2. Likely Price Effects of Subject Imports

In these reviews, we do not have pricing data specific to SSB from the United Kingdom that can be used for purposes of comparison with the pricing data for the domestic like product. I have nevertheless taken into account that, in the original investigations, imports from the United Kingdom

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<sup>11</sup> CR/PR at Table IV-24.

<sup>12</sup> CR at IV-49, n.23; PR at IV-22, n.23. Enpar Prehearing Brief at 4, 6-7.

<sup>13</sup> Sandvik Bioline Prehearing Brief at 1, 3-4.

<sup>14</sup> In 2006, the AUV of shipments to the United States by subject United Kingdom producers was \$\*\*\* per short ton, \*\*\* the AUV of SSB sold by the U.S. industry, which was only \$4,908 per short ton. Even the AUV of United Kingdom subject producers' home market shipments, at \$\*\*\* per short ton, \*\*\* the AUV of U.S. producers' shipments of SSB. CR/PR at Table III-5 and Table IV-24.

<sup>15</sup> CR at IV-56, n.30; PR at IV-23, n.30.

<sup>16</sup> CR at IV-75; PR at IV-30. CR/PR at Table IV-24.

<sup>17</sup> Petitioners' Posthearing Brief at 4-6.

undersold the domestic like product in the majority of comparisons.<sup>18</sup> I have also considered (1) that AUVs of subject imports from the United Kingdom are \*\*\* those of the domestic like product, (2) the likely small volume of subject imports from the United Kingdom, and (3) differences in product mix. For these reasons, I find that revocation of the antidumping order on subject imports of SSB from the United Kingdom would not likely lead to significant underselling or significant price depression or suppression within a reasonably foreseeable time.

### 3. Likely Impact of Subject Imports

In evaluating the likely impact on the domestic industry, I note that I have not found the domestic industry to be vulnerable. Given also that I do not find it likely that there will be a significant volume of subject imports from the United Kingdom or significant adverse price effects from subject imports in the event of revocation, I find that revocation of the antidumping duty order on subject imports of SSB from the United Kingdom would not likely lead to a significant adverse impact on the domestic industry within a reasonably foreseeable time.

I conclude that revocation of the antidumping duty order on subject imports of SSB from the United Kingdom would not likely lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

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<sup>18</sup> CR at V-38, n.9; PR at V-10, n.9.

**DISSENTING VIEWS OF COMMISSIONER CHARLOTTE R. LANE  
AND COMMISSIONER DEAN A. PINKERT**

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty orders on stainless steel bar from Germany, Italy, and Korea and the countervailing duty on stainless steel bar from Italy, would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>1</sup>

**A. Likely Volume of Subject Imports**

In evaluating the likely volume of imports of subject merchandise if the antidumping and countervailing duty orders were to be 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.<sup>2</sup> 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.<sup>3</sup>

In the original investigations, the Commission found subject import volumes, and the increase in subject import volumes, to be significant and that the increase in subject import market share came at the expense of the domestic industry.<sup>4</sup>

In the current reviews, we find that subject producers are export-oriented and that they would have significant production capacity, including divertible capacity, to increase their exports to the U.S. market if the orders were revoked. Further, we find that the U.S. market is attractive, due to its size and its prices. U.S. market prices for stainless steel bar are generally comparable to those of other markets. Moreover, subject producers are already familiar with the U.S. market because most of them have stayed in the U.S. market, despite the orders. They have purchasers and a distribution network in place to handle increased orders. For these reasons, which we explain in detail below, we find that the volume of

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<sup>1</sup> Commissioner Lane cumulates subject imports from France, Germany, Italy, Korea, and the United Kingdom and finds that revocation of the antidumping duty orders on stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom and revocation of the countervailing duty order on stainless steel bar from Italy, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

<sup>2</sup> 19 U.S.C. § 1675a(a)(2).

<sup>3</sup> 19 U.S.C. § 1675a(a)(2)(A)-(D).

<sup>4</sup> USITC Pub. 3488 at 16. Cumulated subject imports from all five subject countries increased by \*\*\* percent over the original period of investigation, from \*\*\* short tons in 1998 to \*\*\* short tons in 2000. Subject import market share, measured by quantity, increased from \*\*\* percent in 1998 to \*\*\* percent in 2000. CR/PR at Table I-1.

Cumulated subject imports from Germany, Italy, and Korea increased from \*\*\* short tons in 1998 to \*\*\* short tons in 2000. Subject import market share for these three countries, measured by quantity, increased from \*\*\* percent in 1998 to \*\*\* percent in 2000. CR/PR at Table I-1.

subject imports would likely be significant if the antidumping and countervailing duty orders were revoked.<sup>5</sup>

The data show that subject producers are export-oriented and, despite the orders, continue to ship stainless steel bar throughout the U.S. market.<sup>6</sup> Reported total exports of subject product still subject to the orders out of Italy, Germany, and Korea, as a percentage of total shipments, increased from \*\*\* percent in 2001 to \*\*\* percent in 2006.<sup>7 8</sup> Cumulated subject imports maintained a substantial presence in the U.S. market over the period of review. After declining from 2001 through 2003, subject imports increased their market share in the United States during the second half of the period of review, capturing increasing demand. Cumulated subject import market share (based on imports that remain subject to the orders)<sup>9</sup> for Germany, Italy, and Korea, measured by quantity, declined from \*\*\* percent in 2001 to \*\*\* percent in 2003, before rebounding to \*\*\* percent in 2006.<sup>10 11</sup>

Subject producers maintain increasingly large volumes of production capacity that could be diverted to the United States upon revocation. Cumulated subject import production capacity was greater than U.S. apparent consumption in several years of the period reviewed, peaking at \*\*\* short tons in 2006.<sup>12 13</sup> Furthermore, subject producers' capacity is projected to increase in the reasonably foreseeable future.<sup>14 15</sup>

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<sup>5</sup> Commissioner Lane concludes that the likely volume of cumulated subject imports from France, Germany, Italy, Korea and the United Kingdom, both in absolute terms and relative to production and consumption in the United States, would be significant if the antidumping and countervailing duty orders were revoked.

<sup>6</sup> CR/PR at II-1.

<sup>7</sup> CR/PR at Supplemental Tables. Total exports for cumulated subject imports from Italy, Germany, and Korea increased from \*\*\* short tons in 2001 to \*\*\* short tons in 2006. *Id.* We note that not all foreign producers in all of the subject countries responded to our questionnaires.

<sup>8</sup> Commissioner Lane notes that subject producers still subject to the orders, from cumulated subject countries, including France and the United Kingdom, likewise increased their exports from \*\*\* percent of shipments in 2001 to \*\*\* percent of shipments in 2006. CR/PR at Supplemental Tables.

<sup>9</sup> As we discussed in the "Background" section of the Commission majority opinion, there are several foreign producers that were previously subject to these orders which are now excluded from them. The Department of Commerce revoked the antidumping duty orders on several subject producers as part of its implementation of the World Trade Organization's findings on its "zeroing" policies. In the text of our Dissenting Views, we have focused on the imports from Germany, Italy, and Korea that continue to be subject to these orders. Commissioner Lane notes that these data are strengthened by the addition of imports from France and the United Kingdom.

<sup>10</sup> CR/PR at Table IV-2 (subject imports still subject to the order) and Table I-1 (total consumption).

<sup>11</sup> Commissioner Lane notes that cumulated subject import market share for France, Germany, Italy, Korea, and the United Kingdom, measured by quantity, followed a similar trend, decreasing from \*\*\* percent in 2001 to \*\*\* percent in 2003 before rebounding to \*\*\* percent in 2006. CR/PR at Table IV-2 (subject imports still subject to the order) and Table I-1 (total consumption).

<sup>12</sup> Cumulated subject import capacity for Germany, Italy, and Korea fluctuated from \*\*\* short tons in 2001, to \*\*\* short tons in 2002, \*\*\* short tons in 2003, \*\*\* short tons in 2004, \*\*\* short tons in 2005, and \*\*\* short tons in 2006, and increased from \*\*\* short tons in interim 2006 to \*\*\* short tons in interim 2007. CR/PR at Table IV-11, Table IV-16, and Table IV-20.

<sup>13</sup> Commissioner Lane notes that subject import capacity for all five cumulated subject countries exceeded apparent U.S. consumption in every year of the period of review, increasing irregularly from \*\*\* short tons in 2001, to \*\*\* short tons in 2002, \*\*\* short tons in 2003, \*\*\* short tons in 2004, \*\*\* short tons in 2005, and \*\*\* short tons in 2006, and increased from \*\*\* short tons in interim 2006 to \*\*\* short tons in interim 2007. CR/PR at Table IV-32.

<sup>14</sup> Commission questionnaire responses indicate that cumulated subject producers' production capacity, for Germany, Italy, and Korea, will increase from \*\*\* short tons in 2007 to \*\*\* short tons in 2008. CR/PR at Table IV-11, Table IV-16, and Table IV-20.

(continued...)



The record indicates that subject producers from Germany, Italy, and Korea also maintained significant volumes of divertible capacity over the period of review that could be shipped to the U.S. market upon revocation. Divertible capacity is defined here to include excess capacity, end-of-period inventories, and total exports that could be diverted to the U.S. market. The data indicate that cumulated subject producers' divertible capacity either exceeded or was equal to a substantial percentage of U.S. apparent consumption in each year of the period of investigation, with cumulated divertible capacity in Germany, Italy, and Korea increasing from \*\*\* short tons in 2001 to \*\*\* short tons in 2006.<sup>16</sup>

Inasmuch as subject producers' stainless steel bar production capacity and divertible capacity are large and growing, subject producers must find markets in which to sell their product, and the attractive U.S. market will fill this void if the orders are revoked. The U.S. market is attractive because of its size (297,074 short tons in 2006) and because, in general, prices in the U.S. market are likely to be attractive in the reasonably foreseeable future, as discussed below.

We have limited current pricing data comparing prices for subject imports and the domestic like product.<sup>17</sup> The data that we do have indicate underselling by subject imports in the majority of available comparisons.<sup>18</sup> We also have \*\*\*.<sup>19</sup> These data suggest that U.S. transaction prices for stainless steel bar are sometimes higher, sometimes lower, and sometimes comparable to those of European markets. But the \*\*\* may not be comparing U.S. and European prices at comparable levels of trade. Domestic producers and importers often sell to distributors in the U.S. market, who sell to end users.<sup>20</sup> The majority of European SSB producers own their own distribution systems in Europe. Therefore, higher European prices may reflect additional value-added distribution service activities.<sup>21</sup> U.S. transaction prices were generally higher than Korean prices, at least until 2007.<sup>22</sup>

We have also taken into consideration the average unit value ("AUV") data that are on the record.<sup>23</sup> Questionnaire data indicate that subject producers' \*\*\*. Average unit values of German

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<sup>14</sup> (...continued)

We note that although subject German producers are at relatively high capacity utilization rates, CR/PR at Table IV-11, there is also a significant potential for subject German producers to shift production from other products produced on the same equipment, to production of SSB. CR/PR at Table IV-13. German capacity for subject product is also projected to increase in 2008 to \*\*\* short tons, with a corresponding increase in production. CR/PR at Table IV-11.

<sup>15</sup> Commissioner Lane notes that cumulated subject producers' production capacity, for France, Germany, Italy, Korea, and the United Kingdom, is projected to increase from \*\*\* short tons in 2007 to \*\*\* short tons in 2008. CR/PR at Tables IV-20 and IV-33.

<sup>16</sup> CR/PR at Supplemental Tables. Commissioner Lane notes that the divertible capacity of all five subject countries, on a cumulated basis, increased irregularly from \*\*\* short tons in 2001 to \*\*\* short tons in 2006. Id.

<sup>17</sup> CR at V-10; PR at V-8.

<sup>18</sup> CR/PR at Table V-13. Commissioner Lane notes that all subject imports undersold the domestic like product in 86 out of 129 possible comparisons. Commissioner Pinkert notes that subject imports from Germany and Italy undersold the domestic like product in 78 out of 121 price comparisons. We do not have any reported pricing data regarding subject imports from Korea in these reviews. CR at V-10; PR at V-8.

<sup>19</sup> \*\*\*. CR at IV-87, n.66; PR at IV-36, n.66. See also CR/PR at Tables IV-38-IV-41.

<sup>20</sup> CR/PR at Table II-1. Domestic Industry Prehearing Brief at 20.

<sup>21</sup> CR at IV-88; PR at IV-37. Domestic Industry Prehearing Brief at 20.

<sup>22</sup> \*\*\*, CR/PR at Tables IV-38-IV-41.

<sup>23</sup> We are mindful that the use of AUVs for establishing price trends may present product mix issues in that values may reflect different merchandise rather than differences in price. Accord Allegheny Ludlum Corp. v. United States, 287 F.3d 1365, 1373-74 (Fed. Cir. 2002). Nevertheless, given the limited actual pricing data on the record, and the potential that the \*\*\* are also questionable, given the potential difference in levels of trade discussed above,

(continued...)

exports of subject merchandise to the United States \*\*\* years during the period reviewed.<sup>24</sup> Exports to the U.S. market of subject merchandise from Italy were at \*\*\* average unit values than were sales in Italy's home market and non-U.S. export markets in every year but one of the period of review.<sup>25</sup> We only have data on average unit values for Korean exports to the United States from \*\*\*. In those years, the average unit values of Korean exports to the United States \*\*\*.<sup>26 27</sup> Thus, considering the record as a whole, we find that U.S. prices are attractive and that they would be a factor in increased shipments of subject merchandise to the U.S. market if the orders were revoked.

Other factors suggest that the presence of subject imports in the U.S. market will increase rapidly in the event of revocation. As discussed above, subject imports have remained in the U.S. market even with the orders in place, indicating that purchasers are likely to be familiar with subject producers' products. Furthermore, since a substantial volume of subject imports are sold through service centers and master distributors in the U.S. market,<sup>28</sup> subject imports have purchasers and distributors in place to facilitate an increased presence in the U.S. market upon revocation.<sup>29</sup> Finally, several purchasers expect their purchases of subject imports to increase if the orders are revoked and expect such imports to be priced attractively.<sup>30 31</sup>

We conclude that the likely volume of subject imports from Germany, Italy, and Korea, both in absolute terms and relative to production and consumption in the United States, would be significant if the antidumping and countervailing duty orders were to be revoked.<sup>32</sup>

## **B. Likely Price Effects of Subject Imports**

In evaluating the likely price effects of subject imports if the antidumping and countervailing duty orders were to be revoked, the Commission is directed to consider whether there would likely be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that would otherwise have a significant depressing or suppressing effect on the price of the domestic like product.<sup>33</sup>

In the original investigations, the Commission found that subject imports and the domestic like product were good substitutes and that price played an important role in purchasing decisions. The

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<sup>23</sup> (...continued)

we have also taken into consideration the AUV data on the record.

<sup>24</sup> CR/PR at Table IV-11.

<sup>25</sup> CR/PR at Table IV-16.

<sup>26</sup> CR/PR at Table IV-20.

<sup>27</sup> Commissioner Lane notes that United Kingdom's subject producer export average unit values to the United States were \*\*\* from 2001 to 2006. CR/PR at VI-24.

<sup>28</sup> See Domestic Industry Posthearing Brief, Exhibit 8.

<sup>29</sup> CR/PR at Table II-1.

<sup>30</sup> CR/PR at D-15 to D-16.

<sup>31</sup> We have considered existing inventories as part of our divertible capacity analysis. There are no barriers to entry of subject merchandise into markets other than the United States. CR at IV-75; PR at IV-30.

<sup>32</sup> Commissioner Lane concludes that the likely volume of cumulated subject imports from France, Germany, Italy, Korea, and the United Kingdom, both in absolute terms and relative to production and consumption in the United States, would be significant if the antidumping and countervailing duty orders were revoked.

<sup>33</sup> 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.

Commission found that the pricing data indicated pervasive underselling by cumulated subject imports and noted numerous instances where purchasers confirmed that domestic stainless steel bar producers lost sales or revenues because of the availability of lower priced subject imports. In light of the importance of price in purchasing decisions and the significant and increasing volume of subject imports during the period of investigation, the Commission found the underselling to be significant. The Commission concluded that the subject imports caused downward pressure on U.S. prices, that the domestic industry was unable to raise prices commensurately with increasing raw material costs in a time of growing demand, and that subject imports therefore had significant price depressing or suppressing effects.<sup>34</sup>

In these current reviews, as in the original investigations, the record indicates that subject imports and the domestic like product are good substitutes and that price plays an important role in purchasing decisions. A majority of questionnaire responses from producers, importers, and purchasers familiar with the products indicate that imports of stainless steel bar from Germany, Italy, and Korea are generally viewed as always or frequently interchangeable with each other and with the domestic like product.<sup>35 36</sup> Questionnaire responses from purchasers further indicate that price is a very important factor in their purchasing decisions.<sup>37</sup> Price competition is facilitated by the distribution of stainless steel bar through service centers and master distributors and the widespread use of the spot market for purchases rather than long-term contractual arrangements.<sup>38</sup>

Subject import prices for the seven pricing products for which the Commission sought information in these reviews indicate that subject merchandise undersold the domestic like product in a majority of the available comparisons. Despite the orders, cumulated subject imports from Germany, Italy, and Korea undersold U.S.-produced stainless steel bar in 78 out of 121 available comparisons, with margins of underselling ranging from 0.5 percent to 50.8 percent.<sup>39 40</sup>

As in the original investigations, in these reviews, the domestic industry has been faced with rising raw material costs. Commission data indicate that domestic producers' per-unit raw material costs increased by 172 percent between 2001 and 2006, and further increased by 71.1 percent between the interim periods.<sup>41</sup> Domestic producers' raw material costs as a share of cost of goods sold increased

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<sup>34</sup> USITC Pub. 3488 at 18-21.

<sup>35</sup> CR/PR at Table II-5.

<sup>36</sup> Commissioner Lane notes that a majority of questionnaire responses also indicate that imports of stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom, on a cumulated basis, were viewed as interchangeable with each other and the domestic like product. CR/PR at Table II-5.

<sup>37</sup> Fourteen out of 15 responding purchasers indicated that price was a "very important" factor in their purchasing decisions, with one purchaser indicating that price was "somewhat important." CR/PR at Table II-4.

<sup>38</sup> Among the eight U.S. producers, spot sales ranged from a low of 50 percent of company totals in 2006 to a high of 100 percent. In the case of responding importers, 11 out of 17 firms reported that spot sales accounted for 100 percent of their total in 2007. CR/PR at V-8.

<sup>39</sup> CR/PR at Table V-13. Ugitech has argued that domestic producer NAS is a price leader. Ugitech Prehearing Brief at 16-17, 32-33. We find that the record is mixed as to whether NAS is a \*\*\* price leader. Although NAS may be \*\*\* its domestic competitors, CR at IV-88, n.68; PR at IV-37, n.68, CR at V-38, n.7, PR at V-38, n.7, the record also indicates that subject imports are underselling the domestic industry as a whole. CR/PR at Table V-13. Domestic Industry Posthearing Brief, Responses to Commission Questions at 24-25 & Exhibit 14.

<sup>40</sup> Commissioner Lane notes that cumulated subject imports, for all five subject countries, undersold the comparable domestic product in 86 out of 129 available comparisons, with margins of underselling ranging from 0.5 percent to 50.8 percent. CR/PR at Table V-13.

<sup>41</sup> CR at III-17, PR at III-9.

substantially over the period of review, rising from 35.7 percent of the cost of goods sold in 2001 to 54.8 percent in 2006.<sup>42</sup>

Although the domestic industry has been able to cover rising raw material costs and other costs of goods sold (“COGS”) in recent years, it is likely that, due to the weakening U.S. market, this will become more difficult in the reasonably foreseeable future. The ratio of cost of goods sold (“COGS”) to sales fluctuated over the period of review, but exceeded 100 percent in 2003, before apparent U.S. consumption increased, causing domestic industry sales/shipments to improve significantly late in the period of review.<sup>43</sup>

The U.S. market for SSB expanded robustly from 2003 to 2005 before slowing almost to zero from 2005 to 2006, and then increasing moderately in interim 2007 compared to interim 2006.<sup>44</sup> \*\*\*.<sup>45</sup> \*\*\*.<sup>46</sup>

In sum, both the Commission’s data and \*\*\* analysis indicate that the strong growth trends in recent years that have enabled the domestic industry to cover cost increases are likely to end. We have already found that subject import volume is likely to be significant if the orders were to be revoked. In that event, the likely significant volume of competitively priced subject imports that would enter the U.S. market would once again put downward pressure on U.S. prices and/or prevent the domestic industry from raising its prices commensurately with cost increases. The weakened U.S. market \*\*\* would exacerbate this situation for the domestic industry.

Given the likely significant volume of subject imports, the substitutability between the subject imports and the domestic like product, the importance of price in purchasing decisions, and a mixed demand forecast, we find that, in the absence of the orders, subject imports would likely behave as they did during the original investigations and would likely significantly undersell the U.S. product in order to gain market share. Consequently, on the basis of the record in these reviews, including information collected in the original investigations, we find that revocation of the antidumping and countervailing duty orders would likely lead to significant underselling by the subject imports and significant price depression or suppression within a reasonably foreseeable time.

### **C. Likely Impact of Subject Imports**

In evaluating the likely impact of imports of subject merchandise if the countervailing duty or antidumping duty orders were to be 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 the following: (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.<sup>47</sup> 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. As instructed by the statute, we have considered the extent to which any

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<sup>42</sup> CR at V-1, PR at V-1.

<sup>43</sup> CR/PR at Table III-9, Table III-5, and Table I-5.

<sup>44</sup> CR/PR at Table I-1. Apparent U.S. consumption increased by 18.5 percent from 2003 to 2004, and increased by 19.7 percent from 2005 to 2006, before only increasing by 0.5 percent from 2005 to 2006. Apparent U.S. consumption was 9.8 percent higher in interim 2007 as compared to interim 2006. *Id.*

<sup>45</sup> CR at IV-82, PR at IV-33; Domestic Industry’s Posthearing Brief, Response to Commissioner Questions at 1-2, Exhibit 8.

<sup>46</sup> Domestic Industry’s Posthearing Brief, Response to Commissioner Questions at 1-2.

<sup>47</sup> 19 U.S.C. § 1675a(a)(4).

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 order is revoked.<sup>48</sup>

In the original investigations, the Commission found that the increasing volume of subject imports took market share away from the domestic industry, leading domestic producers to increase output only modestly during a period of increasing demand. The Commission found that, because of the subject imports' significant underselling and price effects, the domestic industry could not raise prices to recover increased raw material costs. The volume and price effects of subject imports resulted in reduced employment, declining capital expenditures, declining profitability, poor financial performance, and the departures of several producers from the industry. The Commission therefore found that subject imports had a significant adverse impact on the domestic industry.<sup>49</sup>

Domestic industry market share increased immediately following the imposition of the orders. Later in the review period, domestic industry market share declined as subject import market share increased. Thus, as measured by quantity, domestic industry market share increased from 57.3 percent in 2001 to 67.4 percent in 2003. Thereafter, it declined to 57.9 percent in 2005 before rebounding slightly to 59.4 percent in 2006.<sup>50</sup> Cumulated subject import market share for Germany, Italy, and Korea, measured by quantity, declined consistently between 2001 and 2003 before rebounding during the second half of the period of investigation.<sup>51</sup>

Although demand for stainless steel bar in the U.S. market has increased over the period of review, it has just recently returned to 2000 demand levels.<sup>52</sup> Respondents are forecasting significant demand growth in the foreseeable future,<sup>53</sup> but record evidence indicates that demand will increase only modestly. After robust demand growth between 2003 and 2005, demand increased by just 0.5 percent between 2005 and 2006.<sup>54</sup> Consumption forecasts for stainless steel bar show a significant decline in the second half of 2007 when compared to the second half of 2006 and a modest increase from 2007 to 2008.<sup>55</sup> As discussed previously, although some industries that purchase stainless steel bar \*\*\* may experience increased demand in the foreseeable future, that increase will be offset by decreased demand in the \*\*\* markets.

Following the imposition of the orders after the affirmative determination in the original investigations, the domestic industry's performance improved. Domestic producers reported operating

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<sup>48</sup> 19 U.S.C. § 1675a(a)(1)(C). 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.

<sup>49</sup> USITC Pub. 2856 at 24.

<sup>50</sup> CR/PR at Table I-1.

<sup>51</sup> CR/PR at Table IV-2 (subject imports still subject to the order) and Table I-1 (total consumption). Commissioner Lane notes a similar trend with respect to the market share of all five subject countries.

<sup>52</sup> U.S. apparent consumption fluctuated from \*\*\* short tons in 2000, to \*\*\* short tons in 2001, \*\*\* short tons in 2002, \*\*\* short tons in 2003, \*\*\* short tons in 2004, \*\*\* short tons in 2005 and \*\*\* short tons in 2006. CR/PR at Table I-1.

<sup>53</sup> German Respondents' Prehearing Brief at 3; Cogne's Prehearing Brief at 15.

<sup>54</sup> CR/PR at Table I-1.

<sup>55</sup> Domestic Industry's Posthearing Brief, Response to Commissioner Questions at 1-2, Exhibit 8.

losses in 2001, 2002, and 2003, but recovered in 2004, 2005, and 2006.<sup>56</sup> As the demand for stainless steel bar increased, the domestic industry was able to increase its U.S. shipments and net sales.<sup>57 58</sup>

Even though the domestic industry experienced improvements in profitability over the period of review, other factors indicate that the domestic industry is susceptible to injury if the orders are revoked. Despite increased demand for stainless steel bar in the U.S. market, the number of domestic industry production related workers declined by 12.1 percent, from 1,498 to 1,317, from 2001 to 2006.<sup>59</sup> The industry's capacity utilization also fell, dropping irregularly from 57.7 percent in 2001 to 51.6 percent in 2006 and 47.7 percent in interim 2007.<sup>60</sup> Given the domestic industry's profitability later in the period of review, however, we do not find the industry to be "vulnerable" in the statutory sense.<sup>61</sup>

Revocation of the antidumping and countervailing duty orders would likely lead to a significant increase in the volume and market share of the subject imports. Given the forecasts of weakening demand growth and the importance of price in purchasing decisions, the significant increase in subject import volume is likely to cause a significant decrease in the volume of the domestic producers' shipments as well as an adverse impact on prices at a time when the industry faces increased raw material prices. We find that this would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. This likely reduction in the industry's production, shipments, sales, market share, and revenues would result in erosion of the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. We further find it likely that revocation of the orders would result in continued employment declines for the industry.

For the above reasons, we determine that revocation of the antidumping duty orders on stainless steel bar from Germany, Italy, and Korea and the countervailing duty order on stainless steel bar from Italy, would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>62</sup>

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<sup>56</sup> Domestic industry operating income as a ratio to net sales fluctuated from negative 6.3 percent in 2001, to negative 5.1 percent in 2002, negative 12.9 percent in 2003, 9.7 percent in 2004 and 2005 and 12.5 percent in 2006. Domestic industry operating income as a ratio to net sales rose from 11.3 percent in interim 2006 to 14.1 percent in interim 2007. CR/PR at Table III-9.

<sup>57</sup> Domestic producers' U.S. shipments increased irregularly over the period of review from 135,990 short tons in 2001, to 130,100 short tons in 2002, 140,365 short tons in 2003, 163,305 short tons in 2004, 171,163 short tons in 2005 and 176,583 short tons in 2006, and increased from 87,583 short tons in interim 2006 to 91,459 short tons in interim 2007. CR/PR at Table III-5.

<sup>58</sup> Domestic producers' net sales increased irregularly over the period of review from 137,456 short tons in 2001, to 134,824 short tons in 2002, 159,825 short tons in 2003, 167,230 short tons in 2004, 178,404 short tons in 2005 and 188,636 short tons in 2006, and increased from 94,235 short tons in interim 2006 to 98,852 short tons in interim 2007. CR/PR at Table III-9.

<sup>59</sup> CR/PR at Table III-8.

<sup>60</sup> Domestic industry capacity utilization fluctuated from 57.7 percent in 2001, to 50.9 percent in 2002, 50.6 percent in 2003, 51.8 percent in 2004, 51.1 percent in 2005, and 51.6 percent in 2006, and increased from 45.9 percent in interim 2006 to 47.7 percent in interim 2007. CR/PR at Table III-1.

<sup>61</sup> 19 U.S.C. §1675a(a)(1)(c). See also SAA at 885.

<sup>62</sup> Commissioner Lane determines that revocation of the antidumping duty orders on stainless steel bar from France, Germany, Italy, Korea and the United Kingdom and the countervailing duty order on stainless steel bar from Italy, would be likely to lead to continuance or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

## PART I: INTRODUCTION AND OVERVIEW

### BACKGROUND

Effective February 1, 2007, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c)(5) of the Tariff Act of 1930 (“the Act”) that it had instituted reviews to determine whether revocation of the countervailing duty order on stainless steel bar from Italy and the antidumping duty orders on stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom would be likely to lead to the continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time. Effective May 7, 2007, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Information relating to the background and schedule of the reviews is provided below.<sup>1</sup>

Effective date	Action
March 7, 2002	U.S. Department of Commerce (“Commerce”)’s antidumping duty orders (67 FR 10381)
March 8, 2002	Commerce’s countervailing duty order on Italy (67 FR 10670)
February 1, 2007	Commerce’s initiation of five-year reviews (72 FR 4689)
February 1, 2007	Commission’s institution of five-year reviews (72 FR 4293, January 30, 2007)
April 23, 2007	Commerce’s partial revocations of the antidumping duty orders on France, Germany, Italy, and the United Kingdom (72 FR 25261, May 4, 2007)
May 7, 2007	Commission’s decision to conduct full five-year reviews (72 FR 28071, May 18, 2007)
June 4, 2007	Commerce’s final results of expedited five-year reviews of the antidumping duty orders on France, Italy, Korea, and the United Kingdom (72 FR 30772)
June 6, 2007	Commerce’s final results of expedited five-year review of the countervailing duty order on Italy (72 FR 31288)
June 14, 2007	Commission’s scheduling of five-year reviews (72 FR 35066, June 26, 2007)
October 5, 2007	Commerce’s final results of the full five-year review of the antidumping duty order on Germany (72 FR 56985)
November 6, 2007	Date of the Commission’s hearing <sup>1</sup>
January 8, 2008	Date of the Commission’s vote
January 25, 2008	Commission’s determinations transmitted to Commerce

<sup>1</sup> App. B presents a list of witnesses appearing at the hearing.

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<sup>1</sup> The Commission’s notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in app. A and may also be found at the Commission’s web site (internet address [www.usitc.gov](http://www.usitc.gov)). Commissioners’ votes on whether to conduct expedited or full reviews may also be found at the web site. *Federal Register* notices cited in the tabulation that are subsequent to the Commission’s notice of institution are also presented in app. A.

## STATUTORY CRITERIA

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

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

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

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

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

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

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

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

*(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.” Information obtained during the course of these reviews that relates to the above factors is presented throughout this report.

## **SUMMARY DATA**

A summary of data collected in the reviews is presented in appendix C. U.S. industry data are based on questionnaire responses of nine firms that accounted for all known U.S. production of stainless steel bar during the review period (January 2001-June 2007). U.S. import data are based on official Commerce statistics, questionnaire responses, and proprietary data provided by U.S. Customs and Border Protection (“Customs”). Responses by U.S. producers, importers, purchasers, and foreign producers of stainless steel bar in France, Germany, Italy, Korea, and the United Kingdom to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation are presented in appendix D. Table I-1 presents a summary of data from the original investigations and the current five-year reviews.

Table I-1

Stainless steel bar: Summary of data from the original investigations and the current reviews, 1998-2006

*(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)*

Item	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>U.S. consumption quantity:</b>									
Amount	257,778	237,659	290,479	237,414	215,067	208,358	246,971	295,659	297,074
U.S. producers' share	62.7	63.2	56.5	57.3	60.4	67.4	66.1	57.9	59.4
U.S. importers' share: <sup>1</sup>									
France	1.9	2.0	2.2	2.8	2.6	2.1	3.0	2.3	2.8
Germany	5.2	4.6	5.9	4.1	2.4	1.5	2.9	3.3	3.7
Italy	***	***	***	***	***	***	***	***	***
Korea	5.5	4.4	5.9	2.7	0.8	0.3	0.2	0.5	0.1
United Kingdom	2.4	2.3	2.6	2.7	1.3	1.1	1.2	1.0	1.1
Subtotal, subject	***	***	***	***	***	***	***	***	***
Italy, nonsubject	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	***	***	***	***	***	***
All other nonsubject	***	***	***	***	***	***	***	***	***
Total imports	37.3	36.8	43.5	42.7	39.6	32.6	33.9	42.1	40.6
<b>U.S. consumption value:</b>									
Amount	822,236	687,320	887,573	706,734	584,353	562,408	842,447	1,214,141	1,345,335
U.S. producers' share	70.3	71.0	67.1	65.6	66.8	72.3	70.6	62.3	64.4
U.S. importers' share: <sup>1</sup>									
France	1.7	1.7	1.9	2.5	2.5	2.0	3.1	2.2	2.4
Germany	4.3	3.8	4.6	3.4	2.3	1.5	2.3	2.4	2.8
Italy	***	***	***	***	***	***	***	***	***
Korea	3.5	2.6	3.7	1.8	0.5	0.3	0.2	0.4	0.0
United Kingdom	2.2	2.2	2.3	2.5	1.2	1.0	1.1	1.2	1.2
Subtotal, subject	***	***	***	***	***	***	***	***	***
Italy, nonsubject	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	***	***	***	***	***	***
All other nonsubject	***	***	***	***	***	***	***	***	***
Total imports	29.7	29.0	32.9	34.4	33.2	27.7	29.4	37.7	35.6

Table continued on next page.

Table I-1--Continued

Stainless steel bar: Summary of data from the original investigations and the current reviews, 1998-2006

(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)

Item	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>U.S. imports from:<sup>1</sup></b>									
France:									
Quantity	4,970	4,870	6,333	6,694	5,628	4,357	7,477	6,737	8,453
Value	13,993	11,969	16,833	17,853	14,732	11,316	26,425	27,212	32,234
Unit value	\$2,816	\$2,458	\$2,658	\$2,667	\$2,618	\$2,597	\$3,534	\$4,039	\$3,813
Germany:									
Quantity	13,419	11,031	17,135	9,835	5,235	3,145	7,069	9,895	10,863
Value	35,087	25,984	40,536	23,798	13,636	8,493	19,651	29,524	38,129
Unit value	\$2,615	\$2,356	\$2,366	\$2,420	\$2,605	\$2,700	\$2,780	\$2,984	\$3,510
Italy									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Korea:									
Quantity	14,224	10,489	17,181	6,472	1,820	708	490	1,381	191
Value	29,162	18,145	33,168	12,859	3,156	1,641	1,373	5,050	662
Unit value	\$2,050	\$1,730	\$1,930	\$1,987	\$1,734	\$2,318	\$2,803	\$3,656	\$3,459
United Kingdom:									
Quantity	6,193	5,407	7,442	6,325	2,769	2,279	3,067	2,921	3,306
Value	18,240	15,048	20,236	17,388	7,238	5,775	9,372	14,310	16,492
Unit value	\$2,945	\$2,783	\$2,719	\$2,749	\$2,614	\$2,534	\$3,056	\$4,898	\$4,989
Subtotal, subject:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Italy, nonsubject									
Quantity	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	***	***	***	***	***	***
Value	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	***	***	***	***	***	***
Unit value	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	\$***	\$***	\$***	\$***	\$***	\$***
All other nonsubject:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Total:									
Quantity	96,156	87,543	126,235	101,424	85,067	67,993	83,666	124,496	120,491
Value	243,842	199,032	292,066	242,835	193,725	156,050	247,412	458,037	478,640
Unit value	\$2,536	\$2,274	\$2,314	\$2,394	\$2,277	\$2,295	\$2,957	\$3,679	\$3,972

Table continued on next page.

**Table I-1--Continued**

**Stainless steel bar: Summary of data from the original investigations and the current reviews, 1998-2006**

*(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)*

Item	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>U.S. producers<sup>1</sup>:</b>									
Capacity quantity	304,867	317,697	317,697	238,109	268,279	292,523	336,200	359,796	372,288
Production quantity	168,341	155,530	171,230	137,299	136,539	148,078	174,117	183,925	192,168
Capacity utilization	55.2	49.0	53.9	57.7	50.9	50.6	51.8	51.1	51.6
<b>U.S. shipments:</b>									
<i>Quantity</i>	161,622	150,116	164,244	135,990	130,000	140,365	163,305	171,163	176,583
<i>Value</i>	578,394	488,288	595,507	463,899	390,628	406,358	595,035	756,104	866,695
<i>Unit value</i>	\$3,579	\$3,253	\$3,626	\$3,411	\$3,005	\$2,895	\$3,644	\$4,417	\$4,908
Ending inventory quantity	24,908	24,335	23,031	19,037	20,815	18,948	17,603	19,516	20,939
Inventories/total shipments	***	***	***	***	***	***	10.1	10.8	11.1
Production and related workers	2,035	1,749	1,926	1,498	1,322	1,303	1,231	1,257	1,317
Hours worked (1,000)	4,470	3,738	4,031	3,002	2,353	2,350	2,443	2,633	3,037
Wages paid (1,000)	100,077	84,295	93,115	66,274	51,256	49,927	55,081	61,402	73,308
Hourly wages	\$22.39	\$22.55	\$23.10	\$22.08	\$21.78	\$21.25	\$22.55	\$23.32	\$24.14
Productivity (short tons per 1,000 hours)	***	***	***	46.9	60.9	65.7	76.4	75.0	68.3
Net sales									
Quantity	***	***	***	137,456	134,824	159,825	167,230	178,404	188,636
Value	***	***	***	399,569	377,134	458,214	596,495	771,243	971,841
Unit value	\$***	\$***	\$***	\$2,907	\$2,797	\$2,867	\$3,567	\$4,323	\$5,152
Cost of goods sold (value)	***	***	***	385,607	362,905	482,859	507,798	662,928	810,944
Gross profit or (loss) (value)	***	***	***	13,962	14,229	(24,645)	88,697	108,315	160,897
Operating income or (loss) (value)	***	***	***	(25,121)	(19,320)	(59,074)	58,002	74,630	121,527
Unit cost of goods sold	\$***	\$***	\$***	\$2,805	\$2,692	\$3,021	\$3,037	\$3,716	\$4,299
Unit operating income or (loss)	\$***	\$***	\$***	(\$183)	(\$143)	(\$370)	\$347	\$418	\$644
Cost of goods sold/sales (percent)	***	***	***	96.5	96.2	105.4	85.1	86.0	83.4
Operating income or (loss)/sales (percent)	***	***	***	(6.3)	(5.1)	(12.9)	9.7	9.7	12.5

<sup>1</sup> U.S. import data for 1998-2000 are based on official Commerce statistics.

<sup>2</sup> Not available.

<sup>3</sup> Not applicable.

Source: Data for 1998-2000 are compiled from the confidential staff report (memorandum INV-Z-016, February 6, 2002) in *Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom (Inv. Nos. 701-TA-413 and 731-TA-913-916 and 918 (Final))*. Data for 2001-06 are compiled from responses to Commission questionnaires, official Commerce statistics, and proprietary Customs data.

## THE ORIGINAL INVESTIGATIONS

The original investigations resulted from a petition filed on December 28, 2000, by Carpenter Technology Corp. (“Carpenter”); Crucible Specialty Metals (“Crucible”); Electralloy Corp. (“Electralloy”); Empire Specialty Steel, Inc. (“Empire”); Slater Steels Corp. (“Slater”); and the United Steel Workers of America (“United Steel Workers”). The petition alleged that an industry in the United States was materially injured and threatened with material injury by reason of subsidized imports of stainless steel bar from Italy and by reason of less-than-fair-value (“LTFV”) imports of stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom.<sup>2</sup> In February 2002, the Commission determined that an industry in the United States was materially injured by reason of subsidized imports of stainless steel bar from Italy and by reason of LTFV imports of stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom.<sup>3</sup>

In March 2002, Commerce issued a countervailing duty order on imports of stainless steel bar from Italy<sup>4</sup> and antidumping duty orders on imports of stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom.<sup>5</sup>

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<sup>2</sup> The petition also alleged material injury and threat of further material injury by reason of LTFV imports of stainless steel bar from Taiwan. Commerce, however, made a negative final LTFV determination with respect to Taiwan (67 FR 3152, January 23, 2002). Effective January 23, 2002, the Commission terminated its investigation (Inv. No. 731-TA-917 (Final)) concerning imports of stainless steel bar from Taiwan (67 FR 4745, January 31, 2002).

<sup>3</sup> *Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom, Inv. Nos. 701-TA-413 (Final) and 731-TA-913-916 and 918 (Final)*, USITC Publication 3488, February 2002.

<sup>4</sup> *Countervailing Duty Order: Stainless Steel Bar from Italy*, 67 FR 10670, March 8, 2002.

<sup>5</sup> *Antidumping Duty Order: Stainless Steel Bar from France*, 67 FR 10385, March 7, 2002; *Antidumping Duty Order: Stainless Steel Bar from Germany*, 67 FR 10382, March 7, 2002; *Antidumping Duty Order: Stainless Steel Bar from Italy*, 67 FR 10384, March 7, 2002; *Antidumping Duty Order: Stainless Steel Bar from Korea*, 67 FR 10381, March 7, 2002; *Antidumping Duty Order: Stainless Steel Bar from the United Kingdom*, 67 FR 10381, March 7, 2002.

## RELATED INVESTIGATIONS

### Title VII Investigations

Stainless steel bar has been the subject of several Commission Title VII investigations. A listing of these investigations is presented in the tabulation below.

Investigation/source	Inv. No.	Date of Inv.	Pub. No.	Action/status
Stainless steel bar from Brazil	701-TA-179-181 (Final) <sup>1</sup>	1983	USITC 1398	Affirmative (suspension agreements in 1983 and 1986; terminated in 1988)
Stainless steel bar from Spain	701-TA-176-178 (Final) <sup>1</sup>	1983	USITC 1333	Negative <sup>2</sup>
Stainless steel bar from Brazil, India, Japan, and Spain	731-TA-678, 679, 681, and 682 (Final)	1995	USITC 2856	Affirmative
Stainless steel bar from Brazil, India, Japan, and Spain	731-TA-678, 679, 681, and 682 (Review)	2001	USITC 3404	Affirmative
Stainless steel bar from Brazil, India, Japan, and Spain	731-TA-678, 679, 681, and 682 (Second Review)	2006	USITC 3895	Affirmative

<sup>1</sup> Investigation also included stainless steel wire rod.

<sup>2</sup> The Commission voted in the affirmative with regard to stainless steel wire rod.

Source: Compiled from U.S. International Trade Commission publications.

### Safeguard Investigations

In 2001, the Commission conducted a global safeguard investigation of steel products that included stainless steel bar.<sup>6</sup> With regard to this product category, the Commission made an affirmative determination.<sup>7</sup> The ensuing Presidential Proclamation included an increase in duties on stainless steel bar of 15 percent *ad valorem* in the first year of the safeguard measure (March 20, 2002 through March 19, 2003), reduced to 12 percent in the second year, and reduced further to 9 percent in the third year. On December 4, 2003 (during the second year), the safeguard duties were terminated.<sup>8</sup>

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<sup>6</sup> *Steel*, Inv. No. TA-201-73, USITC Publication 3479, volume 1, December 2001, p. 205.

<sup>7</sup> *Ibid.*

<sup>8</sup> *Steel: Evaluation of the Effectiveness of Import Relief*, Inv. No. TA-204-12, USITC Publication 3797, September 2005, p. 16 and Proclamation 7741, 68 FR 68483 (December 8, 2003).

## COMMERCE'S RESULTS OF EXPEDITED AND FULL REVIEWS

Table I-2 presents the antidumping and countervailing duty margins as reported by Commerce.

**Table I-2**

**Stainless steel bar: Weighted-average antidumping and countervailing duty margins, as reported by Commerce, for the original investigations and the current five-year reviews, by country and firm**

Country and firm	Original investigations	Current reviews
	Margin ( <i>percent ad valorem</i> )	
<b>France (AD)</b>		
Aubert & Duval	71.83	71.83
Ugitech	3.90	0.00 <sup>1</sup>
Ugine-Savoie Imphy <sup>2</sup>	3.90	35.92
All other exporters	3.90	35.92 <sup>3</sup>
<b>Germany (AD)</b>		
BGH	13.63	0.73
Edelstahl Witten-Krefeld	15.40	10.82
Einsal	4.17	<i>de minimis</i>
Krupp Edelstahlprofile	32.32	31.25
All other exporters	16.96	15.16
<b>Italy (AD)</b>		
Acciaierie Valbruna	2.50	0.00 <sup>1</sup>
Acciaiera Foroni	7.07	0.00 <sup>1</sup>
Cogne Acciai Speciali	33.00	33.00
Rodacciai	3.83	0.00 <sup>1</sup>
Trafilerie Bedini <sup>4</sup>	1.70	(4)
All other exporters	3.81	6.60 <sup>3</sup>
<b>Italy (CVD)<sup>5</sup></b>		
Cogne Acciai Speciali	13.17	1.57
All other exporters	13.17	12.93

Table continued on next page.

**Table I-2--Continued**

**Stainless steel bar: Weighted-average antidumping and countervailing duty margins, as reported by Commerce, for the original investigations and the current five-year reviews, by country and firm**

Country and firm	Original investigations	Current reviews
	Margin ( <i>percent ad valorem</i> )	
<b>Korea (AD)</b>		
Changwon Specialty Steel <sup>6</sup>	13.38	13.38
Dongbang Industrial	4.75	4.75
All other exporters	11.30	11.30
<b>United Kingdom (AD)</b>		
Corus Engineering Steels	4.48	0.00 <sup>1</sup>
Crownridge Stainless Steel <sup>7</sup>	125.77	125.77
Firth Rixson Special Steels	125.77	125.77
All other exporters	4.48	83.85 <sup>2</sup>
<p><sup>1</sup> Order revoked effective April 23, 2007. <i>Implementation of the Findings of the WTO Panel in US–Zeroing (EC): Notice of Determinations Under Section 129 of the Uruguay Round Agreements Act and Revocations and Partial Revocations of Certain Antidumping Duty Orders</i>, 72 FR 25261, May 4, 2007. Commerce stated that “The Department disagrees that any revocations that result from those section 129 proceedings apply to any entries made prior to the implementation date . . . The Department disagrees . . . that if the Department revokes an order as a result of these section 129 proceedings, the original determination of sales at less than fair value was invalid . . . None of the 12 investigations subject to these section 129 proceedings was found to be invalid under U.S. law . . . the effect of these section 129 determinations will be prospective only.” Commerce’s April 9, 2007 “Issues and Decision Memorandum for the Final Results of the Section 129 Determinations,” pp. 16-17.</p> <p><sup>2</sup> Predecessor of Ugitech.</p> <p><sup>3</sup> As amended.</p> <p><sup>4</sup> Trafilerie Bedini received a <i>de minimis</i> rate (less than 2.0 percent) in the original investigation and was excluded from the antidumping duty order on stainless steel bar from Italy.</p> <p><sup>5</sup> Acciaierie Valbruna, Acciaieria Foroni, Italfond, Rodacciai, and Trafilerie Bedini were excluded from the countervailing duty order on stainless steel bar from Italy in the original investigations.</p> <p><sup>6</sup> Changwon Specialty Steel changed its name to POSCO Specialty Steel Co. on February 14, 2007.</p> <p><sup>7</sup> Liquidated in 2001. No longer produces stainless steel bar.</p> <p>Note.—All of Commerce’s current reviews were expedited except for the full review on imports from Germany.</p> <p>Source: Various <i>Federal Register</i> notices of the Department of Commerce.</p>		



**COMMERCE'S ADMINISTRATIVE AND NEW SHIPPER REVIEWS**

**France**

Since the original investigations, Commerce has completed two administrative reviews of the antidumping duty order on stainless steel bar from France, as shown in the following tabulation:

<b>Period of review</b>	<b>Date results published</b>	<b>Exporter</b>	<b>Margins (percent ad valorem)</b>
March 1, 2003 to February 29, 2004	August 10, 2005 (70 FR 46482)	Ugitech (successor to Ugine-Savoie Imphy S.A.) <sup>1</sup>	14.98
March 1, 2004 to February 28, 2005	May 31, 2006 (71 FR 30873)	Ugitech <sup>1</sup>	9.68
<sup>1</sup> Ugitech refers to Ugitech S.A. in Ugine, France.			

**Germany**

Since the original investigations, Commerce has completed four administrative reviews of the antidumping duty order on stainless steel bar from Germany, as shown in the following tabulation:

<b>Period of review</b>	<b>Date results published</b>	<b>Exporter</b>	<b>Margins (percent ad valorem)</b>
August 2, 2001 to February 28, 2003	June 14, 2004 (69 FR 32982)	BGH	0.52
March 1, 2003 to February 29, 2004	April 13, 2005 (70 FR 19419)	BGH	0.01
March 1, 2004 to February 28, 2005	September 1, 2006 (71 FR 52063)	BGH	0.73

On July 17, 2007, Commerce published the final results of the new shipper review on imports of stainless steel bar from Germany manufactured by Schmiedewerke Groditz GmbH (“SWG”), determining that the dumping margin for the period examined (March 1, 2005 through February 28, 2006) is 0.00 percent.<sup>9</sup> Also, effective October 26, 2007, Commerce initiated a new shipper review of the German firm Flanschenwerk Bebitz GmbH.<sup>10</sup>

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<sup>9</sup> 72 FR 39059 (July 17, 2007).

<sup>10</sup> 72 FR 60807 (October 26, 2007).

## Italy

Since the original investigations, Commerce has conducted three administrative reviews of the antidumping duty order on stainless steel bar from Italy, as shown in the following tabulation:

Period of review	Date results published	Exporter	Margins (percent ad valorem)
August 2, 2001 to February 28, 2003	June 14, 2004 (69 FR 32984)	Foroni Ugine Savoie-Imphy (Ugitech) <sup>1</sup>	4.03 33.00 <sup>2</sup>
March 1, 2003 to February 29, 2004	August 10, 2005 (70 FR 46480)	Ugitech <sup>1</sup>	(²)
March 1, 2004 to February 28, 2005	March 2, 2006 (71 FR 10648)	Ugitech <sup>1</sup>	(²)

<sup>1</sup> Ugitech refers to Ugitech Srl in Borromeo, Italy.  
<sup>2</sup> Commerce concluded that Ugitech did not make shipments to the United States during the period of review and rescinded the administrative review.

## Korea

Commerce has not conducted any administrative reviews of the antidumping duty order on stainless steel bar from Korea since the imposition of the order in 2002.

## The United Kingdom

Since the original investigations, Commerce has conducted two administrative reviews of the antidumping duty order on stainless steel bar from the United Kingdom, as shown in the following tabulation:

Period of review	Date results published	Exporter	Margins (percent ad valorem)
August 2, 2001 to February 28, 2003	March 4, 2004 (69 FR 10204)	Firth Rixson	125.77
March 1, 2005 to February 28, 2006	August 6, 2007 (72 FR 43598)	Enpar Special Alloys Ltd. (formerly Firth Rixson)	34.35

## 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 are distributed on an annual basis by Customs to “affected domestic producers.”<sup>11</sup> Among the orders imposed on stainless steel bar in these reviews, the antidumping duty order from Italy generated the majority of the revenue. Since enactment of the CDSOA, the following

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<sup>11</sup> 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.

U.S. producers of stainless steel bar have received the following disbursements during Federal fiscal years 2001-06:

Firm/source	2001	2002	2003	2004	2005	2006	Total	Share of total	
<b>By firm:</b>									
	<b>U.S. dollars (actual)</b>							<b>(Percent)</b>	
Carpenter	0	0	19,841	448,328	2,142,624	3,473,806	6,084,600	72.8	
Crucible	0	0	3,641	281,796	601,830	692,252	1,579,519	18.9	
Electralloy	0	0	472	34,601	86,459	89,406	210,938	2.5	
Slater	0	0	11,267	0	0	0	11,267	0.1	
Universal Stainless	0	11,891	1,387	77,357	167,774	218,806	477,214	5.7	
<b>By country:</b>									
France	0	0	11,833	267,779	206,959	0	486,571	5.8	
Germany	0	0	11,130	0	756,905	1,200,712	1,968,747	23.5	
Italy (AD)	0	11,890	10,923	136,915	1,567,845	2,935,733	4,663,307	55.8	
Italy (CVD)	0	1	1	2,073	126	26,980	29,181	0.3	
Korea	0	0	0	155,543	127,746	31,629	314,918	3.8	
United Kingdom	0	0	2,721	279,771	339,108	279,215	900,815	10.8	
Total	0	11,891	36,607	842,081	2,998,689	4,474,270	8,363,538	100.0	
Source: Compiled from Customs CDSOA Annual Reports at <a href="http://www.cbp.gov/xp/cgov/import/add-cvd/">www.cbp.gov/xp/cgov/import/add-cvd/</a> , retrieved on September 17, 2007.									

## THE SUBJECT PRODUCT

### Scope of the Orders

The scope definition for the imported product subject to the antidumping and countervailing duty orders under review, as defined by Commerce, is as follows:

For purposes of these reviews, the term “stainless steel bar” includes articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled, or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. Stainless steel bar includes cold-finished stainless steel bars that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the scope does not include stainless steel semi-finished products, cut length flat-rolled products (i.e., cut length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least

twice the thickness), products that have been cut from stainless steel sheet, strip or plate, wire (i.e., cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definitions of flat-rolled products), and angles, shapes and sections.<sup>12</sup>

The stainless steel bar subject to these reviews is currently classifiable under subheadings {statistical reporting numbers} 7222.11.0005, 7222.11.0050, 7222.19.0005, 7222.19.0050, 7222.20.0005, 7222.20.0045, 7222.20.0075, and 7222.30.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these reviews is dispositive.

### Physical Characteristics and Uses<sup>13</sup>

Stainless steel bars are articles of stainless steel<sup>14</sup> in straight lengths having a uniform solid cross section along their whole length, in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, or other convex polygons. The subject product includes stainless steel concrete reinforcing bar, which has indentations, ribs, grooves, or other deformations produced during the rolling process.<sup>15</sup>

Stainless steel bar is used to produce a wide variety of products for use where its corrosion resistance, heat resistance, and/or appearance are desired. Applications include, but are not limited to, the automotive industry; the aerospace industry; chemical and petrochemical processing equipment; dairy, food processing, and pharmaceutical equipment; marine applications such as shafts and propellers; pumps and connectors for fluid handling systems; and medical products.<sup>16</sup> Stainless steel concrete reinforcing bar is used in highly corrosive environments such as bridges and highway systems where road salts are used for ice control. Stainless steel concrete reinforcing bar is also used where nonmagnetic reinforcing bars are needed, such as for certain military applications.

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<sup>12</sup> In addition, the scope of the antidumping duty order on stainless steel bar from the United Kingdom now excludes grade SAF 2507 stainless steel bar. SAF 2507 is cold-worked and finished Super Duplex stainless steel bar material having either a round or hexagonal cross section, conforming to UNS S32750, having a minimum elevated tensile strength in excess of 140 KSI, and a PRE (pitting resistant equivalent) value of 42.5 minimum, supplied in straight bar lengths. SAF 2507 grade stainless steel bar is currently imported under HTSUS subheadings {statistical reporting numbers} 7222.20.0045 and 7222.20.0075. According to Commerce's notice, Commerce stated that the action was taken because SAF 2507 bar from the United Kingdom "is no longer of interest to the Domestic Industry." 72 FR 65706, November 23, 2007.

<sup>13</sup> The information in this section of the report is derived from *Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom, Inv. No. 731-TA-413 (Final) and 731-TA-913-916 and 918 (Final)*, USITC Publication 3488, February 2002; and *Stainless Steel Bar from Brazil, India, Japan, and Spain, Inv. Nos. 731-TA-678, 679, 681, and 682 (Second Review)*, USITC Publication 3895, December 2006.

<sup>14</sup> Stainless steel is defined by note 1(e) to chapter 72 of the HTS as alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. Stainless steel is distinguished from carbon steel and alloy steels chiefly by its superior resistance to corrosion, which is achieved through the addition of chromium. Stainless steel is produced in many grades, each containing a different combination of chemical elements. In addition to chromium, other alloying elements commonly used in stainless steel include nickel, molybdenum, and manganese, which are added based on the desired physical and mechanical properties of the end-use product.

<sup>15</sup> *Stainless Steel Bar from Brazil, India, Japan, and Spain, Inv. Nos. 731-TA-678, 679, 681, and 682 (Second Review)*, USITC Publication 3895, December 2006, p. I-15.

<sup>16</sup> *Ibid.*

Bar is distinguished from rod and wire in that bar is cut in straight lengths as opposed to being coiled. However, small-diameter bar can be produced from rod or wire by the processes of straightening and cutting-to-length. Although there are no dimensional limitations of the subject product specified in the scope, round bar is generally available from about 0.032 inch (1/32 inch (0.8128 mm)) through 25 inches (635 mm) in diameter. Flat (rectangular) bar is available in thicknesses from about 0.125 inch (3.175 mm) through about 10 inches (254 mm). Square, octagonal, and hexagonal bar is available as cold-drawn bar in sizes from about 0.125 inch (3.175 mm) up to about 3 inches (76.2 mm).

Stainless steel bar is available in several finishes: (a) scale not removed (excluding spot conditioning); (b) rough turned, in which the skin of the bar is removed as the bar rotates in a process similar to that of a lathe; (c) pickled (bathed in an acid solution) or blast cleaned (shot with a solution or steel pellets) to remove surface imperfections; (d) cold-drawn or cold-rolled to reduce bar diameter and to achieve closer dimensional tolerances; (e) centerless ground; and (f) polished (polished on rolls).<sup>17</sup> Product produced to finishes (a), (b), or (c) is considered to be “hot-finished.” However, because the corrosion-resistant property of stainless steel is derived from descaling the product in some manner, the only potential uses for product in condition (a) would be for further processing into one of the other finishes, or for reheating and forging into a nonsubject product. Product produced to finishes (d), (e), or (f) is considered to be “cold-finished” and has a smoother surface finish and closer dimensional tolerance than does hot-finished stainless steel bar.<sup>18</sup>

As a practical matter, all stainless steel bar is descaled in some manner. Hot-finished product is mostly limited to large diameter (over about 8 inches (203.2 mm)) bar, which is usually rough-turned, and to flats and reinforcing bar, which are blasted and/or pickled to remove surface imperfections. Most domestically produced hot-finished stainless steel bar is an intermediate product that is captively consumed in integrated manufacturing operations to produce cold-finished stainless steel bar. Hot-finished stainless steel bar which is sold on the open market is used for applications where surface appearance is not critical or where the cold-finishing steps will be performed by end users during downstream fabrication processing.

## **Manufacturing Processes**

The material inputs for the production of stainless steel bars are semifinished stainless steel billets. Most manufacturers of stainless steel bars follow an integrated production process that consists of three stages: (1) melting and casting; (2) hot-forming; and (3) finishing. Some manufacturers purchase stainless steel billets on the open market for transformation into bar.

### **Melting and Casting**

The melting of stainless steel takes place in an electric-arc furnace (“EAF”). Raw materials that are charged in the EAF for melting include stainless steel scrap, carbon steel scrap, and alloy materials. Nickel, chromium, and molybdenum alloys, as well as stainless steel scrap, are the most important cost elements among the raw materials. The cost of nickel is the most important element for those grades, called nickel-chromium grades, that contain high amounts of nickel.<sup>19</sup> For the grades (called straight

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<sup>17</sup> Finishes (b), (e), and (f) are applicable only to round bars.

<sup>18</sup> *Stainless Steel Bar from Brazil, India, Japan, and Spain, Inv. Nos. 731-TA-678, 679, and 682 (Second Review)*, USITC Publication 3895, December 2006, p. I-16.

<sup>19</sup> An example of a nickel-chromium grade is type 316, which contains 18 percent chromium, 8 percent nickel, and 2 percent molybdenum.

chromium grades) that do not contain high amounts of nickel, the cost of the chromium is most significant.<sup>20</sup> The price of stainless steel scrap is highly influenced by the prices of nickel and chromium.

After melting, the molten steel is refined in an argon-oxygen-decarburization (“AOD”) vessel, in which the carbon content is reduced to very low levels, and final additions of alloys are made. The steel is then either continuous cast into billets or cast into ingots in cast iron ingot molds. Ingots are reheated and rolled into billets on a primary rolling mill. Once the steel is cast, its essential chemical characteristics are fixed.

Several special melting methods are used to produce stainless steel of higher purity or lower nonmetallic inclusion content than conventional electric-arc furnace product when the demands of the application justify the added costs. These methods include melting under vacuum (vacuum induction melting (“VIM”), electron beam melting, or vacuum arc remelting (“VAR”)) or under a blanket of molten slag (electroslag remelting (“ESR”)).

## **Hot Forming**

Billets are reheated to over 2,000 degrees Fahrenheit and hot rolled on a multistand bar mill. Depending on the bar diameter of the final size to be produced, the product of each billet may be cut to length and discharged from the bar mill in straight lengths for larger diameters, or formed into a coil and discharged from the mill in that form (known as wire rod) for smaller diameters. Depending on the capabilities of each mill and its finishing equipment, product smaller than about 1 inch in diameter is coiled, and larger product is discharged in straight lengths. The bar mills have rolls with grooves that form the desired shapes. Successive passes through the mill stands which contain grooved rolls progressively change the bar to the desired shape. When producing stainless steel concrete reinforcing bar, rolls in the final mill have special patterns in the grooves to form the ridges or deformations on the surface of the bars. The bar mills may also be used to produce nonsubject product such as stainless steel angle and wire rod, as well as products of other (non-stainless steel) alloys.

While most stainless steel bar is hot-formed by hot rolling on a bar mill, other methods of hot forming may be used to produce special sizes that may be too large to roll, or to form certain high-strength stainless steel grades that are difficult to roll. Large diameter rounds and large flat bars may be forged directly from an ingot or from a continuous cast billet on a forging press. Forging may be performed on either a forging press or a rotary forge. In a forging press, the steel is pressed repeatedly between a moving die and a fixed die, while the material is held in place by a manipulating machine. The steel is advanced and rotated to be gradually formed into the desired shape. In a rotary forge, four hammers set at 90 degree angles simultaneously strike the steel. The steel is held by a manipulating machine while the forging machine rapidly and repeatedly strikes the steel with blows alternating between the two pairs of opposed hammers.

Regardless of the hot-forming method chosen, the hot-formed product, termed “black bar,” has a tight, dark oxide scale on the surface that must be removed for the steel to have the corrosion resistance of stainless steel. Hot-finished bar is transformed by several different finishing operations, which are discussed below.

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<sup>20</sup> An example of a straight chromium grade is type 430, which contains 16 to 18 percent chromium and no nickel.

## Finishing

Flat bars, concrete reinforcing bars, and large hexagons are finished by descaling and straightening. The descaling is a combination of grit blasting and pickling (dipping in an acid solution) to remove the scale. Large diameter round bars are straightened and rough turned or peeled to remove surface scale. These products are considered to be hot-finished.

Round bars are cold finished by either bar-to-bar processing or coil-to-bar processing, depending upon the diameter. Bar-to-bar processing, used for bar larger than about 1 inch in diameter, consists of straightening, turning, and either planishing<sup>21</sup> and centerless grinding or belt polishing to yield a bright finish and close dimensional tolerance. Coil-to-bar processing includes straightening the product and cutting to length, followed by turning, planishing, centerless grinding, or polishing. To produce round bars smaller than those that can be rolled, coiled product is descaled by blasting or pickling and cold drawn through dies to reduce the bar diameter, followed by straightening, cutting to length, and centerless grinding, or polishing. Hexagonal and square bars are often cold drawn in cut lengths, as are round bars in some cases.

Product that is either cold drawn or centerless ground or polished is called cold-finished and has a bright, smooth surface finish and close dimensional tolerance, as well as improved mechanical properties. Some grades of stainless steel require annealing before cold finishing. In addition, some stainless steel bar products are sold in a hardened and tempered condition, which requires special heat-treatment.

## DOMESTIC LIKE PRODUCT ISSUES

This section presents information related to the Commission's "domestic like product" determination.<sup>22</sup> In its original determinations, the Commission found the appropriate domestic like product to be all stainless steel bar, corresponding to Commerce's scope definition. The only principal domestic like product issue explored in the original investigations was whether (1) medical bar and (2) "special quality oil field equipment bar" ("oil field bar") constituted separate domestic like products. The Commission, after conducting a domestic like product analysis based on the relevant criteria for domestic like product considerations, concluded that there existed no clear dividing line between medical bar, oil field bar, and other forms of stainless steel bar and, thus, determined that all stainless steel bar constituted one domestic like product.<sup>23 24</sup>

In their submissions to the Commission in the course of these reviews, the domestic interested parties stated that they support the Commission's definition of the domestic like product made in the

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<sup>21</sup> Planishing is the smoothing of the surface by rolling with polished rolls. The resulting product is referred to as "smooth-turned."

<sup>22</sup> The Commission's decision regarding the appropriate domestic products that are "like" the subject imported products is based on a number of factors including (1) physical characteristics and uses; (2) common manufacturing facilities, production process, and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and where appropriate, (6) price.

<sup>23</sup> For a full discussion, *see*, Views of the Commission, *Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom*, Inv. No. 701-TA-413 (Final) and Inv. Nos. 731-TA-913-916 and 918 (Final), USITC Publication 3488, February 2002, pp. 5-8.

<sup>24</sup> The Commission also examined whether ultra-low sulfur bar should be a separate domestic like product and concluded that it was not. *Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom*, Inv. No. 701-TA-413 (Final) and Inv. Nos. 731-TA-913-916 and 918 (Final), USITC Publication 3488, February 2002, pp. 5-8.

original investigations.<sup>25</sup> The respondent interested parties have not raised any issues regarding the domestic like product.<sup>26</sup>

## U.S. MARKET PARTICIPANTS

### U.S. Producers

The Commission sent producers' questionnaires to 15 firms believed to be U.S. producers of stainless steel bar. All 15 firms responded, with nine firms confirming that they produce stainless steel bar: (1) ATI Allvac ("Allvac"); (2) Carpenter Technology Corp. ("Carpenter"); (3) Crucible Specialty Metals ("Crucible"); (4) Dunkirk Specialty Steel ("Dunkirk"); (5) Electralloy Corp. ("Electralloy"); (6) Latrobe Specialty Steels ("Latrobe"); (7) North American Stainless ("NAS"); (8) Outokumpu Stainless Bar, Inc. ("Outokumpu"); and (9) Valbruna Slater Stainless, Inc. ("Slater").<sup>27</sup> Table I-3 presents the list of responding U.S. producers of stainless steel bar with each company's U.S. production location, share of reported U.S. production in 2006, and position on the continuation of the antidumping and countervailing duty orders.

Since the Commission's original investigations, the U.S. industry has experienced consolidation and the exit of a number of U.S. producers of stainless steel bar along with the entrance of two new U.S. producers. During the Commission's original investigation, there were 13 U.S. producers of stainless steel bar. These companies were: (1) Allvac; (2) Avesta; (3) Carpenter; (4) Crucible; (5) Electralloy; (6) Empire/AL Tech; (7) Hi Specialty;<sup>28</sup> (8) Industrial Alloys;<sup>29</sup> (9) Handy & Harman; (10) Republic; (11) Slater; (12) Talley; and (13) Universal.<sup>30</sup>

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<sup>25</sup> Domestic interested parties' response to the notice of institution, pp. 15-16.

<sup>26</sup> Responses to the notice of institution by the following parties: Corus, p. 10; Enpar, p. 6; Sandvik Bioline, p. 6; SWG, p. 6; and pp. 7 or 8 of Ugitech's various submissions.

<sup>27</sup> Allvac reported that \*\*\*. Six firms certified that they are not producers of stainless steel bar: \*\*\*.

<sup>28</sup> Hi Specialty \*\*\*. In 1999, Hi Specialty accounted for \*\*\* of reported production, and \*\*\* short tons of U.S. shipments of cold-finished bar in 1999. Current production share relative to major producers of SSB is therefore likely minimal. See <http://www.hispecialty.com>.

<sup>29</sup> Industrial Alloys of Walnut, CA is 100-percent owned by Fundamental Management of Pomona, CA. It is currently owned by TI Wire (formed by the merger in 2005 of Advance Wire Technology and Industrial Wire Products, both of which were subsidiaries of Tree Island Industries). TI Wire is a subsidiary of Tree Island Industries, based in Richmond, British Columbia. Industrial Alloys appears to be predominantly a wire and wire rod producer. See <http://www.industrialalloys.com>.

<sup>30</sup> Universal merged with Dunkirk in 2002. All of Universal's production of stainless steel bar is accounted for in Dunkirk's producer questionnaire responses.



**Table I-3**

**Stainless steel bar: U.S. producers, U.S. production locations, shares of reported U.S. production in 2006, and positions on the continuation of the antidumping and countervailing duty orders**

Firm	Production location	Share of production (percent)	Position on continuation of the orders				
			France	Germany	Italy	Korea	United Kingdom
Allvac <sup>1</sup>	Monroe, NC	*** <sup>2</sup>	***	***	***	***	***
Carpenter <sup>3</sup>	Reading, PA	***	***	***	***	***	***
Crucible	Syracuse, NY	***	***	***	***	***	***
Dunkirk <sup>4</sup>	Dunkirk, NY	***	***	***	***	***	***
Electralloy <sup>5</sup>	Oil City, PA	***	***	***	***	***	***
Latrobe	Latrobe, PA	*** <sup>6</sup>	***	***	***	***	***
NAS <sup>7</sup>	Ghent, KY	***	***	***	***	***	***
Outokumpu <sup>8,9</sup>	Richburg, SC	***	***	***	***	***	***
Slater <sup>10</sup>	Fort Wayne, IN	***	***	***	***	***	***

<sup>1</sup> Allvac is wholly owned by Allegheny Technologies, Inc. of Pittsburgh, PA.

<sup>2</sup> \*\*\*.

<sup>3</sup> Carpenter is wholly owned by Shalmet Corp. of Orwigsburg, PA.

<sup>4</sup> Dunkirk Specialty Steel is wholly owned by Universal Stainless & Alloy Products, Inc (“Universal”). Universal purchased Dunkirk in February 2002.

<sup>5</sup> Electralloy is wholly owned by G.O. Carlson, Inc. of Dowingtown, PA.

<sup>6</sup> Latrobe stated that \*\*\*. Latrobe’s producer questionnaire, section II-8.

<sup>7</sup> North American Stainless is a wholly owned subsidiary of Acerinox, S.A. of Madrid, Spain.

<sup>8</sup> Outokumpu is a wholly owned subsidiary of Outokumpu Stainless, Inc. of Schaumburg, IL, which in turn is owned by Outokumpu Stainless AB of Degerfors, Sweden.

<sup>9</sup> Outokumpu \*\*\*. Outokumpu’s producer questionnaire, section I-3.

<sup>10</sup> Slater is a wholly owned subsidiary of Valbruna Stainless, Inc. of Fort Wayne, IN, which in turn is owned by Acciaierie Valbruna SpA of Vicenza, Italy.

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

In 2001, Avesta merged and became part of Outokumpu. In 1997, Empire/AL Tech filed for bankruptcy and in 1999, its assets were liquidated, and its production facility in Dunkirk, NY, was purchased by Universal Stainless and Alloy in 2002. In 2000, Republic closed its stainless steel bar production facilities. In 2003, Slater filed for bankruptcy. In 2004, Acciaierie Valbruna, S.p.A. of Vicenza, Italy purchased Slater’s stainless steel production facility in Fort Wayne, IN and resumed production, albeit at a reduced volume. In 1998, Carpenter purchased Talley, and Talley is presently a wholly owned subsidiary of Carpenter. Handy & Harman was a stainless steel wire re-draw mill, and manufactured \*\*\*. In 2002, Handy & Harman closed its stainless steel wire plant and in 2005 closed its specialty wire unit. Handy & Harman no longer produces stainless steel bar. In 2003, NAS constructed and began production of stainless steel bar at its Ghent, KY production facility. In June 2007, Ugitech USA, a subsidiary of Ugitech SA of France and Ugitech Srl of Italy, in turn wholly owned by Schmolz & Bickenbach of Germany, began production of cold-finished stainless steel bar at its newly constructed production facility in Batavia, IL.<sup>31</sup>

<sup>31</sup> \*\*\*.

## U.S. Importers

The Commission sent importer questionnaires to 60 firms believed to be importers of stainless steel bar from subject and nonsubject countries, as well as to all U.S. producers.<sup>32</sup> Questionnaire responses containing usable data were received from 21 importers.<sup>33</sup> Ten companies reported that they did not import stainless steel bar during the review period.<sup>34</sup> Table I-4 presents the responding U.S. importers of stainless steel bar, their locations, and imports, by source, of stainless steel bar in 2006.

**Table I-4**

**Stainless steel bar: Reported U.S. imports, by importer and by source of imports, 2006**

\* \* \* \* \*

## U.S. Purchasers

The staff sent purchaser questionnaires to 48 firms that were believed to have purchased stainless steel bar since January 1, 2001. Fifteen of these firms submitted questionnaires to the Commission, and one firm reported that it had not purchased stainless steel bar.

## APPARENT U.S. CONSUMPTION, MARKET SHARES, AND RATIOS OF IMPORTS TO U.S. PRODUCTION

Apparent U.S. consumption for stainless steel bar increased from 2001 to 2006, and was higher in interim 2007 than in interim 2006. Table I-5 presents apparent U.S. consumption for stainless steel bar.

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<sup>32</sup> The Commission sent questionnaires to those firms identified in the original investigations, along with firms that, based on a review of proprietary data provided by Customs, may have imported stainless steel bar since 2000.

<sup>33</sup> \*\*\* did not provide data in their importer questionnaire responses. \*\*\*.

<sup>34</sup> These companies are: \*\*\*.

Table I-5

**Stainless steel bar: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2001-06, January-June 2006, and January-June 2007**

Item	2001	2002	2003	2004	2005	2006	January-June	
							2006	2007
<b>Quantity (short tons)</b>								
U.S. producers' U.S. shipments	135,990	130,000	140,365	163,305	171,163	176,583	87,583	91,459
U.S. imports from--								
France	6,694	5,628	4,357	7,477	6,737	8,453	4,272	3,970
Germany	9,835	5,235	3,145	7,069	9,895	10,863	5,351	6,712
Italy	***	***	***	***	***	***	***	***
Korea	6,472	1,820	708	490	1,381	191	49	111
United Kingdom	6,325	2,769	2,279	3,067	2,921	3,306	1,659	2,606
Subtotal, subject imports	***	***	***	***	***	***	***	***
Italy, nonsubject	***	***	***	***	***	***	***	***
All other nonsubject	***	***	***	***	***	***	***	***
Total U.S. imports	101,424	85,067	67,993	83,666	124,496	120,491	54,996	65,049
Apparent U.S. consumption	237,414	215,067	208,358	246,971	295,659	297,074	142,579	156,508
<b>Value (\$1,000)</b>								
U.S. producers' U.S. shipments	463,899	390,628	406,358	595,035	756,104	866,695	363,041	594,515
U.S. imports from--								
France	17,853	14,732	11,316	26,425	27,212	32,234	14,482	18,802
Germany	23,798	13,636	8,493	19,651	29,524	38,129	16,827	25,836
Italy	***	***	***	***	***	***	***	***
Korea	12,859	3,156	1,641	1,373	5,050	662	160	522
United Kingdom	17,388	7,238	5,775	9,372	14,310	16,492	8,505	12,592
Subtotal, subject imports	***	***	***	***	***	***	***	***
Italy, nonsubject	***	***	***	***	***	***	***	***
All other nonsubject	***	***	***	***	***	***	***	***
Total imports	242,835	193,725	156,050	247,412	458,037	478,640	203,106	320,928
Apparent U.S. consumption	706,734	584,353	562,408	842,447	1,214,141	1,345,335	566,147	915,443
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.								

U.S. producers' market share for stainless steel bar fluctuated during the period for which data were collected, resulting in an overall increase of 2.1 percentage points from 2001 to 2006. Table I-6 presents U.S. market shares for stainless steel bar.

**Table I-6**  
**Stainless steel bar: U.S. market shares, 2001-06, January-June 2006, and January-June 2007**

Item	2001	2002	2003	2004	2005	2006	January-June	
							2006	2007
<b>Quantity (short tons)</b>								
Apparent U.S. consumption	237,414	215,067	208,358	246,971	295,659	297,074	142,579	156,508
<b>Value (1,000 dollars)</b>								
Apparent U.S. consumption	706,734	584,353	562,408	842,447	1,214,141	1,345,335	566,147	915,443
<b>Share of quantity (percent)</b>								
U.S. producers' U.S. shipments	57.3	60.4	67.4	66.1	57.9	59.4	61.4	58.4
U.S. imports from--								
France	2.8	2.6	2.1	3.0	2.3	2.8	3.0	2.5
Germany	4.1	2.4	1.5	2.9	3.3	3.7	3.8	4.3
Italy <sup>1</sup>	***	***	***	***	***	***	***	***
Korea	2.7	0.8	0.3	0.2	0.5	0.1	0.0	0.1
United Kingdom	2.7	1.3	1.1	1.2	1.0	1.1	1.2	1.7
Subtotal, subject imports	***	***	***	***	***	***	***	***
Italy, nonsubject	***	***	***	***	***	***	***	***
All other nonsubject	***	***	***	***	***	***	***	***
Total	42.7	39.6	32.6	33.9	42.1	40.6	38.6	41.6
<b>Share of value (percent)</b>								
U.S. producers' U.S. shipments	65.6	66.8	72.3	70.6	62.3	64.4	64.1	64.9
U.S. imports from--								
France	2.5	2.5	2.0	3.1	2.2	2.4	2.6	2.1
Germany	3.4	2.3	1.5	2.3	2.4	2.8	3.0	2.8
Italy <sup>1</sup>	***	***	***	***	***	***	***	***
Korea	1.8	0.5	0.3	0.2	0.4	0.0	0.0	0.1
United Kingdom	2.5	1.2	1.0	1.1	1.2	1.2	1.5	1.4
Subtotal, subject imports	***	***	***	***	***	***	***	***
Italy, nonsubject	***	***	***	***	***	***	***	***
All other nonsubject	***	***	***	***	***	***	***	***
Total	34.4	33.2	27.7	29.4	37.7	35.6	35.9	35.1
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.								

Information on the ratios of imports to U.S. production of stainless steel bar is presented in table I-7.

**Table I-7**  
**Stainless steel bar: U.S. production and ratio of imports to U.S. production, 2001-06, January-June 2006, and January-June 2007**

Item	2001	2002	2003	2004	2005	2006	January-June	
							2006	2007
<b>Quantity (short tons)</b>								
U.S. production	137,299	136,539	148,078	174,117	183,925	192,168	92,871	102,147
U.S. imports from--								
France	6,694	5,628	4,357	7,477	6,737	8,453	4,272	3,970
Germany	9,835	5,235	3,145	7,069	9,895	10,863	5,351	6,712
Italy	***	***	***	***	***	***	***	***
Korea	6,472	1,820	708	490	1,381	191	49	111
United Kingdom	6,325	2,769	2,279	3,067	2,921	3,306	1,659	2,606
Total, subject imports	***	***	***	***	***	***	***	***
Italy, nonsubject	***	***	***	***	***	***	***	***
All other nonsubject	***	***	***	***	***	***	***	***
Total	101,424	85,067	67,993	83,666	124,496	120,491	54,996	65,049
<b>Ratio of imports to U.S. production (percent)</b>								
France	4.9	4.1	2.9	4.3	3.7	4.4	4.6	3.9
Germany	7.2	3.8	2.1	4.1	5.4	5.7	5.8	6.6
Italy	***	***	***	***	***	***	***	***
Korea	4.7	1.3	0.5	0.3	0.8	0.1	0.1	0.1
United Kingdom	4.6	2.0	1.5	1.8	1.6	1.7	1.8	2.6
Total, subject imports	***	***	***	***	***	***	***	***
Italy, nonsubject	***	***	***	***	***	***	***	***
All other nonsubject	***	***	***	***	***	***	***	***
Total	73.9	62.3	45.9	48.1	67.7	62.7	59.2	63.7
Source: Compiled from data submitted in response to Commission questionnaires, from official Commerce statistics, and proprietary Customs data.								



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

Stainless steel bar is used in a wide variety of industrial and specialized sectors including automotive, aerospace, oil and energy, and dairy and food processing. As a result of such wide-spread usage, the market for stainless steel bar is determined in large part by the level of general economic activity. When asked whether stainless steel bar is subject to business cycles, 4 of 14 purchasers answered “yes” and the other purchasers answered “no” or indicated that they did not know. Of the purchasers that answered yes, none had a detailed description of a business cycle relating to stainless steel bar. One purchaser stated that the stainless steel bar market slightly lags the general business cycle.

### **CHANNELS OF DISTRIBUTION**

Stainless steel bar is commonly sold to both distributors and end users. During 2001-06 and January-June 2007, U.S. producers’ shipments and shipments of imports from \*\*\* and nonsubject sources went predominately to distributors throughout the period (table II-1). In the case of \*\*\*, shipments went predominately to end users from 2001 through 2005, and then shifted predominately to distributors during 2006 and January-June 2007. In the case of \*\*\*, the largest share of shipments has consistently gone to end users from 2005 onward. Breakouts of shipments between producers and importers are not available for Korea.

All eight of the responding U.S. producers reported that they sell stainless steel bar nationally, and 9 of 18 responding importers also reported that they sell nationally.<sup>1</sup> The other importers reported that they are focused on one or more specific regions including the Northeast, the Midwest, the Southwest, the West Coast, and states in the Gulf Coast region.

### **SUPPLY AND DEMAND CONSIDERATIONS**

#### **U.S. Supply**

##### **Domestic Industry**

Domestic supply responsiveness depends upon such factors as the level of industry capacity utilization, the level of inventories, the availability of export markets, and the flexibility of shifting production equipment to other products.

The available data in these reviews suggest that the stainless steel bar industry is likely to have a high degree of flexibility in expanding output and U.S. shipments in response to an increase in price. The main factors contributing to this degree of supply responsiveness are low industry capacity utilization rates and high ratios of inventories to shipments. U.S. producers’ reported annual capacity utilization rates ranged from a low of 50.6 percent in 2003 to a high of 57.7 percent in 2001. The ratio of U.S. producers’ end-of-year inventories to their total shipments ranged from a high of \*\*\* percent in 2002 to a low of 10.1 percent in 2004. During January-June 2007, the ratio was 11.3 percent. U.S. producers’ export shipments, as a percentage of total shipments, ranged from a low of \*\*\* percent in 2001 to a high of 6.7 percent in 2006. When producers were asked how easy it would be to shift sales of stainless steel bar from the U.S. market to alternate country markets, four of six responding firms reported that such a shift would not be feasible for reasons such as limited resources. Of the other two firms, one stated that it does have a limited access to the world in the form of selling and distribution resources. However, it also reported that prices in the rest of the world are lower than in the United States. The other firm reported that it could shift to other country markets if such a shift were required.

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<sup>1</sup> One firm, which imports from the United Kingdom and nonsubject sources, reported that all of its imports are shipped to \*\*\* where they can then be sent anywhere in the world.

Table II-1

**Stainless steel bar: Channels of distribution for domestic product and imports sold in the U.S. market, by source, 2001-06, January-June 2006, and January-June 2007**

Item	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
	<b>Share of total quantity (percent)</b>							
<b><i>U.S. producers' U.S. shipments of stainless steel bar:</i></b>								
Distributors	62.9	68.0	70.1	67.9	67.4	67.6	67.2	66.7
End users	37.1	32.0	29.9	32.1	32.6	32.4	32.8	33.3
<b><i>U.S. shipments of stainless steel bar from France:</i></b>								
Distributors	***	***	***	***	***	***	***	***
End users	***	***	***	***	***	***	***	***
<b><i>U.S. shipments of stainless steel bar from Germany:</i></b>								
Distributors	***	***	***	***	***	***	***	***
End users	***	***	***	***	***	***	***	***
<b><i>U.S. shipments of stainless steel bar from Italy:</i></b>								
Distributors	***	***	***	***	***	***	***	***
End users	***	***	***	***	***	***	***	***
<b><i>U.S. shipments of stainless steel bar from Korea:</i></b>								
Distributors	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
End users	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
<b><i>U.S. shipments of stainless steel bar from The United Kingdom:</i></b>								
Distributors	***	***	***	***	***	***	***	***
End users	***	***	***	***	***	***	***	***
<b><i>U.S. shipments of stainless steel bar from all other sources:</i></b>								
Distributors	96.9	95.9	97.7	97.7	96.1	97.1	94.6	97.6
End users	3.1	4.1	2.3	2.3	3.9	2.9	5.4	2.4
<sup>1</sup> Breakouts of Korea's shipment data between distributors and end users are not available.								
Source: Compiled from data submitted in response to Commission questionnaires.								



When asked whether other products have been produced on the equipment used to make stainless steel bar since 2002, seven of the eight responding U.S. producers answered “yes.” The other products included nickel alloy bar, stainless steel tool steel and stainless steel wire rod, and special high temperature alloy steel bar.

### **Subject Import Supply**

The ability of stainless steel bar producers in France, Germany, Italy, Korea, and the United Kingdom to increase or decrease shipments to the U.S. market depends upon such factors as capacity utilization rates, planned expansions in capacity, current inventory levels, current levels of both home market sales and exports to markets other than the United States, and the potential for the diversion of shipments to the United States. The data presented for producers in France, Germany, Italy and the United Kingdom are for all reporting producers in those countries (regardless of whether the producers are still subject to the antidumping or countervailing duty orders), as questionnaires were not received from a number of producers still subject to the orders.

#### ***France***

During the 2001-06 period, capacity utilization rates for reporting producers of stainless steel bar in France ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. During January-June 2007, the rate was \*\*\* percent. Capacity utilization is projected to be \*\*\* percent in 2007. There were \*\*\* reported inventories during any year in the period for which data were collected. \*\*\* France’s shipments go to other countries within the European Union. Shipments to the \*\*\* countries ranged from a low of \*\*\* percent of total shipments in \*\*\* to a high of \*\*\* percent in \*\*\*. \*\*\* shares of these shipments went to the French home market, the Asian market, and all other markets during 2001-06. Exports to the United States ranged from a low of \*\*\* percent of total shipments in \*\*\* to a high of \*\*\* percent in \*\*\*. These data suggest that French suppliers may have the potential to shift sales from \*\*\* and other markets to the United States.

#### ***Germany***

During the 2001-06 period, capacity utilization rates for reporting stainless steel bar producers in Germany ranged from a low of 87.8 percent in 2003 to a high of 97.2 percent in 2006. During January-June 2007, the rate was 100.3 percent. Capacity utilization is projected to be 96.9 percent in 2007. Inventories as a percent of total shipments ranged from a low of 11.8 percent in 2001 to a high of 31.9 percent in 2005. The majority of Germany’s shipments have been within its home market during this period. Home-market shipments ranged from a low of 50.1 percent of the total in 2006 to a high of 54.7 percent in 2003. The European Union is also an important market, consistently accounting for over 29 percent of German shipments during 2001-06. Much smaller shares of these shipments went to the Asian market and all other markets during 2001-06. Exports to the United States ranged from a low of 1.9 percent of total shipments in 2003 to a high of 6.5 percent in 2005. These data suggest that German suppliers may have the potential to shift sales from their home market and the European Union to the United States.

#### ***Italy***

During the 2001-06 period, capacity utilization rates in Italy for reporting stainless steel bar producers ranged from a low of 64.6 percent in 2002 to a high of 86.0 percent in 2006. During January-June 2007, the rate was 85.7 percent. Capacity utilization is projected to be 92.4 percent in 2007. Inventories as a percent of total shipments ranged from a low of 18.1 percent in 2006 to a high of 24.2

percent in 2003. The majority of Italian producers' shipments have been within its home market and to other countries within the European Union during this period. The combined home market and other European Union shipments consistently amounted to approximately 75 to 80 percent of Italy's annual shipments during each year of the 2001-06 period. Much smaller shares of these shipments went to all other markets during 2001-06. Exports to the United States ranged from a low of 5.2 percent of total shipments in 2003 to a high of 9.6 percent in 2005 and 2006. These data suggest that Italian suppliers may have the potential to shift sales from their home market and the European Union to the United States.

### ***Korea***

During the 2001-06 period, capacity utilization rates for the reporting producer of stainless steel bar in Korea ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. During January-June 2007, the rate was \*\*\* percent. Capacity utilization is projected to be \*\*\* percent in 2007. Inventories as a percent of total shipments ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. \*\*\* reported Korean shipments has been \*\*\* during this period. \*\*\* consistently amounted to over \*\*\* percent of Korea's annual shipments during each year of the 2001-06 period. During 2006, this combined total amounted to \*\*\* percent of total shipments. Exports to the United States ranged from a low of \*\*\* percent of total shipments in \*\*\* to a high of \*\*\* percent in \*\*\*. These data suggest that Korean suppliers may have the potential to shift sales from \*\*\* to the United States.

### ***United Kingdom***

During the 2001-06 period, capacity utilization rates for reporting stainless steel bar producers in the United Kingdom ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. During January-June 2007, the rate was \*\*\* percent. Inventories as a percent of total shipments ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. \*\*\* the United Kingdom's shipments have been \*\*\*. During 2001-06, home-market shipments ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. Most of the other shipments went to \*\*\* during this period. Exports to the United States ranged from a low of \*\*\* percent of total shipments in \*\*\* to a high of \*\*\* percent in \*\*\*. These data suggest that stainless steel bar producers in the United Kingdom may have enough excess capacity and potential for diverting shipments from other markets to expand exports to the United States.

## **U.S. Demand**

U.S. demand for stainless steel bar depends primarily on the level of demand for downstream products using stainless steel bar including cylinders, shafts, fittings, fasteners, and other parts used in a variety of industries including automotive, aerospace, dairy, food processing, energy, chemical, and others. Overall, U.S. demand for stainless steel bar, as measured by apparent consumption, increased irregularly during the 2001-06 period. It declined from 237,000 short tons in 2001 to 215,000 short tons in 2002 and decreased further to 208,000 short tons in 2003. It increased during the next three years, reaching 297,000 short tons in 2006. During January-June 2007, apparent consumption was 157,000 short tons as compared to 143,000 short tons in January-June 2006.

Producers, importers, and purchasers were all asked how demand for stainless steel bar in the United States had changed since 2001. Among six responding producers, four reported that demand had increased, one reported that it is unchanged, and one reported that it had decreased. For 19 responding importers, 14 reported that demand had increased, 4 reported that it was unchanged, and one reported that it had decreased. Among the 12 responding purchasers, 10 reported that demand had increased and two reported that it was unchanged. Firms that reported an increase in demand attributed the increase to a good general economy and growth in the oil and gas industries, the aerospace industry, and other sectors of the economy.

## Demand Outside the United States

Questionnaire respondents were asked how the demand for stainless steel bar outside of the United States had changed since 2002. All four of the U.S. producers that responded to the question reported that demand had increased. Of the 14 importers that responded, 11 reported that demand had increased, 2 reported that it was unchanged, and one reported that demand had decreased. Of the 10 purchasers that responded, all reported that demand had increased. Questionnaire respondents frequently attributed the growth in demand to a strong global economy since 2002. The rapid growth in India and China were frequently cited as contributing factors.

### Substitutes

When asked to list substitute products for stainless steel bar, the majority of all questionnaire respondents either indicated that there are no substitutes or reported that they were not aware of any substitutes. Ten of 15 purchasers, 17 of 20 importers, and 6 of 8 U.S. producers did not list any substitutes. Those substitutes mentioned included chromium plated carbon steel, carbon steel alloys, nickel alloys, titanium, aluminum, and plastic.

### Cost Share

Since most responding purchasers, U.S. producers, and importers of stainless steel bar are distributors or sell to distributors, they were unable to provide useful information regarding the share of end-use costs accounted for by stainless steel bar. One importer estimated that stainless steel bar may account for about 50 percent of seamless tubing, and one producer estimated that stainless steel bar makes up about 80 percent of the cost of end-use products such as fittings, components, and shafts. However, stainless steel bar, and the pieces made from that bar (e.g., fittings, shafts, etc.), are normally a small part of large industrial projects. When considering these projects, stainless steel bar likely makes up a very small share of the total cost.

## SUBSTITUTABILITY ISSUES

The degree of substitutability between domestic products and subject imports, between domestic products and nonsubject imports, between subject imports from different sources, and between subject and nonsubject imports is discussed in this section. The information is based mainly on questionnaire responses of producers, importers, and purchasers.

Of the 15 purchasers that submitted questionnaires, 8 are national distributors, 5 are regional distributors, one is a master distributor, and one is a manufacturer of fittings and valves. Fourteen of these firms purchased from U.S. producers during 2001-06.<sup>2</sup> In addition, 11 of these firms reported purchasing from one or more of the subject countries during the period. However, none reported any purchases of stainless steel bar from France during the period. Ten of the firms purchased from nonsubject sources. The combined value of purchases by 13 of the 15 firms is shown in table II-2.

**Table II-2**

**Stainless steel bar: Value of purchases (in thousands of dollars) from U.S. producers and import sources, as reported by responding U.S. purchasers, 2001-06**

\* \* \* \* \*

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<sup>2</sup> One purchaser that buys only from trading companies did not know the country of origin of the stainless steel bar that it purchases.

Purchasers were asked whether they had purchased stainless steel bar from any of the five subject countries before 2002, and also whether their purchasing pattern had changed since 2002. Of the 14 responding purchasers, 5 reported that they had not purchased from any of the subject countries prior to 2002.<sup>3</sup>

Those purchasers that did purchase from one or more of the subject countries prior to 2002 were asked whether they discontinued or reduced purchases from the subject countries because of the antidumping and countervailing duty orders or whether their purchasing patterns were changed or unchanged for other reasons. The responses were highly varied. In some cases, purchasers reported that the orders had a direct effect upon their purchasing pattern. One firm reported that it discontinued purchases from the United Kingdom, Korea, and Germany because of the orders. Another reported that it discontinued purchases from Korea and the United Kingdom because of the orders, but did not change its purchasing pattern for Germany and Italy. Another firm reported that it reduced purchases from Germany and Italy because of the orders. Another firm reported that it discontinued purchases from Korea and reduced purchases from Italy and the United Kingdom because of the orders, but increased purchases from Germany due to a high demand for oil field grades of stainless steel bar available from the German source.

Other purchasers reported that their purchasing patterns did not change or that they changed their pattern for reasons other than the antidumping and countervailing duty orders. One purchaser that bought imports from France and the United Kingdom prior to the orders reported that its purchasing pattern did not change. Another firm reported that purchases from the United Kingdom were not affected by the antidumping duty order. One firm that had purchased imports from Italy before the antidumping duty discontinued the purchases because the supplier was no longer competitive on price (this firm did not attribute the non-competitive price to the antidumping duty). Another firm that had been purchasing imports from Germany and Italy actually increased its purchases from those sources after the orders went into effect because its U.S. suppliers went out of business. One firm that had purchased from \*\*\* reported that it changed its purchasing pattern because of increased capacity that became available from a U.S. producer, North American Stainless.

Purchasers were also asked to report whether their purchasing patterns for nonsubject imports had changed since 2002, and the reason for the change. Nine purchasers either reported that they have never bought nonsubject imports or that their purchasing pattern for such imports did not change after the order went into effect. Two firms reported that they increased their purchase of nonsubject imports as a result of the orders. Three other firms reported that their purchasing patterns changed, but for reasons other than the orders.

When asked to rank the three most important factors involved in purchasing decisions, purchasers consistently chose quality and price as the most important factors (table II-3). Other purchasing considerations that ranked highly included availability and timely delivery.

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<sup>3</sup> One purchaser reported that it did not have the information needed to respond to the question.

**Table II-3**  
**Stainless steel bar: 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
Availability	1	3	3
Delivery	0	3	4
Price	4	6	5
Quality	9	1	3
Other <sup>1</sup>	1	2	0

<sup>1</sup> Other factors include approved supplier and product consistency.

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

In order to obtain more information on purchasing decisions, firms were asked whether these decisions are based mainly on price. Purchasers were instructed to answer “always,” “usually,” “sometimes,” or “never.” One purchaser reported always, six reported usually, and eight reported sometimes, and no purchasers selected “never.”

Purchasers were asked questions concerning the extent of “Buy American” considerations as a factor in their sales and purchases. Purchasers were asked to report separately the typical percentages of their purchases of domestic product that are subject by law or regulation to “Buy American” provisions, those that are not subject to law but are required by their customers to be from domestic sources, and those that are deliberately bought from domestic sources for other reasons. Twelve of the 15 responding purchasers reported that they buy some stainless steel bar from domestic producers for one or more of the three reasons. In the case of domestic purchases required by law, 3 firms reported that “Buy American” provisions apply to all or some of their purchases. One firm reported that 100 percent of its purchases are subject to these provisions and another reported that they apply to 50 percent of its purchases, while the other purchaser did not specify a percentage. For the other nine purchasers, “Buy American” policies apply in some cases as a result of preferences of these firms and/or their customers.

Purchasers were also asked to report whether the factors shown in table II-4 are “very important,” “somewhat important,” or “not important” in their purchasing decisions. The factors firms cited most often as “very important” were consistently meets specifications (15 firms), price (14 firms), product consistency (14 firms), and quality meets industry standards (14 firms). Availability, delivery time, and reliability of supply were also cited as “very important” by most purchasers.

**Table II-4**  
**Stainless steel bar: Importance of purchasing factors, as reported by U.S. purchasers**

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	11	4	0
Availability of specialty grades	8	6	1
Consistently meets specifications	15	0	0
Delivery terms	5	8	2
Delivery time	12	3	0
Discounts offered	2	11	1
Extension of credit	3	9	3
Investment by producers	1	7	7
Minimum quantity requirements	3	11	1
Packaging	4	10	1
Price	14	1	0
Product consistency	14	1	0
Quality meets industry standards	14	1	0
Quality exceeds industry standards	5	9	1
Product range	4	8	3
Reliability of supply	12	3	0
Technical support/service	8	6	1
Transportation network	0	12	3
U.S. transportation costs	2	10	3
Worldwide supply network	0	9	6

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

### **Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports**

To determine whether U.S.-produced stainless steel bar can generally be used in the same applications as imports from the subject and nonsubject countries, producers, importers, and purchasers were asked whether the product can “always,” “frequently,” “sometimes,” or “never” be used interchangeably. As shown in table II-5, a majority of questionnaire respondents reported that the products are always or frequently interchangeable. The responses also indicated that imports of stainless steel bar from the different subject countries are generally viewed as interchangeable with each other and with imports from nonsubject countries.

In addition to questions concerning interchangeability, producers and importers were also asked to compare U.S.-produced products with imports from each of the subject countries and with nonsubject imports in terms of product differences other than price such as quality, availability, product range, and other characteristics, as a factor in their sales of stainless steel bar. Six of the seven responding producers

reported that the differences are never significant (table II-6). Importers sometimes reported that the differences are always, frequently, or sometimes significant.

Some importers commented on whether U.S.-produced stainless steel bar is interchangeable with products from the subject countries and/or whether product differences are a factor in sales. One firm stated that French and Italian material is generally of a superior quality suitable for more specialized applications. Another stated that there is only one German supplier that is widely accepted in the orthopedic market, and only one U.K.-based supplier of stainless steel bar for use in medical implants. Another importer also cited Germany as a source for a special grade of stainless steel. Another importer cited France as the only source for certain grades of stainless steel bar required in the oil and gas industries. Another importer reported that a majority of stainless bar sales by Foroni, an Italian firm, involves grades of special high quality oil field equipment stainless steel, a significant portion of which is not manufactured in the United States. One purchaser reported that material specifications and approval lists of oil field products limits the interchangeability of German products with those of all other countries.

**Table II-5**  
**Stainless steel bar: Interchangeability of product from the United States and subject and nonsubject sources<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers					Purchasers				
	A	F	S	N	0	A	F	S	N	0	A	F	S	N	0
U.S. vs. France	6	1	0	0	1	2	4	0	2	12	4	1	1	0	9
U.S. vs. Germany	6	1	0	0	1	3	4	1	1	11	6	0	2	0	7
U.S. vs. Italy	6	1	0	0	1	2	5	0	1	12	7	2	2	0	4
U.S. vs. Korea	6	1	0	0	1	2	3	0	0	15	4	2	1	0	8
U.S. vs. United Kingdom	6	1	0	0	1	2	4	5	0	9	4	2	1	0	8
U.S. vs. nonsubject	6	1	0	0	1	3	3	1	1	12	5	2	1	0	7
France vs. Germany	5	0	0	0	3	2	4	0	0	14	5	0	2	0	8
France vs. Italy	5	0	0	0	3	2	5	0	0	13	5	1	1	0	8
France vs. Korea	5	1	0	0	3	2	3	0	0	15	4	3	0	0	8
France vs. United Kingdom	5	0	0	0	3	2	4	2	0	12	5	1	0	0	9
France vs. nonsubject	5	1	0	0	3	2	2	1	0	15	3	1	1	0	10
Germany vs. Italy	5	0	0	0	3	2	5	0	0	13	6	0	1	0	8
Germany vs. Korea	5	1	0	0	3	2	3	0	0	15	4	1	1	0	8
Germany vs. United Kingdom	5	0	0	0	3	2	5	1	0	12	4	0	1	0	10
Germany vs. nonsubject	5	1	0	0	3	2	2	1	0	15	4	0	2	0	9
Italy vs. Korea	5	1	0	0	3	2	4	0	0	14	4	2	0	0	9
Italy vs. United Kingdom	5	0	0	0	3	2	6	1	0	11	4	2	0	0	9
Italy vs. nonsubject	5	1	0	0	3	2	2	1	0	15	4	2	1	0	8
Korea vs. United Kingdom	5	0	0	0	3	2	5	1	0	12	3	2	0	0	10
Korea vs. nonsubject	5	1	0	0	3	2	2	1	0	15	3	1	1	0	10
United Kingdom vs. nonsubject	5	1	0	0	3	2	3	1	0	14	3	1	1	0	10

<sup>1</sup> Producers, importers, and purchasers were asked if stainless steel bar produced in the United States and in other countries is used interchangeably.

Note: "A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

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

**Table II-6**  
**Stainless steel bar: U.S. producers' and importers' perceived importance of factors other than price in sales of products produced in the United States and in other countries<sup>1</sup>**

Country comparison	U.S. producers					Importers				
	A	F	S	N	0	A	F	S	N	0
U.S. vs. France	0	0	1	6	1	2	2	0	2	14
U.S. vs. Germany	0	0	1	6	1	0	2	2	3	13
U.S. vs. Italy	0	0	1	6	1	3	1	1	2	13
U.S. vs. Korea	0	0	1	6	1	1	1	1	2	15
U.S. vs. United Kingdom	0	0	1	6	1	0	1	3	2	14
U.S. vs. nonsubject	0	0	1	6	1	0	2	2	3	13
France vs. Germany	0	0	0	5	3	0	0	0	3	17
France vs. Italy	0	0	0	5	3	0	0	2	3	15
France vs. Korea	0	0	0	5	3	0	0	0	3	17
France vs. United Kingdom	0	0	0	5	3	0	0	2	3	15
France vs. nonsubject	0	0	0	5	3	0	0	1	3	16
Germany vs. Italy	0	0	0	5	3	0	0	2	3	15
Germany vs. Korea	0	0	0	5	3	0	0	0	3	17
Germany vs. United Kingdom	0	0	0	5	3	0	1	1	3	15
Germany vs. nonsubject	0	0	0	5	3	0	0	1	3	17
Italy vs. Korea	0	0	0	5	3	0	0	1	3	16
Italy vs. United Kingdom	0	0	0	5	3	0	1	2	3	14
Italy vs. nonsubject	0	0	0	5	3	0	0	1	3	16
Korea vs. United Kingdom	0	0	0	5	3	0	0	1	3	16
Korea vs. nonsubject	0	0	0	5	3	0	0	1	3	16
United Kingdom vs. nonsubject	0	0	0	5	3	0	0	0	3	17

<sup>1</sup> Producers and importers were asked if differences other than price between stainless steel bar produced in the United States and in other countries are a significant factor in their firms' sales of stainless steel bar.

Note: "A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

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

Purchasers also were asked to compare U.S.-produced stainless steel bar with the imported product from the subject countries with regard to 15 selected characteristics, noting whether the domestic product was superior, comparable, or inferior to the imported product. A few purchasers compared the U.S. product with imports from Italy, Germany, Korea, and the United Kingdom (see table II-7). A clear majority of the four purchasers that compared the U.S. product with imports from Italy ranked the U.S. product superior to the Italian product in delivery time and technical support/service. A majority



**Table II-7**  
**Stainless steel bar: Comparisons of product by source country, as reported by U.S. purchasers**

Factor	U.S. vs. Italy			U.S. vs. Germany			U.S. vs. Korea			U.S. vs. United Kingdom			U.S. vs. nonsubject		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
	<i>Number of firms responding</i>														
Availability	1	3	0	1	2	1	1	0	0	1	1	0	2	3	1
Availability of specialty grades	1	3	0	2	1	1	0	1	0	2	0	0	3	2	1
Consistently meets specifications	1	3	0	1	3	0	0	1	0	1	1	0	1	5	0
Delivery terms	0	4	0	0	4	0	0	1	0	1	1	0	2	3	1
Delivery time	4	0	0	2	1	1	0	0	1	1	1	0	2	3	1
Discounts offered	1	3	0	0	3	1	0	1	0	1	1	0	2	3	1
Extension of credit	0	3	1	0	4	0	0	1	0	0	2	0	1	4	1
Investment by producers	0	2	1	0	3	1	0	1	0	1	0	1	2	1	1
Minimum quantity requirements	1	3	0	2	2	0	0	1	0	0	2	0	0	6	0
Packaging	0	4	0	0	4	0	0	1	0	0	2	0	1	4	0
Price <sup>1</sup>	2	1	1	2	1	1	1	0	0	1	0	1	1	1	4
Product consistency	2	2	0	0	4	0	0	1	0	1	1	0	3	3	0
Quality meets industry standards	1	3	0	0	4	0	0	1	0	1	1	0	2	4	0
Quality exceeds industry standards	1	3	0	0	3	1	0	1	0	1	0	1	2	4	0
Product range	1	3	0	2	1	1	0	1	0	1	0	1	3	1	2
Reliability of supply	2	2	0	0	4	0	0	1	0	1	1	0	3	3	0
Technical support/service	3	1	0	0	3	1	0	1	0	2	1	0	4	2	0
Transportation network	1	3	0	1	3	0	0	1	0	2	0	0	2	3	0
U.S. transportation costs <sup>1</sup>	1	3	0	0	3	1	0	1	0	2	0	0	1	3	1
Worldwide supply network	1	2	1	0	3	1	0	1	0	1	0	1	1	3	1

<sup>1</sup> A rating of "superior" on price and transportation costs indicates that the first country generally has lower prices transportation costs than the second country.

Note 1. S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior.

Note 2. Some purchasers did not make comparisons for all characteristics.

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

ranked them as comparable with respect to most of the other characteristics. For the four purchaser comparisons between the United States and Germany, the products were ranked comparable in most characteristics. The single purchaser that compared the U.S. product with the Korean product ranked the United States superior with respect to availability and price (i.e., lower in price), inferior in delivery time, and comparable in all other characteristics. The two purchasers that compared the United States with the United Kingdom ranked the U.S. product superior in availability of specialty grades, technical support/service, transportation network, and U.S. transportation costs.

Six firms also compared the U.S. product with imports from nonsubject sources. In these comparisons the United States was ranked superior by half or more of the firms in availability of specialty grades, product consistency, product range, reliability of supply, and technical support/service, and comparable in the majority of the other characteristics. Four of the six purchasers indicated that prices of nonsubject imports are lower than U.S. prices.

## **ELASTICITY ESTIMATES**

This section discusses the elasticity estimates.

### **U.S. Supply Elasticity<sup>4</sup>**

The domestic supply elasticity for stainless steel bar measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price for these products. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the existence of inventories, and the availability of alternative markets for stainless steel bar. Because of the low rate of industry capacity utilization and the availability of inventories, it is likely that this elasticity is high; an estimate in the range of 5 to 10 is suggested.

### **U.S. Demand Elasticity**

The U.S. demand elasticity for stainless steel bar measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of this product. 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 the stainless steel bar in the production of downstream products. Because of a lack of close substitute products as reported by questionnaire respondents, the aggregate demand for stainless steel bar is likely to be inelastic; a range of -0.01 to -0.5 is suggested.

### **Substitution Elasticity**

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported stainless steel bar.<sup>5</sup> Product differentiation, in turn, depends upon such factors as quality and conditions of sale (availability, delivery, etc.). Based on available information indicating that the domestic and imported products from the subject countries can always or frequently be used interchangeably, the elasticity of substitution between U.S.-produced stainless steel bar and imported stainless steel bar is likely to be in the range of 3 to 5.

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<sup>4</sup> A supply function is not defined in the case of a non-competitive market.

<sup>5</sup> The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like product to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject imports (or vice versa) when prices change.

## PART III: CONDITION OF THE U.S. INDUSTRY

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

Data on U.S. producers' capacity, production, and capacity utilization of stainless steel bar are presented in table III-1. Reported U.S. capacity increased from 2001 to 2006 by 56.4 percent, and exceeded apparent U.S. consumption in each year and period for which data were collected. Production also increased from 2001 to 2006, rising by 40.0 percent.<sup>1</sup> Annual capacity utilization rates fluctuated slightly from a high of 57.7 percent in 2001 to a low of 50.6 percent in 2003 before rising to 51.8 percent in 2004.<sup>2 3</sup> Data on capacity and capacity utilization should be regarded with some caution as several U.S. producers, accounting for the great majority of U.S. production of stainless steel bar during the period for which data were collected (2001 through June 2007), produced other products on the same equipment and machinery employed to produce stainless steel bar, and therefore had to allocate capacity between stainless steel bar and other products. Capacity utilization for the nonsubject products was nearly as low as that of the subject products.

\*\*\* reported steady overall capacity throughout the period reviewed. \*\*\* reported an increase in capacity from 2001 to 2002 of \*\*\* percent \*\*\* after the company \*\*\*; however, production increased more gradually over the period of review by \*\*\* percent, causing \*\*\* capacity utilization to decline from \*\*\* percent in 2001 to a period low of \*\*\* percent in 2003 before capacity grew to \*\*\* percent in 2006. \*\*\* reported an increase in capacity from 2003 to 2004 of \*\*\* percent \*\*\*.<sup>4</sup> \*\*\*. The former Slater Steel Corp. plant in Fort Wayne, IN was purchased by Valbruna in April 2004 in a bankruptcy auction. \*\*\*.<sup>5</sup> After Valbruna's acquisition of Slater, \*\*\* Slater upgrades have included energy savings improvements and information technology.<sup>6</sup>

Six U.S. producers, \*\*\*, reported that they produce other products using the same manufacturing equipment and/or production-related employees employed to produce stainless steel bar.<sup>7</sup> These products include \*\*\*. \*\*\* reported that it produces \*\*\* using the same manufacturing equipment and/or production related employees employed to produce stainless steel bar. \*\*\*. \*\*\* reported that it produces \*\*\* using the same manufacturing equipment and/or production-related employees employed to produce stainless steel bar. \*\*\* reported that it produces \*\*\* using the same manufacturing equipment and/or production related employees employed to produce stainless steel bar.

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<sup>1</sup> Production data for \*\*\*.

<sup>2</sup> \*\*\*. Producers' questionnaire responses, section II-8a.

<sup>3</sup> The domestic interested parties reported in their posthearing brief that certain "\*\*\*\*." Domestic industry's posthearing brief, exh. 1, pp. 26-27.

<sup>4</sup> \*\*\*. E-mail from \*\*\*.

<sup>5</sup> \*\*\*.

<sup>6</sup> Hearing transcript of stainless steel bar from Brazil, India, Japan, and Spain (Inv. Nos. 731-TA-678, 679, 681, and 682 (Second Review)) on October 12, 2006, p. 22 (Carlson).

<sup>7</sup> Although \*\*\* reported producing other products using the same manufacturing equipment and/or production related employees employed to produce stainless steel bar, \*\*\* did not provide data on their production of other products.

**Table III-1**  
**Stainless steel bar: U.S. producers' capacity, production, and capacity utilization, 2001-06, January-June 2006, and January-June 2007**

Source	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Capacity (short tons)</b>								
Allvac	***	***	***	***	***	***	***	***
Carpenter	***	***	***	***	***	***	***	***
Crucible	***	***	***	***	***	***	***	***
Dunkirk	***	***	***	***	***	***	***	***
Electralloy	***	***	***	***	***	***	***	***
Latrobe	***	***	***	***	***	***	***	***
NAS	***	***	***	***	***	***	***	***
Outokumpu <sup>1</sup>	***	***	***	***	***	***	***	***
Slater	***	***	***	***	***	***	***	***
Total	238,109	268,279	292,523	336,200	359,796	372,288	202,477	214,022
<b>Production (short tons)</b>								
Allvac	***	***	***	***	***	***	***	***
Carpenter	***	***	***	***	***	***	***	***
Crucible	***	***	***	***	***	***	***	***
Dunkirk	***	***	***	***	***	***	***	***
Electralloy	***	***	***	***	***	***	***	***
Latrobe	***	***	***	***	***	***	***	***
NAS	***	***	***	***	***	***	***	***
Outokumpu <sup>1</sup>	***	***	***	***	***	***	***	***
Slater	***	***	***	***	***	***	***	***
Total	137,299	136,539	148,078	174,117	183,925	192,168	92,871	102,147
<b>Capacity utilization (percent)</b>								
Allvac <sup>1</sup>	***	***	***	***	***	***	***	***
Carpenter	***	***	***	***	***	***	***	***
Crucible	***	***	***	***	***	***	***	***
Dunkirk	***	***	***	***	***	***	***	***
Electralloy	***	***	***	***	***	***	***	***
Latrobe	***	***	***	***	***	***	***	***
NAS	***	***	***	***	***	***	***	***
Outokumpu <sup>1</sup>	***	***	***	***	***	***	***	***
Slater	***	***	***	***	***	***	***	***
Average	57.7	50.9	50.6	51.8	51.1	51.6	45.9	47.7
<sup>1</sup> ***								
Source: Compiled from data submitted in response to Commission questionnaires.								

Table III-2 presents data for the U.S. industry's overall capacity, production, and capacity utilization of its production facilities for both stainless steel bar and other products on the same equipment. Reported overall capacity and production for both subject and nonsubject products increased substantially from 2001 to 2006. In 2006, the U.S. industry allocated \*\*\* percent of its overall capacity to the production of stainless steel bar.

**Table III-2**  
**Stainless steel bar: U.S. producers' overall capacity, production, and capacity utilization, 2001-06**

\* \* \* \* \*

Table III-3 presents capacity utilization for those companies reporting the ability to produce other products with the same machinery and employees. Only one U.S. producer, \*\*\*, reported the ability to produce all grades, types, and sizes of stainless steel bar. Five U.S. producers, \*\*\*, reported not being able to produce certain grades, types, or sizes of stainless steel bar.<sup>8</sup> \*\*\* stated that it cannot produce stainless steel bar under .625 inch in diameter, \*\*\* reported that it cannot produce stainless steel bar over 6 inches in diameter, and \*\*\* cannot produce stainless steel bar less than 3/16 inch in diameter or stainless steel bar greater than 5 inches in diameter. All three U.S. producers have been unable to fill U.S. customer requests for stainless steel bars in sizes that they are unable to produce since the countervailing and antidumping duty orders were imposed on March 7, 2002.<sup>9</sup> Two other U.S. producers, \*\*\*,<sup>10 11</sup> do have limited stainless steel bar product offerings, but neither company had requests for stainless steel bars that it currently does not produce or offer.

**Table III-3**  
**Stainless steel bar: Selected U.S. producers' capacity utilization for stainless steel bar and other production with shared equipment and workers, as well as aggregate capacity utilization, 2001-06**

\* \* \* \* \*

Table III-4 presents reported U.S. shipments during 2006 of hot-finished stainless steel bar and cold-finished stainless steel bar.

**Table III-4**  
**Stainless steel bar: U.S. shipments, by product and manufacturing process, 2006**

\* \* \* \* \*

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

As shown in table III-5, the quantity of U.S. shipments of stainless steel bar fluctuated, but increased overall by 29.8 percent from 2001 to 2006. However, the value of U.S. shipments increased at a greater rate (86.8 percent) during this period, and the average unit value of U.S. shipments rose by 43.9

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<sup>8</sup> \*\*\*.

<sup>9</sup> \*\*\* producer questionnaire responses, section II-11.

<sup>10</sup> \*\*\*.

<sup>11</sup> \*\*\*.

percent. No U.S. producer reported internal consumption. Three firms, \*\*\*, reported shipments of stainless steel bar to related firms. \*\*\* U.S. producers reported export shipments; exports were to \*\*\*.<sup>12</sup>

**Table III-5**  
**Stainless steel bar: U.S. producers' shipments, by type, 2001-06, January-June 2006, and January-June 2007**

Item	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Quantity (short tons)</b>								
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	0	0	0	0	0	0	0	0
Transfers to related firms	***	***	***	***	***	***	***	***
Total U.S. shipments	135,990	130,100	140,365	163,305	171,163	176,583	87,583	91,459
Export shipments	***	***	***	10,205	9,426	12,669	6,652	7,550
Total shipments	***	***	***	173,510	180,589	189,252	94,235	99,009
<b>Value (\$1,000)</b>								
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	0	0	0	0	0	0	0	0
Transfers to related firms	***	***	***	***	***	***	***	***
Total U.S. shipments	463,899	390,628	406,358	595,035	756,104	866,695	363,041	594,515
Export shipments	***	***	***	35,286	49,771	75,004	32,466	53,474
Total shipments	***	***	***	630,321	805,875	941,699	395,507	647,989
<b>Unit value (per short ton)</b>								
Commercial shipments	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Internal consumption	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Transfers to related firms	***	***	***	***	***	***	***	***
Total U.S. shipments	3,411	3,005	2,895	3,644	4,417	4,908	4,145	6,500
Export shipments	***	***	***	3,458	5,280	5,920	4,881	7,083
Average	***	***	***	3,633	4,462	4,976	4,197	6,545
<b>Share of quantity (percent)</b>								
Commercial shipments	***	***	***	***	***	***	***	***
Internal consumption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers to related firms	***	***	***	***	***	***	***	***
Total U.S. shipments	***	***	***	94.1	94.8	93.3	92.9	92.4
Export shipments	***	***	***	5.9	5.2	6.7	7.1	7.6
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<sup>1</sup> Not applicable.								
Source: Compiled from data submitted in response to Commission questionnaires.								

<sup>12</sup> \*\*\* did not provide data and are not included in these calculations.

## U.S. PRODUCERS' INVENTORIES

Data on end-of-period inventories of stainless steel bar for the review period are presented in table III-6.<sup>13 14</sup>

**Table III-6**  
**Stainless steel bar: U.S. producers' end-of-period inventories, 2001-06, January-June 2006, and January-June 2007**

Item	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
Inventories ( <i>short tons</i> )	19,037	20,815	18,948	17,603	19,516	20,939	17,991	22,453
Ratio to production ( <i>percent</i> )	13.9	15.2	12.8	10.1	10.6	10.9	9.7	11.0
Ratio to U.S. shipments ( <i>percent</i> )	14.0	16.0	13.5	10.8	11.4	11.9	10.3	12.3
Ratio to total shipments ( <i>percent</i> )	***	***	***	10.1	10.8	11.1	9.5	11.3
Note.--Ratios are calculated from firms providing both inventory and production/shipments information. January-June ratios are calculated from annualized production or shipment data.								
Source: Compiled from data submitted in response to Commission questionnaires.								

## U.S. PRODUCERS' IMPORTS AND PURCHASES OF IMPORTS

Five U.S. producers, \*\*\*,<sup>15</sup> reported no direct imports or purchases of imports of the subject product during the review period from any of the subject countries. \*\*\* reported purchases of stainless steel bar from other domestic producers. \*\*\* reported direct U.S. imports of stainless steel bar from the United Kingdom and nonsubject countries.<sup>16</sup> Table III-7 presents \*\*\*'s imports from subject foreign producer \*\*\* in the United Kingdom during the period of review.

**Table III-7**  
**Stainless steel bar: \*\*\*'s subject imports and ratios of imports to U.S. production, 2001-06, January-June 2006, and January-June 2007**

\* \* \* \* \*

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

Data provided by U.S. producers on the number of production and related workers ("PRWs") engaged in the production of stainless steel bar and the total hours worked by and wages paid to such PRWs during the period for which data were collected in these reviews are presented in table III-8. From 2001 to 2006, the number of PRWs decreased from 1,498 workers in 2001 to 1,317 workers in 2006, a 12.1-percent decrease. Hours worked by PRWs fluctuated, dipping to a low in 2003 before increasing in 2004, 2005, and 2006, with an overall slight increase of 1.2 percent during 2001-06. Hourly wages increased by 9.3 percent from 2001 to 2006 and productivity also increased, by 38.5 percent, from 2001 to 2006.

<sup>13</sup> \*\*\*.

<sup>14</sup> \*\*\* producer questionnaire response, section II-8a.

<sup>15</sup> \*\*\*.

<sup>16</sup> Nonsubject-country imports were from \*\*\*.

**Table III-8**

**Stainless steel bar: Average number of production and related workers, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 2001-06, January-June 2006, and January-June 2007**

Item	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
PRWs ( <i>number</i> )	1,498	1,322	1,303	1,231	1,257	1,317	1,309	1,335
Hours worked ( <i>1,000</i> )	3,002	2,353	2,350	2,443	2,633	3,037	1,497	1,672
Hours worked per PRW	2,004	1,780	1,804	1,985	2,095	2,306	1,114	1,252
Wages paid ( <i>\$1,000</i> )	66,274	51,256	49,927	55,081	61,402	73,308	36,628	42,657
Hourly wages	\$22.08	\$21.78	\$21.25	\$22.55	\$23.32	\$24.14	\$24.47	\$25.51
Productivity ( <i>short tons per 1,000 hours</i> ) <sup>1</sup>	45.7	58.0	63.0	71.3	69.9	63.3	62.0	61.1
Unit labor costs ( <i>per short ton</i> ) <sup>1</sup>	\$472	\$360	\$327	\$295	\$307	\$348	\$363	\$384
<sup>1</sup> Only those firms reporting both production and PRW data were included in the calculations of productivity and unit labor costs. Source: Compiled from data submitted in response to Commission questionnaires.								

## FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

### Background

Eight U.S. producers (\*\*\*) provided usable financial data on their operations on stainless steel bar. These data are believed to account for a large majority of U.S. production of stainless steel bar in 2006. All firms \*\*\* reported a fiscal year end of December 31,<sup>17</sup> and all firms except \*\*\* reported that their financial data were prepared in accordance with generally accepted accounting principles (GAAP).<sup>18</sup> Transfers to related firms were reported by three firms, and accounted for a weighted-average \*\*\* percent of total net sales value during the period of review.

While the majority of manufacturing operations are fully integrated from the melt stage through final processing, tolling activity and manufacturing operations which are not fully integrated also take place.<sup>19</sup>

The U.S. stainless steel bar industry experienced a number of operational changes during the period examined, e.g., the bankruptcies of Empire (July 2001) and Slater (November 2003), the subsequent purchase of the U.S. stainless steel bar assets of Empire and Slater by Universal<sup>20</sup> and Valbruna, respectively, and the entry of NAS in the stainless steel bar market in 2003.

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<sup>17</sup> \*\*\* reported a fiscal year end of June 30. Thus, full year financial data from \*\*\* reflect data for fiscal years 2002 through 2007.

<sup>18</sup> \*\*\*.

<sup>19</sup> For example, \*\*\* the ingot/billet used to produce their stainless steel bar. In contrast, \*\*\* melts and casts its own ingot but \*\*\*, \*\*\*.

<sup>20</sup> Dunkirk represents the combined operations of Universal and Empire.



## Operations on Stainless Steel Bar

Income-and-loss data for U.S. producers on their operations on stainless steel bar are presented in table III-9. Selected financial data, by firm, are presented in table III-10. The domestic industry experienced operating losses from 2001 to 2003 before operating income improved notably in 2004. Operating income continued to improve through 2006, as well as between the interim periods.

Net sales quantities increased from 2001 to 2006 by 37.2 percent, and also increased between the interim periods by 4.9 percent. During these same time frames, net sales values increased by 143.2 and 59.6 percent, respectively. From 2001 to 2006, the increase in per-unit total net sales values (\$2,245 per short ton) was greater than the combined effects of an increase in the unit cost of goods sold (“COGS”) (\$1,494 per short ton) and a decline in selling, general, and administrative (“SG&A”) expenses (\$75 per short ton). Between the interim periods, the increase in per-unit total net sales values (\$2,222 per short ton) was also greater than the combined increase in per-unit COGS and SG&A expenses (\$1,790 per short ton), resulting in an increase in per-unit operating income in January-June 2007 as compared to January-June 2006. During the period of review, the increase in COGS is due almost entirely to the increase in raw material costs. From 2001 to 2006, per-unit raw material costs increased by 172.0 percent, and further increased by 71.1 percent between the interim periods. During these same time frames, per-unit direct labor and other factory costs combined decreased by 16.5 percent and increased by 14.8 percent, respectively.<sup>21</sup>

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<sup>21</sup> Carpenter stated in its form 10-K for the fiscal year end June 30, 2007, that, “Increases in the cost of raw materials have impacted our operations over the past few years. We, and others in our industry, generally have been able to pass these cost increases through to our customers using surcharges which are structured to recover high raw material costs. In the last several years, as raw material costs have escalated, surcharges have become an increasingly significant component of our net sales.” (Carpenter Technology Corp., Form 10-K, August 29, 2007, p. 22).

**Table III-9**  
**Stainless steel bar: Results of operations of U.S. producers, 2001-06, January-June 2006, and**  
**January-June 2007**

Item	Fiscal year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Quantity (short tons)</b>								
Commercial sales	***	***	***	***	***	***	***	***
Transfers	***	***	***	***	***	***	***	***
Total net sales	137,456	134,824	159,825	167,230	178,404	188,636	94,235	98,852
<b>Value (\$1,000)</b>								
Commercial sales	***	***	***	***	***	***	***	***
Transfers	***	***	***	***	***	***	***	***
Total net sales	399,569	377,134	458,214	596,495	771,243	971,841	401,614	640,937
COGS	385,607	362,905	482,859	507,798	662,928	810,944	338,328	529,454
Gross profit (loss)	13,962	14,229	(24,645)	88,697	108,315	160,897	63,286	111,483
SG&A expenses	39,083	33,549	34,429	30,695	33,685	39,370	17,710	20,910
Operating income (loss)	(25,121)	(19,320)	(59,074)	58,002	74,630	121,527	45,576	90,573
Interest expense	12,684	11,112	9,235	5,191	6,767	5,453	3,663	2,662
CDSOA income	800	1,264	3,252	4,277	5,369	7,291	0	0
Other income/(expense)	0	(367)	(1,043)	(2,338)	(2,876)	(3,536)	(1,905)	(1,850)
Net income (loss)	(37,005)	(29,535)	(66,100)	54,750	70,356	119,829	40,008	86,061
Depreciation	19,177	18,159	55,081	18,151	21,363	24,978	10,740	13,276
Cash flow	(17,828)	(11,376)	(11,019)	72,901	91,719	144,807	50,748	99,337
<b>Ratio to net sales (percent)</b>								
COGS:								
Raw materials	35.7	39.4	46.1	52.7	53.1	54.8	51.4	57.8
Direct labor	12.8	11.3	10.0	7.7	6.7	6.0	7.1	5.1
Other factory costs	48.0	45.5	49.3	24.8	26.1	22.7	25.8	19.7
Total COGS	96.5	96.2	105.4	85.1	86.0	83.4	84.2	82.6
Gross profit (loss)	3.5	3.8	(5.4)	14.9	14.0	16.6	15.8	17.4
SG&A expenses	9.8	8.9	7.5	5.1	4.4	4.1	4.4	3.3
Operating income (loss)	(6.3)	(5.1)	(12.9)	9.7	9.7	12.5	11.3	14.1
Net income (loss)	(9.3)	(7.8)	(14.4)	9.2	9.1	12.3	10.0	13.4

Table continued on next page.

**Table III-9--Continued****Stainless steel bar: Results of operations of U.S. producers, 2001-06, January-June 2006, and January-June 2007**

Item	Fiscal year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Unit value (per short ton)</b>								
Commercial sales	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Transfers	***	***	***	***	***	***	***	***
Total net sales	2,907	2,797	2,867	3,567	4,323	5,152	4,262	6,484
COGS:								
Raw materials	1,038	1,101	1,322	1,878	2,295	2,824	2,191	3,750
Direct labor	371	317	285	274	291	307	301	328
Other factory costs	1,396	1,273	1,414	885	1,130	1,169	1,098	1,278
Total COGS	2,805	2,692	3,021	3,037	3,716	4,299	3,590	5,356
Gross profit (loss)	102	106	(154)	530	607	853	672	1,128
SG&A expenses	284	249	215	184	189	209	188	212
Operating income (loss)	(183)	(143)	(370)	347	418	644	484	916
Net income (loss)	(269)	(219)	(414)	327	394	635	425	871
<b>Number of firms reporting</b>								
Operating losses	3	2	4	***	***	***	***	***
Data	6	6	7	7	7	7	7	7
Note.—The industry's overall financial results, as presented in this table, directly incorporate ***.								
Note.—The data in this table reflect ***.								
Source: Compiled from data submitted in response to Commission questionnaires.								

**Table III-10****Stainless steel bar: Results of operations of U.S. producers, by firm, 2001-06, January-June 2006, and January-June 2007**

\* \* \* \* \*

A variance analysis for stainless steel bar is presented in table III-11. The information for this variance analysis is derived from table III-9. The variance analysis provides an assessment of changes in profitability as it relates to changes in pricing, cost, and volume. The analysis shows that the improvement in operating income from 2001 to 2006, as well as between the interim periods, was attributable to the higher favorable price variance despite an increased unfavorable net cost/expense variance (i.e., prices rose higher than costs and expenses).

**Table III-11****Stainless steel bar: Variance analysis on operations of U.S. producers, 2001-06, and January-June 2006 to January-June 2007**

Item	Between fiscal years						Jan.-June
	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Value (\$1,000)							
Total net sales:							
Price variance	423,498	(14,784)	11,146	117,051	134,891	156,365	219,646
Volume variance	148,774	(7,651)	69,934	21,230	39,857	44,233	19,677
Total net sales variance	572,272	(22,435)	81,080	138,281	174,748	200,598	239,323
Cost of sales:							
Cost variance	(281,761)	15,318	(52,659)	(2,567)	(121,200)	(109,995)	(174,550)
Volume variance	(143,576)	7,384	(67,295)	(22,372)	(33,930)	(38,021)	(16,576)
Total cost variance	(425,337)	22,702	(119,954)	(24,939)	(155,130)	(148,016)	(191,126)
Gross profit variance	146,935	267	(38,874)	113,342	19,618	52,582	48,197
SG&A expenses:							
Expense variance	14,265	4,786	5,341	5,329	(939)	(3,753)	(2,332)
Volume variance	(14,552)	748	(6,221)	(1,595)	(2,051)	(1,932)	(868)
Total SG&A variance	(287)	5,534	(880)	3,734	(2,990)	(5,685)	(3,200)
Operating income variance	146,648	5,801	(39,754)	117,076	16,628	46,897	44,997
Summarized as:							
Price variance	423,498	(14,784)	11,146	117,051	134,891	156,365	219,646
Net cost/expense variance	(267,496)	20,104	(47,318)	2,762	(122,139)	(113,748)	(176,882)
Net volume variance	(9,353)	481	(3,583)	(2,737)	3,876	4,280	2,233
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 responding firms' aggregate data on capital expenditures and research and development ("R&D") expenses are shown in table III-12. While aggregate R&D expenses remained relatively unchanged from 2001 to 2006, aggregate capital expenditures irregularly increased during this time frame. Data for January-June 2007 indicate that both aggregate capital expenditures and R&D expenses increased as compared to January-June 2006. \*\*\* and \*\*\* accounted for much of the reported capital expenditures during the period of review. According to \*\*\*,<sup>22</sup> \*\*\*,<sup>23</sup> In total, eight firms reported capital expenditures and three firms reported R&D expenses.<sup>24</sup>

<sup>22</sup> Email correspondence from \*\*\* of \*\*\*, September 25, 2007.

<sup>23</sup> Email correspondence from \*\*\* of \*\*\*, September 28, 2007.

<sup>24</sup> \*\*\* (e-mail correspondence from Brad Hudgens of Georgetown Economic Services, November 27, 2007), Slater stated that it has invested \$4.3 million in its Fort Wayne mill in the past two years, and has announced an additional \$15 million in investments to be completed in the near future (hearing transcript, pp. 33 and 34 (Carlson)), Dunkirk stated that it had recently made significant investments in a state-of-the art bar blaster and coil blaster (hearing transcript, p. 36 (Gugino)), and Outukumpu stated that it recently invested approximately \$25 million to upgrade its cold finishing equipment (hearing transcript, p. 41 (Eberth)).

Table III-12

**Stainless steel bar: Capital expenditures and research and development expenses of U.S. producers, 2001-06, January-June 2006, and January-June 2007**

Item	Fiscal year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Value (\$1,000)</b>								
<b>Capital expenditures</b>	***	6,796	***	24,659	12,270	27,473	9,119	16,631
<b>R&amp;D expenses</b>	***	***	***	***	***	***	***	***

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

### Assets and Return on Investment

Data on the U.S. stainless steel bar producers' total assets and their return on investment ("ROI") are presented in table III-13. The total assets utilized in the production, warehousing, and sale of stainless steel bar increased from \$572 million in 2001 to \$746 million in 2006, with most of the increase in current assets from 2004 to 2006 due to increases in the prices and costs for stainless steel bar. The ROI trend was similar to the operating income trend, with negative ROI levels from 2001 to 2003 and increasing positive ROI levels from 2004 to 2006.<sup>25</sup>

Table III-13

**Stainless steel bar: Value of assets and return on investment of U.S. producers, 2001-06**

Item	Fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Value of assets:</b>	<b>Value (\$1,000)</b>					
Current assets:						
Cash and equivalents	1,776	1,626	2,979	2,070	10,115	8,777
Accounts receivable, net	61,125	54,182	70,607	90,969	96,493	128,286
Inventories	124,985	127,732	126,794	193,373	172,812	204,111
Other	5,420	4,491	7,802	6,396	8,215	7,650
Total current assets	193,306	188,031	208,182	292,808	287,635	348,824
Property, plant and equipment:						
Original cost	653,272	625,830	650,763	627,244	647,521	806,565
Less: accumulated depreciation	289,512	300,757	369,438	290,207	319,073	428,062
Equals: book value	363,760	325,073	281,325	337,037	328,448	378,503
Other non-current assets	15,186	15,075	6,522	20,647	19,348	18,940
Total assets	572,252	528,179	496,029	650,492	635,431	746,267
Operating income or (loss)						
	(25,121)	(19,320)	(59,074)	58,002	74,630	121,527
<b>Share (percent)</b>						
Return on investment	(4.4)	(3.7)	(11.9)	8.9	11.7	16.3

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

<sup>25</sup> U.S. producers were asked to report the total asset values associated with the production of any inputs received as internal transfers or purchases from related firms. No firms provided such data.



## PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

### U.S. IMPORTS

Data regarding U.S. imports of stainless steel bar, based on official Commerce statistics,<sup>1</sup> are presented in table IV-1. The volume of total subject imports fluctuated but decreased overall by \*\*\* percent between 2001 and 2006. The volume of U.S. imports from France increased by 26.3 percent from 2001 to 2006. The volume of U.S. imports from Germany increased by 10.5 percent from 2001 to 2006. The volume of subject U.S. imports from Italy, the subject country with the greatest volume of stainless steel bar imports into the United States, increased by \*\*\* percent from 2001 to 2006.<sup>2</sup> The volume of U.S. imports from Korea decreased by 97.0 percent from 2001 to 2006. The volume of U.S. imports from the United Kingdom decreased by 47.7 percent during this same period. U.S. imports from nonsubject sources (including Trafilerie Bedini of Italy) increased by \*\*\* percent from 2001 to 2006.<sup>3</sup> Imports of stainless steel bar were subject to “safeguard” duties by presidential proclamation in the amount of 15 percent *ad valorem* from March 20, 2002 through March 19, 2003, and in the amount of 12 percent *ad valorem* from March 20, 2003 until their termination on December 4, 2003.

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<sup>1</sup> Stainless steel bar is covered by HTS statistical reporting numbers 7222.11.0005, 7222.11.0050, 7222.19.0005, 7222.19.0050, 7222.20.0005, 7222.20.0045, 7222.20.0075, and 7222.30.0000. Subject U.S. import data for stainless steel bar from Italy are based on official Commerce statistics with U.S. imports from Trafilerie Bedini removed because it was excluded from the countervailing and antidumping duty orders and for the entire period of review.

<sup>2</sup> \*\*\*, November 20, 2007 and November 22, 2007.

<sup>3</sup> According to adjusted Commerce data, U.S. imports from principal nonsubject countries included the following countries, in order of volume in 2006: (1) Taiwan, (2) Austria, (3) Sweden, (4) China, and (5) Portugal.

Table IV-1

## Stainless steel bar: U.S. imports, by sources, 2001-06, January-June 2006, and January-June 2007

Source	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Quantity (short tons)</b>								
Subject:								
France	6,694	5,628	4,357	7,477	6,737	8,453	4,272	3,970
Germany	9,835	5,235	3,145	7,069	9,895	10,863	5,351	6,712
Italy <sup>1</sup>	***	***	***	***	***	***	***	***
Korea	6,472	1,820	708	490	1,381	191	49	111
United Kingdom	6,325	2,769	2,279	3,067	2,921	3,306	1,659	2,606
Subtotal, subject	***	***	***	***	***	***	***	***
Italy, nonsubject <sup>1</sup>	***	***	***	***	***	***	***	***
Nonsubject (AD orders): <sup>2</sup>								
Brazil	524	953	985	295	373	484	264	245
India	4,693	10,593	11,238	13,207	17,676	15,703	7,557	8,378
Japan	1,571	864	476	516	385	525	189	215
Spain	3,093	2,078	154	95	140	67	46	18
Subtotal, nonsubject (AD orders)	9,880	14,489	12,853	14,114	18,574	16,779	8,055	8,856
Nonsubject (all other)	***	***	***	***	***	***	***	***
Subtotal, nonsubject	***	***	***	***	***	***	***	***
Total	101,424	85,067	67,993	83,666	124,496	120,491	54,996	65,049
<b>Landed, duty-paid value (\$1,000)</b>								
Subject:								
France	17,853	14,732	11,316	26,425	27,212	32,234	14,482	18,802
Germany	23,798	13,636	8,493	19,651	29,524	38,129	16,827	25,836
Italy <sup>1</sup>	***	***	***	***	***	***	***	***
Korea	12,859	3,156	1,641	1,373	5,050	662	160	522
United Kingdom	17,388	7,238	5,775	9,372	14,310	16,492	8,505	12,592
Subtotal, subject	***	***	***	***	***	***	***	***
Italy, nonsubject <sup>1</sup>	***	***	***	***	***	***	***	***
Nonsubject (AD orders): <sup>2</sup>								
Brazil	997	1,711	1,914	747	1,414	2,316	1,292	903
India	8,396	18,886	20,066	30,187	50,592	48,385	21,146	36,352
Japan	4,378	2,533	1,950	2,438	3,080	2,981	906	1,395
Spain	6,396	3,858	322	257	483	256	159	95
Subtotal, nonsubject (AD orders)	20,167	26,987	24,252	33,629	55,569	53,939	23,503	38,745
All other, nonsubject	***	***	***	***	***	***	***	***
Subtotal, nonsubject	***	***	***	***	***	***	***	***
Total	242,835	193,725	156,050	247,412	458,037	478,640	203,106	320,928

Table continued on next page.



Table IV-1--Continued

Stainless steel bar: U.S. imports, by sources, 2001-06, January-June 2006, and January-June 2007

Source	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Unit value (per short ton)</b>								
Subject:								
France	\$2,667	\$2,618	\$2,597	\$3,534	\$4,039	\$3,813	\$3,390	\$4,736
Germany	2,420	2,605	2,700	2,780	2,984	3,510	3,145	3,849
Italy <sup>1</sup>	***	***	***	***	***	***	***	***
Korea	1,987	1,734	2,318	2,803	3,656	3,459	3,273	4,700
United Kingdom	2,749	2,614	2,534	3,056	4,898	4,989	5,127	4,832
Subtotal, subject	***	***	***	***	***	***	***	***
Italy, nonsubject <sup>1</sup>	***	***	***	***	***	***	***	***
Nonsubject (AD orders): <sup>2</sup>								
Brazil	1,904	1,795	1,942	2,529	3,789	4,781	4,897	3,679
India	1,789	1,783	1,786	2,286	2,862	3,081	2,798	4,339
Japan	2,787	2,933	4,098	4,724	8,008	5,681	4,805	6,479
Spain	2,068	1,856	2,089	2,694	3,458	3,845	3,446	5,359
Subtotal, nonsubject (AD orders)	2,041	1,863	1,887	2,383	2,992	3,215	2,918	4,375
Nonsubject (all other)	***	***	***	***	***	***	***	***
Subtotal, nonsubject	***	***	***	***	***	***	***	***
Total	2,394	2,277	2,295	2,957	3,679	3,972	3,693	4,934
<b>Share of quantity (percent)</b>								
Subject:								
France	6.6	6.6	6.4	8.9	5.4	7.0	7.8	6.1
Germany	9.7	6.2	4.6	8.4	7.9	9.0	9.7	10.3
Italy <sup>1</sup>	***	***	***	***	***	***	***	***
Korea	6.4	2.1	1.0	0.6	1.1	0.2	0.1	0.2
United Kingdom	6.2	3.3	3.4	3.7	2.3	2.7	3.0	4.0
Subtotal, subject	***	***	***	***	***	***	***	***
Italy, nonsubject <sup>1</sup>	***	***	***	***	***	***	***	***
Nonsubject (AD orders): <sup>2</sup>								
Brazil	0.5	1.1	1.4	0.4	0.3	0.4	0.5	0.4
India	4.6	12.5	16.5	15.8	14.2	13.0	13.7	12.9
Japan	1.5	1.0	0.7	0.6	0.3	0.4	0.3	0.3
Spain	3.0	2.4	0.2	0.1	0.1	0.1	0.1	0.0
Subtotal, nonsubject (AD orders)	9.7	17.0	18.9	16.9	14.9	13.9	14.6	13.6
Nonsubject (all other)	***	***	***	***	***	***	***	***
Subtotal, nonsubject	***	***	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

**Table IV-1--Continued**

**Stainless steel bar: U.S. imports, by sources, 2001-06, January-June 2006, and January-June 2007**

Source	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Share of value (percent)</b>								
Subject:								
France	7.4	7.6	7.3	10.7	5.9	6.7	7.1	5.9
Germany	9.8	7.0	5.4	7.9	6.4	8.0	8.3	8.1
Italy <sup>1</sup>	***	***	***	***	***	***	***	***
Korea	5.3	1.6	1.1	0.6	1.1	0.1	0.1	0.2
United Kingdom	7.2	3.7	3.7	3.8	3.1	3.4	4.2	3.9
Subtotal, subject	***	***	***	***	***	***	***	***
Italy, nonsubject <sup>1</sup>	***	***	***	***	***	***	***	***
Nonsubject (AD orders): <sup>2</sup>								
Brazil	0.4	0.9	1.2	0.3	0.3	0.5	0.6	0.3
India	3.5	9.7	12.9	12.2	11.0	10.1	10.4	11.3
Japan	1.8	1.3	1.2	1.0	0.7	0.6	0.4	0.4
Spain	2.6	2.0	0.2	0.1	0.1	0.1	0.1	0.0
Subtotal, nonsubject (AD orders)	8.3	13.9	15.5	13.6	12.1	11.3	11.6	12.1
Nonsubject (all other)	***	***	***	***	***	***	***	***
Subtotal, nonsubject	***	***	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<sup>1</sup> Imports from Trafilerie Bedini have been excluded from the antidumping and countervailing duty orders since the original investigations. <sup>2</sup> Nonsubject countries subject to existing antidumping duty orders on stainless steel bar are Brazil, India, Japan, and Spain.								
Source: Compiled from adjusted Commerce statistics and proprietary data obtained from U.S. Customs.								

Table IV-2 presents data of U.S. imports of stainless steel bar for producers still subject to these orders and producers that are no longer subject to these orders as of April 23, 2007. Import data are based on official statistics and on data submitted in response to Commission questionnaires.

Based on proprietary information provided by Customs, firms currently excluded from the antidumping and countervailing duty orders accounted for approximately 35 percent of subject-country direct U.S. imports of stainless steel bar in 1999 and approximately 35 percent in 2000 (the two full calendar years preceding the filing of the petition in the original investigations for which data are available).<sup>4</sup> The great majority of the decrease in subject imports between 2000 and 2006 was accounted for by firms that are still subject to the antidumping and countervailing duty orders.

**Table IV-2**

**Stainless steel bar: U.S. imports, by sources, 2001-06, January-June 2006, and January-June 2007**

\* \* \* \* \*

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<sup>4</sup> The shares of subject-country direct imports in 1999 and 2000 combined accounted for by currently excluded firms were approximately \*\*\* percent for France, \*\*\* percent for Germany, \*\*\* percent for Italy, and \*\*\* percent for the United Kingdom. No firms were excluded in Korea.

## U.S. IMPORTERS' INVENTORIES

End-of-period inventories were reported by U.S. importers of the subject product from France, Germany, Italy, Korea, and the United Kingdom, as well as from nonsubject sources. These data are shown in table IV-3. Most of the increase in inventories in January-June 2007 consists of imports from \*\*\* by \*\*\*, as well as from other subject and nonsubject countries.

**Table IV-3**

**Stainless steel bar: U.S. importers' end-of-period inventories of imports, by source, 2001-06, January-June 2006, and January-June 2007**

\* \* \* \* \*

## CUMULATION CONSIDERATIONS

In assessing whether imports will likely compete with each other and with the domestic like product, the Commission has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical market, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Issues concerning fungibility and channels of distribution are addressed in Part II of this report. Geographical markets and presence in the market are discussed below.

Based on official Commerce statistics, U.S. imports of stainless steel bar were generally dispersed geographically throughout the United States during the period of review. Reported U.S. Customs districts of entry for U.S. imports of stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom were predominately Houston, TX; New York, NY; Chicago, IL; Los Angeles, CA; and Savannah, GA. Table IV-4 presents subject imports and shares by Customs district.

As to seasonal presence in the market, based on official Commerce statistics, U.S. imports of the subject product from each of the subject countries (France, Germany, Italy, Korea, and the United Kingdom) entered the United States during every month from 2001 to 2006.

Table IV-4

Stainless steel bar: U.S. imports from subject countries, by Customs district, January 2001-June 2007

Customs district	France	Germany	Italy	Korea	United Kingdom	Total	Share
Quantity ( <i>short tons</i> )							( <i>percent of total</i> )
Houston-Galveston, TX	12,404	36,381	39,848	2,466	12,386	103,485	37.6
New York, NY	15,339	3,545	44,236	657	1,466	65,242	23.7
Chicago, IL	5,678	3,939	25,042	2,133	2,999	39,790	14.5
Los Angeles, CA	3,444	1,099	13,378	2,806	868	21,596	7.9
Savannah, GA	2,563	1,320	5,980	1,727	374	11,963	4.4
Charleston, SC	400	1,969	6,775	61	2,452	11,657	4.2
Cleveland, OH	1,052	214	2,734	29	159	4,187	1.5
Norfolk, VA	1,746	383	641	8	405	3,182	1.2
Philadelphia, PA	141	1,597	73	508	621	2,940	1.1
Detroit, MI	257	347	1,667	87	201	2,559	0.9
Baltimore, MD	0	78	2,106	5	52	2,241	0.8
Buffalo, NY	133	596	476	66	183	1,455	0.5
All other	157	1,289	1,417	620	1,108	4,591	1.7
Total	43,315	52,755	144,370	11,173	23,274	274,888	100.0
Source: Compiled from official Commerce statistics.							

## THE INDUSTRY IN FRANCE

Table IV-5 presents data for reported capacity, production, and shipments of stainless steel bar for France. The Commission received data from two firms, Ascometal (“Ascometal”) and Ugitech S.A. (“Ugitech”). Ugitech, which as of April 23, 2007, is no longer subject to the antidumping duty orders, accounted for \*\*\* of stainless steel bar produced in France and approximately \*\*\* of reported exports from France to the United States of stainless steel bar in 2006.<sup>5</sup> Two French SSB producers subject to the order that did not return questionnaire responses in the current reviews are Aubert et Duval (“A&D”)<sup>6</sup> and Acieries Bonpertuis (“Bonpertuis”).<sup>78</sup>

Ascometal reported that only \*\*\* percent of its total sales in the most recent fiscal year were sales of stainless steel bar. It is principally in the business of producing and selling carbon and alloy steel bar and indicated that \*\*\*.<sup>9</sup> \*\*\* of Ascometal’s export sales to the United States were through its sister company, Lucchini USA.

In 2006, stainless steel bar sales accounted for \*\*\* percent of Ugitech’s total sales. Ugitech produces the subject product in France and also in Italy. It opened a mill in the United States through its sister company, Ugitech USA, in July 2007. As a result of its new plant in the United States, \*\*\*.

The combined data for France in table IV-4 show that capacity increased by \*\*\* percent from 2001 to 2006, and is projected to \*\*\* from 2006 to 2008. Actual production increased by \*\*\* percent from 2001 to 2006, with a projected \*\*\* from 2006 to 2008. Capacity utilization grew from \*\*\* percent

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<sup>5</sup> Ascometal did not report estimates of its share of total production of stainless steel bar in France, but did provide estimates of total exports to the United States from France accounted for by its exports in 2006.

<sup>6</sup> The Commission sent a foreign producers’ questionnaire to A&D by fax and e-mail, but has yet to receive a response.

<sup>7</sup> A&D submitted data to the Commission during the original investigations. \*\*\*. Domestic interested parties’ posthearing brief, exh. 1, p. 44. A&D, a subsidiary of mining group Eramet, is a producer of stainless steel bar and other nonsubject product, including alloy and tool steels, and nickel-based alloys, among others. *Ibid.*, exh. 3. A&D’s annual stainless steel bar production is estimated to be \*\*\* and its annual stainless steel bar capacity is estimated to be \*\*\*, yielding an estimated annual SSB capacity utilization rate of \*\*\*. \*\*\* presented in the domestic interested parties’ posthearing brief, exh. 2.

Bonpertuis is a producer of stainless steel bar as well as other nonsubject products including special sections and profiles, cutlery, surgical, and shearing steels, among others. Bonpertuis has a total capacity of approximately 6,000 metric tons, 90 percent of which is reportedly allocated to the production of cutlery. Seventy-five percent of production is reportedly exported. \*\*\*. Domestic interested parties’ posthearing brief, p. 45 and exh. 3; Ugitech’s posthearing brief, p. 7; Kompass International, “Acieries Bonpertuis,” found at <http://www.kompass.com>, accessed Nov. 21, 2007; and “Les acieries de Bonpertuis,” found at <http://couteau.free.fr/couteau/index.php?pagename=Bonpertuis.Historique>, accessed Nov. 21, 2007.

In addition, Aciers du Tarn is a stainless steel bar producer capable of producing stainless steel square bar, flats, and hexagons, as well as other nonsubject products including carbon and alloy bar products, bearing steel, spring steel, and tool steel. Total annual raw steel capacity is 10,000 metric tons. 60 percent of its total production is reportedly exported. Metal Bulletin Directories, *Iron & Steel Works of the World Directory 2005*, 16<sup>th</sup> Edition, p. 51; Aciers du Tarn website, found at <http://pagesperso-orange.fr/aciers-du-tarn/index.html>, accessed Nov. 21, 2007.

<sup>8</sup> In the original investigations, A&D and Ugine-Savoie Imphy (Ugitech) accounted for nearly all production of stainless steel bar in France. *Stainless Steel Bar From France, Germany, Italy, Korea, and the United Kingdom, Investigation No. 701-TA-413 (Final) and Investigation Nos. 731-TA-913-916 and 918 (Final)*, USITC Publication 3488, February 2002, p. VII-1. Based on proprietary data provided by Customs, product imported directly from Ugine-Savoie (Ugitech) accounted for approximately \*\*\* percent of U.S. imports of stainless steel bar from France in 1999-2000.

<sup>9</sup> Ascometal reported that most of its equipment is \*\*\*. Ascometal’s foreign producer questionnaire, section II-8b and II-10. \*\*\*.

in 2001 to \*\*\* in 2004 and is expected to \*\*\* in 2007 and 2008. \*\*\* of total shipments in France went to its home market and the rest to the European Union. Export shipments to the United States fluctuated during the review period from a low of \*\*\* percent of total shipments in \*\*\* to a high of \*\*\* percent in \*\*\*, with \*\*\* for 2007 and 2008.

**Table IV-5**

**Stainless steel bar: France's reported production capacity, production, shipments, and inventories, 2001-06, January-June 2006, and January-June 2007**

\* \* \* \* \*

Table IV-6 presents data for reported capacity, production, and shipments of stainless steel bar for subject and nonsubject producers in France.

**Table IV-6**

**Stainless steel bar: France's reported production capacity, production, shipments, and inventories for subject and nonsubject producers, 2001-06, January-June 2006, January-June 2007, and projections for 2007-08**

\* \* \* \* \*

France's reported capacity and production of subject and other products produced on the same equipment is presented in table IV-7.

**Table IV-7**

**Stainless steel bar: France's overall subject- and other-product capacity, production, and capacity utilization, 2001-06**

\* \* \* \* \*

Reported capacity and production of subject and other products produced on the same equipment for producers in France still subject to the antidumping duty order is presented in table IV-8.

**Table IV-8**

**Stainless steel bar: Subject French producers' subject- and other-product capacity, production, and capacity utilization, 2001-06**

\* \* \* \* \*

Table IV-9 presents France's top export markets and their associated average unit values of exports from France. Germany, Italy, and Spain were the top destinations for French stainless steel bar exports from 2001 to 2006. French exports of stainless steel bar to the United States had the highest average unit value by far in 2006.

**Table IV-9**  
**Stainless steel bar: France's exports and average unit values, 2001-06**

Destination	Calendar year					
	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States	5,945	5,081	4,605	6,428	4,404	3,614
Top export markets:						
Germany	34,152	25,478	30,693	30,824	43,796	31,764
Italy	15,193	14,440	16,506	18,026	17,463	21,494
Spain	4,485	5,427	4,737	4,521	4,503	5,690
Poland	1,362	1,466	2,747	4,601	4,812	5,404
Denmark	4,926	4,578	4,441	4,555	4,014	4,997
All others	24,987	23,837	24,966	25,282	27,279	26,072
Total	91,051	80,307	88,693	94,235	106,269	99,035
<b>Unit value (per short ton)</b>						
United States	\$2,447	\$2,245	\$2,414	\$3,292	\$4,085	\$5,221
Top export markets:						
Germany	1,669	1,663	1,973	2,933	3,058	3,751
Italy	1,691	1,685	1,965	2,642	3,268	3,575
Spain	1,606	1,566	2,023	2,956	3,467	3,477
Poland	1,951	1,850	2,161	2,650	2,686	2,670
Denmark	1,686	1,578	1,909	2,749	3,201	3,544
All others	1,802	1,896	2,176	2,885	3,511	3,707
World average	1,762	1,765	2,057	2,868	3,257	3,670
<p>Note.--Export figures are quantities reported at the 6-digit level for HS subheadings 7222.11, 7222.19, 7222.20, and 7222.30, all of which are included in the product scope. Country export totals may not add to the world total due to rounding. Reported exports to the United States may not equal reported U.S. imports due to differing databases and other data discrepancies or reporting errors.</p> <p>Source: Global Trade Atlas, accessed November 19, 2007.</p>						

## THE INDUSTRY IN GERMANY

Table IV-10 presents data for reported capacity, production, and shipments of stainless steel bar for Germany. The Commission received data from six firms, Bessey Prazionsstahl GmbH (“Bessey”), BGH Edelstahlwerke GmbH (“BGH”), Deutsche Edelstahlwerke GmbH (“DEW”), Schmiedewerke Groditz GmbH (“Schmiedewerke”), Stahlwerke Ergste Westig GmbH (“Stahlwerke”), and Walzwerke Einsal GmbH (“Walzwerke Einsal”), which accounted for over approximately \*\*\* percent of stainless steel bar produced in Germany in 2006.<sup>10 11</sup> Flanschenwerk Bebitz (“Bebitz”) was identified as a subject producer, but did not participate in the current reviews.<sup>12</sup> All mentioned firms other than Walzwerke Einsal are still subject to the antidumping duty order concerning Germany. Walzwerke Einsal accounted for approximately \*\*\* percent of reported stainless steel bar production in Germany in 2006.

Schmiedewerke, \*\*\* producer of stainless steel bar in Germany, accounted for \*\*\* percent of total production of stainless steel bar in Germany in 2006. Bessey, also \*\*\* producer of stainless steel bar in Germany which accounted for \*\*\* percent of total production of stainless steel bar in Germany in 2006, reported that \*\*\* percent of its total sales in the most recent fiscal year were sales of stainless steel bar. In 2006, \*\*\* of the volume of its shipments were to its home market (\*\*\* percent), with the remaining total shipments going to the European Union and other markets. It had \*\*\* export shipments to the United States in 2006, but \*\*\* in previous years. Its reported exports to the United States were \*\*\*. Bessey reported steady capacity during 2001-06 with \*\*\*. It reported that in 2005, it allocated \*\*\* percent of its overall annual capacity to the production of stainless steel bar, with \*\*\*.

BGH is \*\*\* producer of stainless steel bar in Germany, accounting for \*\*\* percent of Germany’s total production of stainless steel bar in 2006. It reported that \*\*\* percent of the volume of its shipments went to \*\*\*, with the remaining total shipments going to \*\*\*. BGH reported a capacity increase from 2001 to 2006, or by \*\*\* percent, and \*\*\* in 2007 and 2008, \*\*\* in 2008. In 2005, it allocated \*\*\* percent of its overall annual capacity to the production of stainless steel bar, with \*\*\*. It reported that \*\*\* percent of its sales in 2006 were accounted for by sales of stainless steel bar.

DEW is \*\*\* producer of stainless steel bar in Germany, accounting for \*\*\* percent of Germany’s total production in 2006. In 2006, \*\*\* percent of the volume of its shipments went to \*\*\* with the \*\*\* of the remaining shipments going to the European Union (\*\*\* percent). DEW reported export shipments to the United States during the review period, with fluctuating volumes during the review period and an increase of \*\*\* percent from 2001 to 2006. \*\*\*. DEW reported \*\*\*. DEW reported that \*\*\* percent of its capacity was allocated to the production of stainless steel bar in 2006. Its remaining production capacity of \*\*\* percent was allocated to other stainless steel products and tools. Sales of stainless steel bar accounted for \*\*\* percent of its total sales in 2006.

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<sup>10</sup> Stahlwerke did not provide an estimate of the percentage of total production of stainless steel bar in Germany accounted for by its production in 2006 and is not included in this figure. Actual coverage represented by the data from the five subject German producers is likely higher than \*\*\* percent.

<sup>11</sup> In the original investigations \*\*\* accounted for about 90 percent of Germany’s production and about 75 percent of Germany’s exports to the United States of stainless steel bar. Confidential staff report in the original investigations (memorandum INV-2-016, February 6, 2002), p. VII-2. Edelstahl Witten-Krefeld and Krupp Edelstahlprofile are now part of DEW. Based on proprietary data provided by Customs, product imported directly from Walzwerke Einsal accounted for approximately \*\*\* percent of U.S. imports of stainless steel bar from Germany in 1999-2000.

<sup>12</sup> Bebitz primarily produces nonsubject carbon, alloy, and stainless steel flanges on hammer and forging presses, although the company produces stainless cold-drawn square, hexagonal, and round bar in austenitic grades according to Germany (DIN) standard grades. Bebitz’s annual cold-drawing capacity is 24,000 metric tons (26,500 short tons). German respondents’ posthearing brief, app. 1, p. 14; and Flanschenwerk Bebitz company website, found at <http://www.bebitz.de>, accessed Nov. 21, 2007.



Stahlwerke and Walzwerke Einsal both reported \*\*\*. \*\*\*. \*\*\*.

Overall, German producers projected an increase of 6.1 percent in both capacity and production from 2006 to 2008. German producers projected total exports to increase by 2.5 percent from 2006 to 2008, with exports to the United States to increase less than 0.6 percent from 2006 to 2008.

**Table IV-10**

**Stainless steel bar: Germany's reported production capacity, production, shipments, and inventories, 2001-06, January-June 2006, January-June 2007, and projections for 2007-08**

Item	Calendar year						Jan.-June		Projected <sup>1</sup>	
	2001	2002	2003	2004	2005	2006	2006	2007	2007	2008
<b>Quantity (short tons)</b>										
Capacity	161,075	158,265	150,615	157,885	157,865	160,355	81,765	87,857	159,100	170,100
Production	151,993	145,657	132,199	151,711	152,719	155,941	78,151	88,159	154,137	165,471
End-of-period inventories <sup>2</sup>	18,089	23,771	27,471	33,097	44,978	41,797	40,251	44,038	40,899	41,899
Shipments:										
Internal consumption	7,322	7,189	5,564	6,053	5,613	5,618	2,879	3,374	6,185	6,500
Home market	81,253	70,929	70,241	77,321	72,552	79,656	42,044	41,511	75,204	82,277
Exports to—										
The United States	9,845	4,448	2,475	6,479	9,195	8,936	4,635	5,477	9,433	8,986
European Union	44,580	47,906	40,195	46,363	42,880	52,726	27,483	28,077	51,269	53,281
Asia	3,969	3,770	3,892	3,354	3,404	3,918	1,742	2,338	3,436	4,041
All other markets	5,804	5,733	6,132	6,514	7,195	8,267	4,095	4,809	8,937	9,386
Total exports	64,198	61,857	52,694	62,710	62,674	73,847	37,955	40,701	73,075	75,694
Total shipments	152,773	139,975	128,499	146,084	140,839	159,121	82,878	85,586	154,464	164,471

Table continued on next page.

**Table IV-10--Continued**

**Stainless steel bar: Germany's reported production capacity, production, shipments, and inventories, 2001-06, January-June 2006, January-June 2007, and projections for 2007-08**

Item	Calendar year						Jan.-June		Projected <sup>1</sup>	
	2001	2002	2003	2004	2005	2006	2006	2007	2007	2008
<b>Value (\$1,000)<sup>3</sup></b>										
Shipments to home market	129,660	131,673	155,463	230,016	244,766	289,740	137,450	211,272	338,300	373,240
Exports to--										
The United States	16,013	9,630	6,166	16,492	26,474	30,671	14,034	22,428	35,902	35,654
European Union	75,087	75,913	84,231	132,598	150,296	193,628	90,677	139,426	241,011	251,928
Asia	6,551	5,979	7,486	8,082	9,149	12,033	5,283	8,463	11,219	13,823
All other markets	14,058	13,738	17,374	24,237	32,338	36,298	16,731	29,338	47,791	51,529
Total exports	111,709	105,260	115,257	181,409	218,257	272,630	126,725	199,655	335,923	352,934
Total shipments	241,369	236,933	270,720	411,425	463,023	562,370	264,175	410,927	674,223	726,174
<b>Unit value (per short ton)<sup>3</sup></b>										
Shipments to home market	\$1,596	\$1,856	\$2,213	\$2,975	\$3,374	\$3,637	\$3,269	\$5,090	\$4,498	\$4,536
Exports to--										
The United States	1,627	2,165	2,491	2,545	2,879	3,432	3,028	4,095	3,806	3,968
European Union	1,684	1,585	2,096	2,860	3,505	3,672	3,299	4,966	4,701	4,728
Asia	1,651	1,586	1,923	2,410	2,688	3,071	3,033	3,620	3,265	3,421
All other markets	2,422	2,396	2,833	3,721	4,495	4,391	4,086	6,101	5,348	5,490
Total exports	1,740	1,702	2,187	2,893	3,482	3,692	3,339	4,905	4,597	4,663
Total shipments	1,659	1,784	2,202	2,938	3,424	3,664	3,302	4,998	4,547	4,597
<b>Ratios and shares (percent)</b>										
Capacity utilization	94.4	92.0	87.8	96.1	96.7	97.2	95.6	100.3	96.9	97.3
Inventories to production	11.9	16.3	20.8	21.8	29.5	26.8	25.8	25.0	26.5	25.3
Inventories to total shipments	11.8	17.0	21.4	22.7	31.9	26.3	24.3	25.7	26.5	25.5
Shares of total quantity of shipments:										
Internal consumption	4.8	5.1	4.3	4.1	4.0	3.5	3.5	3.9	4.0	4.0
Home market	53.2	50.7	54.7	52.9	51.5	50.1	50.7	48.5	48.7	50.0
Exports to--										
The United States	6.4	3.2	1.9	4.4	6.5	5.6	5.6	6.4	6.1	5.5
European Union	29.2	34.2	31.3	31.7	30.4	33.1	33.2	32.8	33.2	32.4
Asia	2.6	2.7	3.0	2.3	2.4	2.5	2.1	2.7	2.2	2.5
All other markets	3.8	4.1	4.8	4.5	5.1	5.2	4.9	5.6	5.8	5.7
Total exports	42.0	44.2	41.0	42.9	44.5	46.4	45.8	47.6	47.3	46.0

<sup>1</sup> \*\*\* did not provide projected data for 2007 and 2008.

<sup>2</sup> Data include \*\*\*. German respondents' posthearing brief, Responses to Commission Questions, p. 2.

<sup>3</sup> F.o.b. point of shipment in Germany.

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

Table IV-11 presents data for reported capacity, production, and shipments of stainless steel bar for subject and nonsubject producers in Germany.

**Table IV-11**  
**Stainless steel bar: Germany's reported production capacity, production, shipments, and inventories for subject and nonsubject producers, 2001-06, January-June 2006, January-June 2007, and projections for 2007-08**

\* \* \* \* \*

Table IV-12 presents data for reporting German producers' capacity, production, and capacity utilization in their production facilities producing stainless steel bar and other products.

**Table IV-12**  
**Stainless steel bar: Germany's subject- and other-product capacity, production, and capacity utilization, 2001-06**

\* \* \* \* \*

Reported capacity and production of subject and other products produced on the same equipment for producers in Germany still subject to the antidumping duty order is presented in table IV-13.

**Table IV-13**  
**Stainless steel bar: Subject German producers' subject- and nonsubject-product capacity, production, and capacity utilization, 2001-06**

\* \* \* \* \*

Table IV-14 presents Germany's top export markets and their associated average unit values of exports of stainless steel bar from Germany. The United Kingdom is the top destination for German stainless steel bar exports from 2001 to 2006, followed by France.

**Table IV-14**  
**Stainless steel bar: Germany's exports and average unit values, 2001-06**

Destination	Calendar year					
	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States	9,229	5,307	3,094	7,135	9,869	10,127
Top export markets:						
United Kingdom	12,978	11,065	9,151	10,308	15,334	19,131
France	12,858	12,260	11,770	10,400	11,798	16,089
Austria	6,939	7,585	7,897	8,342	10,238	12,615
Switzerland	6,603	6,134	7,653	9,178	9,624	11,682
Netherlands	9,881	8,968	8,405	9,866	8,856	10,836
All others	40,543	44,547	43,547	52,649	47,771	57,713
Total	99,031	95,866	91,518	107,878	113,490	138,193
<b>Unit value (per short ton)</b>						
United States	\$2,244	\$2,294	\$2,617	\$2,692	\$2,954	\$3,498
Top export markets:						
United Kingdom	1,829	1,810	2,080	2,949	3,414	3,578
France	1,877	1,797	2,141	2,867	3,365	3,523
Austria	1,895	1,928	2,371	3,319	3,600	3,938
Switzerland	2,611	2,594	3,071	3,774	4,350	4,542
Netherlands	1,955	1,980	2,428	3,193	3,871	4,150
All others	1,938	1,910	2,477	3,119	3,751	4,115
World average	1,988	1,957	2,435	3,128	3,642	3,949
<p>Note.--Export figures are quantities reported at the 6-digit level for HS subheadings 7222.11, 7222.19, 7222.20, and 7222.30, all of which are included in the product scope. Country export totals may not add to the world total due to rounding. Reported exports to the United States may not equal reported U.S. imports due to differing databases and other data discrepancies or reporting errors.</p> <p>Source: Global Trade Atlas, accessed November 19, 2007.</p>						

## THE INDUSTRY IN ITALY

Table IV-15 presents data for reported capacity, production, and shipments of stainless steel bar for Italy.<sup>13</sup> The Commission received data from six firms: Acciaierie Valbruna SpA (“Acciaierie Valbruna”),<sup>14</sup> Cogne Acciai Speciali SpA (“Cogne”), Foroni SpA (“Foroni”), Italfond SpA (“Italfond”), Rodacciai SpA (“Rodacciai”), and Ugitech Srl (“Ugitech”).<sup>15 16 17</sup> Other subject producers in Italy are Acciaierie Bertoli Safau (“Safau”), Sama Inox, Eure Inox, Acciai Speciali Zorzetto (“Zorzetto”), and Marcegaglia.<sup>1819</sup>

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<sup>13</sup> Nonsubject Italian producer Trafilerie Bedini did not submit a foreign producer questionnaire in these reviews. It is a wholly owned subsidiary of Ugitech S.A. and was excluded from the antidumping and countervailing duty orders in the original investigations. \*\*\* of Bedini’s exports to the United States during the period of review can be accounted for by the reported imports of \*\*\*. See table IV-21.

<sup>14</sup> \*\*\*, November 20, 2007.

<sup>15</sup> Three Italian producers, \*\*\*, reported estimates of the percentage of total production of stainless steel bar in Italy accounted for by their production and estimates of the percentage of total exports to the United States of stainless steel bar accounted for by their exports in 2006. These three firms combined accounted for approximately \*\*\* percent of total Italian production of stainless steel bar in 2006 and approximately \*\*\* percent of total Italian exports to the United States in 2006. \*\*\* alone accounted for approximately \*\*\* and approximately \*\*\* percent, respectively. \*\*\* did not report estimates of the percentage of total production of stainless steel bar in Italy accounted for by their production in 2006 or estimates of the percentage of total exports to the United States of stainless steel bar accounted for by their exports in 2006.

<sup>16</sup> Acciaierie Valbruna, Foroni, and Rodacciai are no longer subject to the antidumping duty orders since April 23, 2007 in these reviews. Acciaierie Valbruna, Foroni, Italfond, Rodacciai, and Trafilerie Bedini were excluded from the countervailing duty order on stainless steel bar from Italy in the original investigations.

<sup>17</sup> In the original investigations, \*\*\* accounted for about \*\*\* percent of stainless steel bar production in Italy and for about \*\*\* percent of Italy’s exports to the United States. Confidential staff report in the original investigations (memorandum INV-2-016, February 6, 2002), p. VII-5. Based on proprietary data provided by Customs, product imported directly from firms currently excluded from the antidumping and countervailing duty orders (Acciaierie Valbruna, Foroni, Rodacciai, and Trafilerie Bedini) accounted for approximately \*\*\* percent of U.S. imports of stainless steel bar from Italy in 1999-2000.

<sup>18</sup> Safau produces stainless steel bar as well as other nonsubject products, including carbon and alloy bar, ingots, blooms, billets, and wire rod. Safau’s forging lines can produce more than 40,000 tons per year of blooms and round forged bars. Metal Bulletin Directories, *Iron & Steel Works of the World Directory 2005*, 16<sup>th</sup> Edition, p. 100; Safau company website, found at <http://www.absacciai.com>, accessed Nov. 21, 2007; and domestic interested parties’ posthearing brief, exh. 1, p. 47, and exh. 5. Respondents state that Safau is a forging company that supplies out-of-scope input materials for European tube and bearing manufacturers. Ugitech’s posthearing brief, p. 7.

Sama Inox reportedly has a limited capability to produce stainless steel bar, and is predominantly a carbon steel bar drawing operation. Ugitech’s posthearing brief, p. 7 and exh. 7. Sama Inox can produce cold-rolled round, flat, square, and hexagonal bars in austenitic, ferritic, martensitic, and duplex stainless grades. Domestic interested parties’ posthearing brief, exh. 1, p. 54, and exh. 5. Annual stainless long products capacity is estimated at 5,000 metric tons. Hearing transcript, p. 206 (Cereda).

Eure Inox produces stainless steel bar as well as nonsubject products, including stainless wire, channels, and special profiles. Total production of both subject and nonsubject products reached almost 11,000 metric tons in 2006. Domestic interested parties’ posthearing brief, exh. 1, p. 54, and exh. 5; and Eure Inox company website, found at <http://www.eureinox.it>, accessed Nov. 21, 2007.

Zorzetto performs peeling, drawing, and finished operations on stainless steel bar, using hot-rolled bar and wire rod as input material. Domestic interested parties’ posthearing brief, exh. 1, p. 55, and exh. 5; and Zorzetto company website, found at <http://www.zorzetto.com>, accessed Nov. 21, 2007.

Marcegaglia produces stainless steel bar in addition to nonsubject carbon, alloy, and stainless steel flat and  
(continued...)

All but one (\*\*\*) responding Italian producer has an affiliated importing company in the United States. In addition to production facilities in Italy, Ugitech also produces the subject product in France and in July 2007 started stainless steel bar production at a new mill in Batavia, IL. As a result of its new plant in the United States, \*\*\*. \*\*\* reported the ability to produce other products using the same machinery and workers as the subject product. These nonsubject products include carbon steel, free cutting steel, engineering steel, stainless steel wire rod, billet, high quality niche products, and other (non-stainless) steel products.

The vast majority of Italian producers' total shipments was to their home market and the rest of the European Union, with exports to the United States accounting for approximately 14.8 percent of total Italian export shipments in 2006.

**Table IV-15**

**Stainless steel bar: Italy's reported production capacity, production, shipments, and inventories, 2001-06, January-June 2006, and January-June 2007**

Item	Calendar year						January-June		Projected	
	2001	2002	2003	2004	2005	2006	2006	2007	2007	2008
<b>Quantity (short tons)</b>										
Capacity	311,936	310,319	313,455	316,250	315,468	317,015	167,726	170,193	307,874	307,874
Production	204,536	200,539	205,431	236,614	248,964	272,764	145,303	145,918	284,339	286,129
End-of-period inventories	50,183	48,235	50,910	48,657	53,138	51,034	50,615	42,254	49,574	48,842
Shipments:										
Internal consumption	885	681	715	1,127	114	230	46	6	12	12
Home market	87,461	88,081	82,632	92,825	88,431	99,058	54,731	54,990	100,886	101,615
Exports to--										
The United States	18,819	12,983	10,877	18,637	24,113	26,886	11,899	12,558	25,206	25,213
European Union	84,510	77,478	86,770	100,018	104,674	117,967	63,075	70,235	128,131	131,349
Asia	2,351	5,189	8,118	8,957	11,829	14,882	8,094	6,349	13,039	13,515
All other markets	19,949	26,157	20,829	23,523	22,746	22,209	12,974	14,212	23,895	23,976
Total exports	125,630	121,807	126,594	151,134	163,361	181,945	96,041	103,354	190,270	194,052
Total shipments	213,976	210,569	209,941	245,086	251,905	281,233	150,818	158,350	291,168	295,679

Table continued on next page.

<sup>18</sup> (...continued)

long products, although its stainless production primarily focuses on stainless tube production. Marcegaglia's cold-finishing facility has a combined carbon and stainless capacity of 200,000 metric tons (220,460 short tons).

Domestic interested parties' posthearing brief, exh. 1, p. 55, and exh. 5; Marcegaglia company website, found at <http://www.marcegaglia.com>; and Metal Bulletin Directories, *Iron & Steel Works of the World Directory 2006*, 16<sup>th</sup> Edition, p. 106. \*\*\*. Domestic interested parties' posthearing brief, exh. 1, p. 55.

<sup>19</sup> Foreign producer questionnaires were sent to Safau, Sama Inox, and Zorzetto. None of these firms have returned questionnaire responses to date.

Table IV-15--Continued

Stainless steel bar: Italy's reported production capacity, production, shipments, and inventories, 2001-06, January-June 2006, and January-June 2007

Item	Calendar year						January-June		Projected	
	2001	2002	2003	2004	2005	2006	2006	2007	2007	2008
<b>Value (\$1,000)<sup>1</sup></b>										
Shipments to home market	217,313	205,070	208,345	316,108	356,731	442,387	216,448	360,941	600,102	***
Exports to--										
The United States	52,542	31,367	27,497	65,705	108,731	137,953	57,976	86,392	142,269	***
European Union	178,137	160,395	206,008	327,123	411,146	512,571	242,631	453,260	745,357	***
Asia	5,131	9,892	16,226	24,110	41,576	57,106	29,082	33,601	71,228	***
All other markets	41,845	52,005	47,104	72,216	84,742	85,830	46,004	81,255	134,654	***
Total exports	277,655	253,659	296,834	489,153	646,195	793,460	375,693	654,508	1,093,509	***
Total shipments	494,967	458,730	505,179	805,260	1,002,926	1,235,847	592,141	1,015,449	1,693,611	***
<b>Unit value (per short ton)<sup>1</sup></b>										
Shipments to home market	\$2,485	\$2,328	\$2,521	\$3,405	\$4,034	\$4,466	\$3,955	\$6,564	\$5,948	\$***
Exports to--										
The United States	2,792	2,416	2,528	3,526	4,509	5,131	4,872	6,879	5,644	***
European Union	2,108	2,070	2,374	3,271	3,928	4,345	3,847	6,454	5,817	***
Asia	2,182	1,906	1,999	2,692	3,515	3,837	3,593	5,292	5,463	***
All other markets	2,098	1,988	2,261	3,070	3,726	3,865	3,546	5,717	5,635	***
Total exports	2,210	2,082	2,345	3,237	3,956	4,361	3,912	6,333	5,747	***
Total shipments	2,323	2,186	2,415	3,301	3,983	4,398	3,927	6,413	5,817	***
<b>Ratios and shares (percent)</b>										
Capacity utilization	65.6	64.6	65.5	74.8	78.9	86.0	86.6	85.7	92.4	92.9
Inventories to production	24.5	24.1	24.8	20.6	21.3	18.7	17.4	14.5	17.4	17.1
Inventories to total shipments	23.5	22.9	24.2	19.9	21.1	18.1	16.8	13.3	17.0	16.5
Shares of total quantity of shipments:										
Internal consumption	0.4	0.3	0.3	0.5	0.0	0.1	0.0	0.0	0.0	0.0
Home market	40.9	41.8	39.4	37.9	35.1	35.2	36.3	34.7	34.6	34.4
Exports to--										
The United States	8.8	6.2	5.2	7.6	9.6	9.6	7.9	7.9	8.7	8.5
European Union	39.5	36.8	41.3	40.8	41.6	41.9	41.8	44.4	44.0	44.4
Asia	1.1	2.5	3.9	3.7	4.7	5.3	5.4	4.0	4.5	4.6
All other markets	9.3	12.4	9.9	9.6	9.0	7.9	8.6	9.0	8.2	8.1
Total exports	58.7	57.8	60.3	61.7	64.8	64.7	63.7	65.3	65.3	65.6
<sup>1</sup> F.o.b. point of shipment in Italy.										
Source: Compiled from data submitted in response to Commission questionnaires.										

Table IV-16 presents data for reported capacity, production, and shipments of stainless steel bar for subject and nonsubject producers in Italy.

**Table IV-16**  
**Stainless steel bar: Italy's reported production capacity, production, shipments, and inventories for subject and nonsubject producers, 2001-06, January-June 2006, January-June 2007, and projections for 2007-08**

\* \* \* \* \*

Italy's reported capacity and production of subject and other products produced on the same equipment from 2001 to 2006 are presented in table IV-17.

**Table IV-17**  
**Stainless steel bar: Italy's overall subject- and other-product capacity, production, and capacity utilization, 2001-06**

\* \* \* \* \*

Reported capacity and production of subject and other products produced on the same equipment for producers in Italy still subject to the antidumping duty order is presented in table IV-18.

**Table IV-18**  
**Stainless steel bar: Subject Italian producers' subject- and other-product capacity, production, and capacity utilization, 2001-06**

\* \* \* \* \*



Table IV-19 presents Italy's top export markets and their associated average unit values of exports from Italy. In terms of volume, Germany, the United States, and France were the top three export markets for Italian stainless steel bar in 2006, and exports of Italian stainless steel bar to the United States had the highest unit values from 2001 to 2006.

**Table IV-19**  
**Stainless steel bar: Italy's exports and average unit values, 2001-06**

Destination	Calendar year					
	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States	21,308	13,267	12,388	23,063	27,945	33,919
Top export markets:						
Germany	53,373	48,739	47,927	57,368	52,257	62,946
France	18,894	22,102	22,353	21,686	23,399	29,367
United Kingdom	14,017	12,438	13,756	12,216	12,626	15,553
Spain	11,462	12,128	13,658	12,564	14,382	15,278
Sweden	8,932	8,751	8,465	11,594	11,547	14,420
All others	55,892	58,424	62,111	82,399	78,983	91,474
Total	183,876	175,849	180,657	220,889	221,138	262,957
<b>Unit value (per short ton)</b>						
United States	\$2,746	\$2,458	\$2,832	\$3,682	\$4,732	\$6,409
Top export markets:						
Germany	1,741	1,692	2,102	2,994	3,485	3,871
France	1,665	1,690	2,178	3,193	3,767	4,089
United Kingdom	1,709	1,698	2,078	3,124	3,714	4,139
Spain	1,649	1,599	2,071	2,953	3,612	4,019
Sweden	1,839	1,918	2,373	3,179	3,785	4,235
All others	1,648	1,681	1,995	2,775	3,237	3,571
World average	1,818	1,751	2,133	3,018	3,621	4,163
<p>Note.--Export figures are quantities reported at the 6-digit level for HTS subheadings 7222.11, 7222.19, 7222.20, and 7222.30, all of which are included in the product scope. Country export totals may not add to the world total due to rounding. Reported exports to the United States may not equal reported U.S. imports due to differing data bases and other data discrepancies or reporting errors.</p>						
<p>Source: Global Trade Atlas, accessed November 19, 2007.</p>						

## THE INDUSTRY IN KOREA

Table IV-20 presents data for reported capacity, production, and shipments of stainless steel bar for Korea. All stainless steel bar producers in Korea are still subject to the antidumping duty order on Korea in these reviews. The Commission received data from one firm, POSCO Specialty Steel Co., Ltd. (formerly known as Changwon Specialty Steel Co., Ltd.) (“POSCO”), which accounted for \*\*\* percent of stainless steel bar produced in Korea in 2006.<sup>20</sup> Other subject producers in Korea include Bae Myung Metal Co. (“Bae Myung”); Dongbang Industrial Co., Ltd. (“Dongbang”); Seah Special Steel Co. (“Seah”); and KumKang Industry Co. (“KumKang”).<sup>21 22</sup>

POSCO reported that \*\*\* percent of its total sales in the most recent fiscal year were sales of stainless steel bar. \*\*\* POSCO’s shipments were to its home market and the rest of Asia. In 2006, \*\*\* percent of POSCO’s total shipments went to its home market and \*\*\* percent of its total shipments went to the rest of Asia, with \*\*\* percent being shipped to the European Union and other markets. POSCO did report exports of stainless steel bar to the United States from 2001 to 2004; however, these exports declined steadily from \*\*\* percent in 2001 to \*\*\* percent in 2004 \*\*\*. POSCO maintained the same capacity from 2001 to 2006, and \*\*\*.

**Table IV-20**  
**Stainless steel bar: Korea’s reported production capacity, production, shipments, and inventories, 2001-06, January-June 2006, January-June 2007, and projections for 2007-08**

\* \* \* \* \*

Table IV-21 presents data for POSCO’s overall capacity, production, and capacity utilization in its production facilities producing stainless steel bar and other products.

**Table IV-21**  
**Stainless steel bar: Korea’s subject- and other-product capacity, production, and capacity utilization, 2001-06**

\* \* \* \* \*

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<sup>20</sup> The Commission also sent foreign producer questionnaires to Bae Myung Metal Co. and Dongbang Industrial Co., Ltd., but has yet to receive a questionnaire response from either producer.

<sup>21</sup> Bae Myung produces stainless steel bar in a variety of size, grades, and shapes. Dongbang produces stainless steel bar, as well as nonsubject products such as stainless steel wire and wire rod. Domestic interested parties’ posthearing brief, exh. 1, p. 7 and 57; Metal Bulletin Directories, *Iron & Steel Works of the World*, 16<sup>th</sup> Edition, p. 124; and Dongbang company website, found at <http://www.dongbangsteel.com>, accessed Nov. 21, 2007. Seah produces cold-drawn stainless bar in a variety of grades. SeAH company website, found at <http://www.seahsp.co.kr/>, retrieved Nov. 21, 2007. No other publically available information on stainless steel bar capacity or production was found for these companies.

<sup>22</sup> In the original investigations, \*\*\* accounted for about 75 percent of Korean production and exports of stainless steel bar to the United States. Confidential staff report in the original investigations (memorandum INV-Z-016, February 6, 2002), p. VII-5.

Table IV-22 presents Korea's top export markets and their associated average unit values. Taiwan is the top destination for Korea's stainless steel bar exports from 2001 to 2006, with exports to Thailand having the lowest average unit values. No countries outside of Asia were a top-5 destination for Korean exports of stainless steel bar in 2006.

**Table IV-22**  
**Stainless steel bar: Korea's exports and average unit values, 2001-06**

Destination	Calendar year					
	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States	6,034	2,130	674	207	358	200
Top export markets:						
Taiwan	2,886	3,665	5,729	5,839	6,456	6,409
Japan	2,485	3,266	5,426	5,724	6,183	4,953
China	5,365	2,759	3,330	3,674	2,640	4,809
Hong Kong	2,837	3,731	5,065	3,605	2,616	1,572
Thailand	1,761	1,853	2,191	1,261	1,483	1,346
All others	11,464	8,251	5,649	6,238	7,631	4,969
Total	32,832	25,655	28,094	26,548	27,367	24,257
<b>Unit value (per short ton)</b>						
United States	\$1,648	\$1,371	\$1,616	\$3,214	\$3,008	\$5,372
Top export markets:						
Taiwan	1,344	1,170	1,412	2,156	2,497	2,822
Japan	1,704	1,562	2,258	2,381	2,743	2,744
China	1,265	1,449	1,575	1,707	2,268	2,808
Hong Kong	1,947	1,802	1,753	2,417	2,744	3,305
Thailand	1,330	1,214	1,488	2,019	2,450	2,436
All others	1,225	1,241	1,670	2,333	2,783	3,473
World average	1,424	1,385	1,719	2,221	2,638	2,967
Note.--Export figures are quantities reported at the 6-digit level for HS subheadings 7222.11, 7222.19, 7222.20, and 7222.30, all of which are included in the product scope. Country export totals may not add to the world total due to rounding. Reported exports to the United States may not equal U.S. reported imports due to differing databases and other data discrepancies or reporting error.						
Source: Global Trade Atlas, accessed November 19, 2007.						

## THE INDUSTRY IN THE UNITED KINGDOM

Table IV-23 presents data for reported capacity, production, and shipments of stainless steel bar for the United Kingdom. The Commission received data from three firms, Corus Engineering Steels (“Corus”), Enpar Special Alloys Limited (“Enpar”),<sup>23</sup> and Sandvik Limited (“Sandvik”),<sup>24</sup> which accounted for over \*\*\* percent of stainless steel bar produced in the United Kingdom and the majority of exports to the United States of stainless steel bar.<sup>25</sup> <sup>26</sup> Other producers of subject merchandise in the United Kingdom are: Bright Steels Ltd., ELG Carrs Stainless Steels, Langley Alloys, and SS Bright Drawers.<sup>27</sup> <sup>28</sup>

Corus \*\*\* producer of the subject product in the United Kingdom, accounting for an estimated \*\*\* percent of all stainless steel bar produced in the United Kingdom in 2006. Sales of stainless steel bar accounted for \*\*\* percent of its total sales in 2006. Corus produces other products using the same machinery and workers as stainless steel bar, including \*\*\*.<sup>29</sup> It reported that \*\*\* percent of its total shipments in 2006 were to its home market and \*\*\* percent were to the European Union, with \*\*\* percent being shipped to the United States. Corus reported that capacity remained stable during the period of review, \*\*\*.

**Table IV-23**  
**Stainless steel bar: The United Kingdom’s reported production capacity, production, shipments, and inventories, 2001-06, January-June 2006, and January-June 2007**

\* \* \* \* \*

Table IV-24 presents data for reported capacity, production, and shipments of stainless steel bar for subject and nonsubject producers in the United Kingdom.

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<sup>23</sup> \*\*\*. Enpar’s foreign producers’ questionnaire response, sections II-6 and II-16a.

<sup>24</sup> \*\*\*.

<sup>25</sup> \*\*\* did not provide an estimate of the percentage of total production of stainless steel bar in the United Kingdom accounted for by its production in 2006 and is not included in this figure.

<sup>26</sup> In the original investigations, Corus accounted for about \*\*\* of the United Kingdom’s production and \*\*\* its capacity, but for \*\*\* of its exports to the United States. Sandvik’s production and exports were \*\*\*. Confidential staff report in the original investigations (memorandum INV-2-016, February 6, 2002), p. VII-8. Based on proprietary data provided by Customs, product imported directly from Corus accounted for \*\*\* percent of U.S. imports of stainless steel bar from the United Kingdom in 1999-2000.

<sup>27</sup> The Commission faxed foreign producer questionnaires to ELG Carrs, SS Bright Drawers, and Bright Steels Ltd., but did not receive responses from these three producers.

<sup>28</sup> ELG Carrs produces stainless steel bar, as well as other nonsubject stainless and alloy steel products, including ingots, billets, pipe, and forgings, and has an annual capacity of 10,000 metric tons (11,000 short tons). Langley Alloys produces stainless steel bar, as well as other nonsubject products. SS Bright Drawers cold draws stainless steel bar, as well as other nickel and titanium alloy bar products. Bright Steels Ltd. cold finishes stainless steel bar and produces other carbon and alloy bar products, including wire and cold drawn tube and pipe, and reportedly has an total annual capacity of 40,000 metric tons (44,000 short tons) for all products. Langley Alloys’ website indicates that it produces stainless steel bars. Domestic interested parties’ posthearing brief, exh. 1, p. 36-37, and exh. 4; and Metal Bulletin Directories, *Iron & Steel Works of the World Directory 2005*, 16<sup>th</sup> Edition, p. 217.

<sup>29</sup> \*\*\*. Corus’ foreign producer questionnaire response, section II-6.

**Table IV-24**

**Stainless steel bar: The United Kingdom's reported production capacity, production, shipments, and inventories for subject and nonsubject producers, 2001-06, January-June 2006, January-June 2007, and projections for 2007-08**

\* \* \* \* \*

Table IV-25 present the United Kingdom's reported capacity and production of subject and other products produced on the same equipment from 2001 to 2006.<sup>30</sup>

**Table IV-25**

**Stainless steel bar: United Kingdom's subject- and other-product capacity, production, and capacity utilization, 2001-06**

\* \* \* \* \*

Producers in the United Kingdom still subject to the antidumping duty order did not report their capacity and production of subject and other products produced on the same equipment.<sup>31</sup>

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<sup>30</sup> \*\*\* producer in the United Kingdom that reported capacity and production of subject and other products produced on the same equipment for the period of review.

<sup>31</sup> \*\*\* still subject to the antidumping duty order on stainless steel bar from the United Kingdom, but they did not report capacity, production, or capacity utilization in its production facilities producing stainless steel bar and other products.

Table IV-26 presents the United Kingdom's top export markets and their associated average unit values of exports from the United Kingdom.

**Table IV-26**  
**Stainless steel bar: United Kingdom's exports and average unit values, 2001-06**

Destination	Calendar year					
	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States	5,121	3,997	2,680	3,934	3,376	2,894
Top export markets:						
Belgium	648	298	258	282	473	2,657
Germany	1,422	1,839	996	1,610	1,551	1,807
Canada	851	423	289	1,187	2,019	1,684
France	1,672	3,759	2,000	1,844	1,000	1,497
Italy	882	2,605	1,817	2,815	1,405	1,361
All others	4,394	5,818	5,727	9,805	12,973	11,386
Total	14,990	18,738	13,766	21,479	22,798	23,285
<b>Unit value (per short ton)</b>						
United States	\$2,435	\$1,915	\$2,122	\$2,261	\$3,289	\$5,740
Top export markets:						
Belgium	2,004	3,155	4,049	4,897	4,029	866
Germany	3,091	3,112	5,850	5,103	7,385	8,292
Canada	2,638	2,195	2,511	2,731	3,315	3,580
France	2,730	2,054	2,948	4,481	6,894	7,496
Italy	3,371	1,991	2,828	3,899	5,349	7,602
All others	3,114	2,564	3,535	2,994	3,333	4,869
World average	2,777	2,298	3,237	3,275	3,896	5,021
<p>Note.--Export figures are quantities reported at the 6-digit level for HS subheadings 7222.11, 7222.19, 7222.20, and 7222.30, all of which are included in the product scope. Country export totals may not add to the world total due to rounding. Reported exports to the United States may not equal U.S. reported imports due to data discrepancies or reporting error.</p>						
<p>Source: Global Trade Atlas, accessed November 19, 2007.</p>						

## COMBINED FOREIGN PRODUCER DATA

Table IV-27 presents aggregate questionnaire data for reported capacity, production, and shipments of stainless steel bar of both subject and nonsubject producers for France, Germany, Italy, Korea, and the United Kingdom.

**Table IV-27**

**Stainless steel bar: Subject countries' capacity, production, shipments, and inventories, 2001-06, January-June 2006, January-June 2007, and projected 2007-08**

\* \* \* \* \*

Table IV-28 present data for overall capacity, production, and capacity utilization for subject and other products produced on the same equipment for all reporting producers in the subject countries under review.

**Table IV-28**

**Stainless steel bar: All subject countries' subject- and other-product capacity, production, and capacity utilization, 2001-06**

Item	Calendar year					
	2001	2002	2003	2004	2005	2006
<b>Capacity (short tons)</b>						
Subject products	619,911	605,383	606,582	602,749	603,133	622,390
Other products	2,891,724	2,904,682	2,905,309	2,968,075	2,887,581	2,855,776
Total	3,511,635	3,510,065	3,511,891	3,570,824	3,490,714	3,478,166
<b>Production (short tons)</b>						
Subject products	505,003	478,241	463,963	526,289	537,310	584,021
Other products	2,554,293	2,542,071	2,676,903	2,853,297	2,557,871	2,596,861
Total	3,059,296	3,020,312	3,140,866	3,379,586	3,095,181	3,180,882
<b>Capacity utilization (percent)</b>						
Subject products	81.5	79.0	76.5	87.3	89.1	93.8
Other products	88.3	87.5	92.1	96.1	88.6	90.9
Average	87.1	86.0	89.4	94.6	88.7	91.5
Source: Compiled from data submitted in response to Commission questionnaires.						

Table IV-29 presents capacity, production, and capacity utilization for subject and other products produced on the same equipment for all producers still subject to the orders under review.

**Table IV-29**

**Stainless steel bar: Subject producers' subject- and other-product capacity, production, and capacity utilization, 2001-06**

\* \* \* \* \*

Effective April 23, 2007, the companies shown in table IV-30 are exempt from the antidumping and countervailing duty orders for these reviews.<sup>32</sup> Trafilerie Bedini has been exempt from the orders since their imposition.

**Table IV-30**  
**Stainless steel bar: U.S. imports from companies now exempt from antidumping and countervailing duty orders, 2001-06, January-June 2006, and January-June 2007**

Source	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Quantity (short tons)</b>								
Ugitech (France)	***	***	***	***	***	***	***	***
Walzwerke Einsal (Germany)	***	***	***	***	***	***	***	***
Acciaierie Valbruna (Italy) <sup>1</sup>	***	***	***	***	***	***	***	***
Acciaieria Foroni (Italy)	***	***	***	***	***	***	***	***
Rodacciai (Italy)	***	***	***	***	***	***	***	***
Trafilerie Bedini (Italy)	***	***	***	***	***	***	***	***
Corus Engineering (United Kingdom)	***	***	***	***	***	***	***	***
Total	21,669	27,179	17,518	30,463	45,849	41,850	17,905	22,093
<b>Value (1,000 dollars)<sup>2</sup></b>								
Ugitech (France)	***	***	***	***	***	***	***	***
Walzwerke Einsal (Germany)	***	***	***	***	***	***	***	***
Acciaierie Valbruna (Italy) <sup>1</sup>	***	***	***	***	***	***	***	***
Acciaieria Foroni (Italy)	***	***	***	***	***	***	***	***
Rodacciai (Italy)	***	***	***	***	***	***	***	***
Trafilerie Bedini (Italy)	***	***	***	***	***	***	***	***
Corus Engineering (United Kingdom)	***	***	***	***	***	***	***	***
Total	52,177	59,020	39,511	87,208	169,137	180,266	70,656	126,166

Table continued on next page.

<sup>32</sup> *Implementation of the Findings of the WTO Panel in US-Zeroing (EC): Notice of Determinations Under Section 129 of the Uruguay Round Agreements Act and Revocations and Partial Revocations of Certain Antidumping Duty Orders*, 72 FR 25261, May 4, 2007.



**Table IV-30--Continued**

**Stainless steel bar: U.S. imports from companies now exempt from antidumping and countervailing duty orders, 2001-06, January-June 2006, and January-June 2007**

Source	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Unit value (per short ton)<sup>2</sup></b>								
Ugitech (France)	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Walzwerke Einsal (Germany)	***	***	***	***	***	***	***	***
Acciaieria Valbruna (Italy)	***	***	***	***	***	***	***	***
Acciaieria Foroni (Italy)	***	***	***	***	***	***	***	***
Rodacciai (Italy)	***	***	***	***	***	***	***	***
Trafilerie Bedini (Italy)	***	***	***	***	***	***	***	***
Corus Engineering (United Kingdom)	***	***	***	***	***	***	***	***
Average	2,408	2,172	2,255	2,863	3,689	4,307	3,946	5,711
<b>Share of quantity (percent)</b>								
Ugitech (France)	***	***	***	***	***	***	***	***
Walzwerke Einsal (Germany)	***	***	***	***	***	***	***	***
Acciaieria Valbruna (Italy)	***	***	***	***	***	***	***	***
Acciaieria Foroni (Italy)	***	***	***	***	***	***	***	***
Rodacciai (Italy)	***	***	***	***	***	***	***	***
Trafilerie Bedini (Italy)	***	***	***	***	***	***	***	***
Corus Engineering (United Kingdom)	***	***	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Share of value (percent)</b>								
Ugitech (France)	***	***	***	***	***	***	***	***
Walzwerke Einsal (Germany)	***	***	***	***	***	***	***	***
Acciaieria Valbruna (Italy)	***	***	***	***	***	***	***	***
Acciaieria Foroni (Italy)	***	***	***	***	***	***	***	***
Rodacciai (Italy)	***	***	***	***	***	***	***	***
Trafilerie Bedini (Italy)	***	***	***	***	***	***	***	***
Corus Engineering (United Kingdom)	***	***	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<sup>1</sup> ***. <sup>2</sup> Landed, duty-paid.								
Note.--Because of rounding, figures may not add to the totals shown.								
Source: Compiled from data submitted in response to Commission questionnaires.								

Capacity, production, and exports to the United States of firms now exempt from the orders are presented in table IV-31.

**Table IV-31**  
**Stainless steel bar: Capacity, production, and exports to the United States from companies now exempt from antidumping duty orders, 2001-06, January-June 2006, and January-June 2007**

Source	Calendar year						January-June	
	2001	2002	2003	2004	2005	2006	2006	2007
<b>Capacity (short tons)</b>								
Ugitech (France)	***	***	***	***	***	***	***	***
Walzwerke Einsal (Germany)	***	***	***	***	***	***	***	***
Acciaieria Valbruna (Italy)	***	***	***	***	***	***	***	***
Acciaieria Foroni (Italy)	***	***	***	***	***	***	***	***
Rodacciai (Italy)	***	***	***	***	***	***	***	***
Trafilerie Bedini (Italy)	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Corus Engineering (United Kingdom)	***	***	***	***	***	***	***	***
Average	365,751	354,565	363,980	351,903	351,413	364,426	193,370	200,333
<b>Production (short tons)</b>								
Ugitech (France)	***	***	***	***	***	***	***	***
Walzwerke Einsal (Germany)	***	***	***	***	***	***	***	***
Acciaieria Valbruna (Italy)	***	***	***	***	***	***	***	***
Acciaieria Foroni (Italy)	***	***	***	***	***	***	***	***
Rodacciai (Italy)	***	***	***	***	***	***	***	***
Trafilerie Bedini (Italy)	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Corus Engineering (United Kingdom)	***	***	***	***	***	***	***	***
Total	291,458	268,353	263,968	292,835	288,243	321,885	167,831	171,850
<b>Exports to the United States (short tons)</b>								
Ugitech (France)	***	***	***	***	***	***	***	***
Walzwerke Einsal (Germany)	***	***	***	***	***	***	***	***
Acciaieria Valbruna (Italy)	***	***	***	***	***	***	***	***
Acciaieria Foroni (Italy)	***	***	***	***	***	***	***	***
Rodacciai (Italy)	***	***	***	***	***	***	***	***
Trafilerie Bedini (Italy) <sup>2</sup>	***	***	***	***	***	***	***	***
Corus Engineering (United Kingdom)	***	***	***	***	***	***	***	***
Total	27,968	21,602	19,657	30,676	33,497	35,841	15,662	17,677
<sup>1</sup> Not available. ***. <sup>2</sup> ***.								
Note.—Because of rounding, figures may not add to the totals shown. Source: Compiled from data submitted in response to Commission questionnaires.								

Table IV-32 presents reported capacity, production, and capacity utilization for subject and nonsubject producers from each subject country in these reviews.

**Table IV-32**  
**Stainless steel bar: Capacity, production, and capacity utilization of subject and nonsubject producers, by country, 2001-06, January-June 2006, and January-June 2007**

\* \* \* \* \*

Table IV-33 presents capacity, production, and capacity utilization for subject and nonsubject firms in the four European Union countries (France, Germany, Italy, and the United Kingdom) in these reviews.

**Table IV-33**  
**Stainless steel bar: France, Germany, Italy, and the United Kingdom's reported production capacity, production, shipments, and inventories for subject and nonsubject producers, 2001-06, January-June 2006, January-June 2007, and projections for 2007-08**

\* \* \* \* \*

Table IV-34 presents capacity, production, and capacity utilization for subject and nonsubject firms in Germany and Italy.

**Table IV-34**  
**Stainless steel bar: Germany and Italy's reported production capacity, production, shipments, and inventories for subject and nonsubject producers, 2001-06, January-June 2006, January-June 2007, and projections for 2007-08**

\* \* \* \* \*

### U.S. IMPORTERS' CURRENT ORDERS

U.S. importers were requested to indicate whether their firm imported or arranged for the importation of stainless steel bar from France, Germany, Italy, Korea, and/or the United Kingdom for delivery after June 30, 2007. Of the responding importers, eight importers indicated that they arranged for the importation of the subject product after June 30, 2007. The tabulation below presents the quantity and country of origin of these arranged imports.

\* \* \* \* \*

## ANTIDUMPING AND COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

The tabulation below shows the status of antidumping and countervailing duty investigations on stainless steel bar in third-country markets, and the subject countries and products involved.

Market	Subject country(s)	Product	Status
Brazil	India	Stainless steel bright bars	Antidumping duty order (effective 2003)
Canada	Brazil, India, Japan, Spain	Certain stainless steel round bar	Antidumping duty order on Brazil (effective October 27, 2000, rescinded January 18, 2005). <sup>1</sup> Antidumping duty orders on India, Japan, and Spain (effective September 1998; continued September 2003)
European Union	India	Stainless steel bright bars	Countervailing duty order (effective November 1998; expired May 2003)
South Korea	India	Stainless steel bright bars	Antidumping duty order (effective 2004)
<p><sup>1</sup> Antidumping duty order on Brazil rescinded due to no domestic production (found at Canadian International Trade Tribunal website found at <a href="http://www.citt.gc.ca/dumping/expiries/orders/ie2e008_e.asp">http://www.citt.gc.ca/dumping/expiries/orders/ie2e008_e.asp</a>), retrieved November 1, 2006.</p> <p>Source: The European Union's website at <a href="http://ec.europa.eu/comm/trade/issues/respectrules/anti_dumping/stats.htm">http://ec.europa.eu/comm/trade/issues/respectrules/anti_dumping/stats.htm</a>; the Government of Canada's website at <a href="http://www.cbsa-asfc.gc.ca/sima/expiry-e.html">http://www.cbsa-asfc.gc.ca/sima/expiry-e.html</a>; and foreign producer questionnaires.</p>			

### GLOBAL MARKET<sup>33</sup>

#### Supply

Public figures for global stainless steel bar production by country or region are generally not available. The most recent publicly available figures for global stainless steel bar production are from 2004. According to one industry estimate, global production of stainless steel long products (including stainless steel bar) increased by over 5 percent to almost 4.1 million metric tons (4.5 million short tons) in 2004, representing 19 percent of total stainless steel production.<sup>34</sup> In 2004, global production of stainless steel bar totaled 1.8 million metric tons (2 million short tons), or about 7 percent of total stainless steel production.<sup>35</sup> Cold-finished stainless steel bar accounted for approximately 41 percent, or 780,000 metric tons (860,000 short tons), of stainless steel bar production during this time.<sup>36</sup>

Stainless steel bar production is relatively concentrated among leading stainless steel bar producers. According to Steel & Metals Market Research ("SMR"),<sup>37</sup> the top 10 stainless steel bar

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<sup>33</sup> The information in this section of the report is derived and updated from *Stainless Steel Bar from Brazil, India, Japan, and Spain, Inv. Nos. 731-TA-678, 679, 681, and 682 (Second Review)*, USITC Publication 3895, December 2006.

<sup>34</sup> Hot-rolled and cold-rolled flat products, including strip, sheet, and hot-rolled coil, among others, accounted for the remaining 81 percent, or 17.2 million metric tons (19 million short tons), of stainless steel production in 2004. "Global Market Overview for Stainless Steel Long Products," presented by Markus Moll, Metal Bulletin and Steel & Metals Market Research 4<sup>th</sup> International Nickel, Stainless, and Special Steel Forum, Bilbao, Spain, Sept. 12-15, 2005, found at <http://www.steelrx.com/mollpres.pdf>, retrieved August 9, 2006.

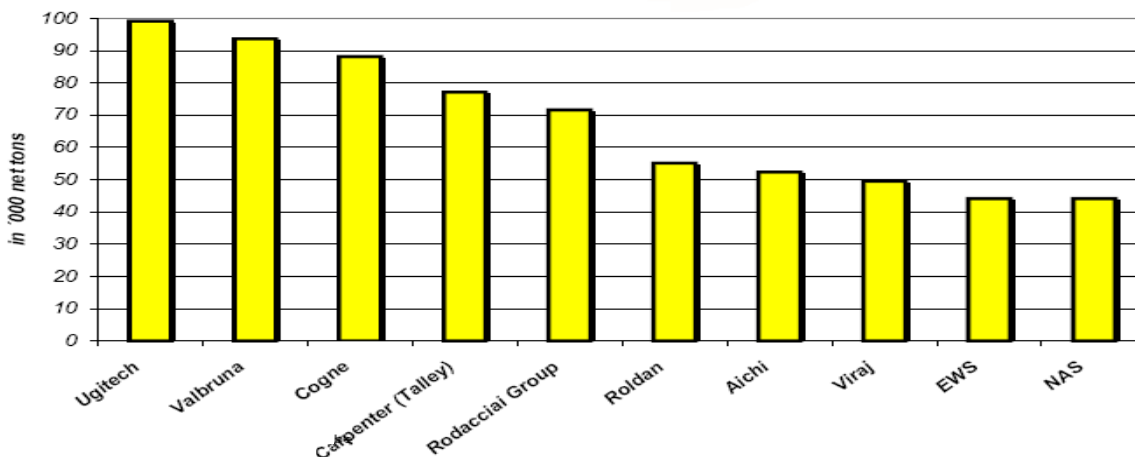
<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

<sup>37</sup> \*\*\*.

producers, predominantly European and American producers, accounted for approximately 50 percent of global stainless steel bar production (see figure IV-1).<sup>38</sup>

**Figure IV-1**  
**Stainless steel bar: Top ten mills in 2004**



Source: “Global Market Overview for Stainless Steel Long Products,” presented by Markus Moll, Metal Bulletin and Steel & Metals Market Research 4<sup>th</sup> International Nickel, Stainless, and Special Steel Forum, Bilbao, Spain, Sept. 12-15, 2005, found at <http://www.steelrx.com/mollpres.pdf>, retrieved August 9, 2006.

According to Global Trade Atlas statistics, Western Europe (especially Italy, Spain, and Germany) was the largest exporter of stainless steel bar during 2001–06 (see table IV-35). Exports of all stainless steel bar products from Italy, Spain, Germany, and France increased 43 percent, 54 percent, 38 percent, and 9 percent, respectively, between 2001 and 2006. In contrast, exports of all stainless steel bar products from Korea declined 26 percent to approximately 24,200 short tons between 2001 and 2006.

According to SMR, recent capacity investments in stainless long products will affect the global supply outlook of stainless steel bar.<sup>39</sup> For example, in the United States ATI Allvac expanded its Richburg, SC long products rolling facility in 2004, increasing the facility’s operating capacity.<sup>40</sup> North

<sup>38</sup> Figures include semi-finished stainless long products, such as billets, as well as seamless tube. “Global Market Overview for Stainless Steel Long Products,” presented by Markus Moll, Metal Bulletin and Steel & Metals Market Research 4<sup>th</sup> International Nickel, Stainless, and Special Steel Forum, Bilbao, Spain, Sept. 12-15, 2005, found at <http://www.steelrx.com/mollpres.pdf>, retrieved August 9, 2006; and “Specialty Report: The State of Stainless,” *Metal Center News Online* (April 2005), found at <http://www.metalcenternews.com>, retrieved July 25, 2006.

<sup>39</sup> “Specialty Report: The State of Stainless,” *Metal Center News Online* (April 2005), found at <http://www.metalcenternews.com>, retrieved July 26, 2006.

<sup>40</sup> “ATI Allvac Commissions Expanded Rolling Mill in Richburg, SC,” Allegheny Technologies press release (October 14, 2004), found at <http://www.investquest.com/iq/a/ati/ne/news/ati101404commissions.htm>, retrieved August 22, 2006.

**Table IV-35**  
**Stainless steel bar: Top exporting countries and regions, 2001-06**

Source	Calendar year					
	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States	18,033	14,140	16,330	24,925	26,163	33,120
Top exporting countries:						
Italy	183,876	175,849	180,657	220,889	221,138	262,957
Spain	94,866	99,690	107,902	125,747	121,088	146,242
Germany	99,031	95,866	91,518	107,878	113,490	138,192
India	57,911	72,141	71,974	77,079	109,413	123,513
France	91,051	80,307	88,693	94,235	106,269	98,035
Taiwan	26,297	32,164	36,234	43,611	53,260	58,054
Japan	52,850	66,736	51,791	51,392	52,212	54,011
Sweden	46,073	44,716	48,167	48,017	45,229	50,946
Ukraine	( <sup>1</sup> )	33,848	29,054	41,089	40,817	39,753
Luxembourg	18,104	19,521	19,870	18,560	18,841	30,687
Austria	27,220	26,517	25,807	29,226	31,482	30,222
China	4,340	3,631	4,589	12,014	19,931	24,412
Korea	32,832	25,655	28,064	26,548	27,367	24,257
United Kingdom	14,990	18,738	13,766	21,479	22,798	23,285
Singapore	2,454	5,674	13,401	21,504	17,507	22,377
Total	751,895	801,053	811,487	939,267	1,000,841	1,126,943
Regions:						
EU15 (External Trade)	160,865	158,164	161,481	215,451	227,359	251,928
EU 25 (External Trade)	138,847	132,132	133,177	176,271	187,311	200,096
EU27 (External Trade) <sup>2</sup>	136,845	129,895	130,051	172,645	181,880	194,861
<sup>1</sup> None reported. <sup>2</sup> The smaller volume of EU-27 external trade compared to EU-15 and EU-25 external trade reflects the level of cross-border trade between the EU-15 and the 12 newer members of the European Union. As such, EU-15 external trade will appear larger than EU-25's and EU-27's external trade.						
Note.—Export figures for HS subheadings 7222.11, 7222.19, 7222.20, and 7222.30.						
Source: Global Trade Atlas, accessed November 19, 2007.						

American Stainless has undertaken a \$270 million expansion plan, including a new billet caster and finishing equipment for long products, as well as a second EAF and AOD converter, which will reportedly boost melting capacity for both flat-rolled and long products to 1,415,000 metric tons from 1 million metric tons.<sup>41</sup> Electralloy installed three new VAR furnaces in 2006, while Universal added two new VAR furnaces during 2006–07.<sup>42</sup> Carpenter plans on increasing its vacuum induction melting capacity by 40 percent, and installing four VAR and two ESR furnaces at its Reading, PA facility by 2009.<sup>43</sup> In 2007, Ugitech USA began production of cold-finished stainless steel bar at its new production facility in Batavia, IL.<sup>44</sup> Output of stainless steel long products at the new mill is expected to reach 10,000 tons per year by 2012.<sup>45</sup> Looking forward, SMR has forecasted that U.S. stainless steel bar production will continue to grow from 160,000 short tons to over 200,000 short tons by 2008.<sup>46 47</sup>

Investments in other regional markets include Villares Metals' plans to construct a new continuous rolling mill capable of producing 49,200 metric tons (approximately 54,200 short tons) of round, hexagonal, square-shaped, and flat bars by 2007, as well as to increase capacity of its EAF to 30 metric tons (33 short tons) per heat.<sup>48</sup> Spanish long products producer Sidenor recently invested 7.5 million euros to add a new VOD and other equipment at its Basauri Works (Spain), which produced its first heat of stainless steel in February 2006.<sup>49</sup> In China, Baosteel Shanghai commissioned its No. 5 bar and wire rod stainless and specialty steel facility with a capacity of 350,000 metric tons (386,000 short tons) in late 2004.<sup>50</sup>

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<sup>41</sup> "NA Stainless begins production on new billet caster at Carrollton," *American Metal Market* (March 23, 2005); "North American Stainless planning seventh expansion at Ky. plant," *American Metal Market* (November 18, 2005); and "NAS earmarks \$270M to boost Ky. output 40%," *American Metal Market* (June 9, 2006); and "NAS taps VAI for Ky. Mill Converter, Furnace," *American Metal Market* (December 4, 2006), found at <http://www.amm.com>, retrieved June 12, 2006 and December 5, 2006.

<sup>42</sup> "Latrobe Specialty Hiking Capacity to Meet Aerospace Demand," *Metal Bulletin* (May 21, 2007), found at <http://www.metalbulletin.com>, retrieved May 22, 2007. With respect to Electralloy, two of the three VAR furnaces installed in 2006 are owned by a customer of Electralloy and are dedicated exclusively to melting the customer's nonstainless product. Hearing transcript, p. 31 (Simmons).

<sup>43</sup> *Ibid.*; and "Carpenter Breaks New Ground for Plant in Reading," *American Metal Market* (June 8, 2007), found at <http://www.amm.com>, retrieved June 11, 2007.

<sup>44</sup> Ugitech USA, "Ugitech USA's New Batavia Facility Dedicated Today," June 25, 2007, found at <http://www.ugitechusa.com>, retrieved September 22, 2007.

<sup>45</sup> Hearing transcript, p. 209 (O'Donnell).

<sup>46</sup> "Specialty Report: The State of Stainless," *Metal Center News Online* (April 2005), found at <http://www.metalcenternews.com>, retrieved July 26, 2006.

<sup>47</sup> "Global Market Overview for Stainless Steel Long Products," presented by Markus Moll, *Metal Bulletin and Steel & Metals Market Research 4<sup>th</sup> International Nickel, Stainless, and Special Steel Forum*, Bilbao, Spain, September 12-15, 2005, found at <http://www.steelrx.com/mollpres.pdf>, retrieved August 9, 2006.

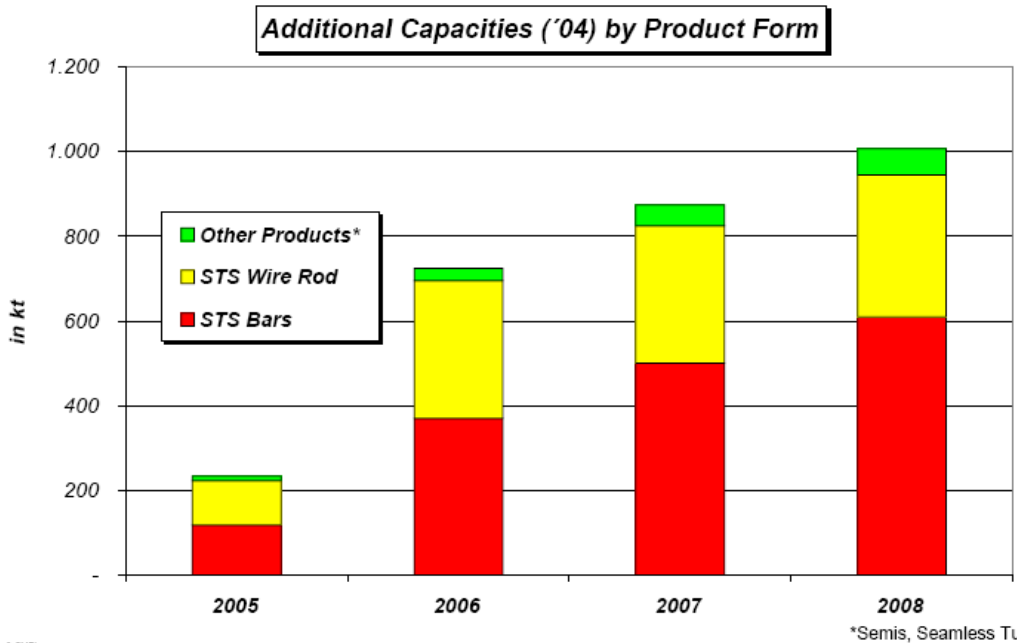
<sup>48</sup> "The Investments for Modernization of the Villares Metals Plant," Villares Metals International B.V. news release, found at <http://www.villaresmetalsinternational.com>, retrieved August 22, 2006.

<sup>49</sup> "With an investment of 7.5 million euros, Sidenor starts manufacture of stainless steel," Sidenor Industrial company press release (Feb. 8, 2006), found at <http://www.sidenor.com>, retrieved August 22, 2006; "Sidenor colara acero inoxidable en la planta de Basauri (Bizkaia) a partir de enero," *Europa Press* (March 22, 2005), found at <http://www.finanzas.com/id.8353119/noticias/noticia.htm>, retrieved August 22, 2006.

<sup>50</sup> "Baosteel Shanghai Continues to Commission Danieli Minimill," *Association for Iron and Steel Technology Steel News* (Feb. 27, 2004), found at <http://www.steelnews.com>, retrieved August 22, 2006.

Looking forward, stainless steel bar capacity in Europe is forecast to \*\*\* by approximately \*\*\* percent to almost \*\*\* metric tons between 2005 and 2009.<sup>51</sup> \*\*\* stainless steel bar capacity in \*\*\* is forecast to \*\*\* in stainless steel bar capacity in \*\*\*. Stainless steel bar capacity in \*\*\* is forecast to \*\*\* between 2005 and 2009.<sup>52</sup> Globally, SMR has forecasted that approximately 600,000 short tons of additional capacity will come online by 2008 (see figure IV-2).<sup>53</sup>

**Figure IV-2**  
**Stainless steel products: Additional capacities by product form, 2004 forecast**



Source: "Global Market Overview for Stainless Steel Long Products," presented by Markus Moll, Metal Bulletin and Steel & Metals Market Research 4<sup>th</sup> International Nickel, Stainless, and Special Steel Forum, Bilbao, Spain, Sept. 12-15, 2005, found at <http://www.steelrx.com/mollpres.pdf>, retrieved August 9, 2006.

<sup>51</sup> \*\*\* presented in domestic interested parties' posthearing brief, exh. 2, *Stainless Steel Bar from Brazil, India, Japan, and Spain, Investigation Nos. 731-TA-678, 679, 681, and 682 (Second Review)*, USITC Publication 3895, December 2006.

<sup>52</sup> Ibid.

<sup>53</sup> "Global Market Overview for Stainless Steel Long Products," presented by Markus Moll, Metal Bulletin and Steel & Metals Market Research 4<sup>th</sup> International Nickel, Stainless, and Special Steel Forum, Bilbao, Spain, Sept. 12-15, 2005, found at <http://www.steelrx.com/mollpres.pdf>, retrieved August 9, 2006.



## Demand

Worldwide demand for stainless steel bar is derived from its use in a diverse array of end-use markets, which are influenced in part by general economic growth. End-use markets in which stainless steel bar is used include the capital goods sector; heavy construction and power generation; marine and residential construction; the petroleum, natural gas, chemical, and petrochemical industries; aerospace and automotive industries; and medical products. According to the International Stainless Steel Forum, global demand for stainless steel long products is forecast to increase through 2008.<sup>54</sup> Ugitech estimates that global demand for stainless steel bar will increase \*\*\* in 2008.<sup>55</sup>

In the United States, demand for stainless steel bar from energy exploration and generation, general manufacturing, and the oil and gas industry is reportedly strong,<sup>56</sup> although overall demand is forecast to decline \*\*\* in 2007 compared to 2006 before increasing \*\*\* in 2008.<sup>57</sup> According to MBR, domestic demand for stainless products in Japan has been recently aided by an improved economic environment and by increases in capital investment and construction, while rising input costs (mainly nickel) have contributed to price increases.<sup>58</sup> In mid-2005, demand in Japan for smaller-diameter stainless steel bar used in the automotive industry was reportedly strong.<sup>59</sup>

In Europe, the German construction sector, a principal consumer of grade 316 cold-finished stainless steel bar, is considered a driver for demand in Europe.<sup>60</sup> Demand in Europe began to rebound in the beginning of 2006, driven principally by distributor restocking as well as by increases in demand from end-use markets.<sup>61</sup> As of mid-2007, demand for stainless steel bar in Germany is reportedly satisfactory, although stainless steel bar imports from India have reportedly pushed German base prices down.<sup>62</sup> Demand for stainless steel bar in the manufacturing sector in the United Kingdom is reportedly steady, although mills have reportedly conceded discounts, while demand from construction and energy-related sectors in the country is reportedly very strong.<sup>63</sup> Ugitech estimates that demand in Europe for stainless steel bar will increase by \*\*\* in 2008 and has forecasted strong growth in all major end-use markets for

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<sup>54</sup> International Stainless Steel Forum (ISSF), "Long Products Global Stainless Steel Demand Index," found at <http://www.worldstainless.org>, retrieved September 22, 2007. The stainless steel demand index for long products is an aggregate of similar demand indices for individual countries or regions. Included in the index are the United States, the EU-15, Korea, Taiwan, and Japan. These markets account for approximately 50 percent of the global market for stainless steel long products. Staff email correspondence with \*\*\*, August 17, 2006.

<sup>55</sup> Ugitech's posthearing brief, exh. 1-B.

<sup>56</sup> "Strong Demand, Surcharge to Drive Stainless Bar Price," *American Metal Market* (January 10, 2007); and "Energy Market Keeps Stainless Bar Charged Up," *American Metal Market* (July 12, 2007), found at <http://www.amm.com>, retrieved September 23, 2007.

<sup>57</sup> Domestic interested parties' posthearing brief, exh. 8; and hearing transcript, p. 45 (Blot).

<sup>58</sup> Metal Bulletin Research, *Stainless Steels Monthly* (July 2006); MEPS, *International Stainless Review* (May 2006), p. 7.

<sup>59</sup> Metal Bulletin Research, *Stainless Steels Monthly* (May 2005).

<sup>60</sup> *Ibid.*

<sup>61</sup> MEPS, *Stainless Steel Review* (Feb.–July 2006 issues).

<sup>62</sup> MEPS, *Stainless Steel Review* (March–July 2007 issues).

<sup>63</sup> MEPS, *Stainless Steel Review* (April–July 2007 issues).

stainless steel bar, including the oil and gas, water, automotive, construction, and food service markets in all regions, particularly Asia and Eastern Europe.<sup>64</sup>

According to Global Trade Atlas statistics, Western Europe imported the greatest amount of stainless steel bar during 2001-06, apart from the United States (see table IV-36). Between 2001 and 2006, Asia (including Malaysia, Singapore, Korea, and China) experienced the greatest regional growth in imports of stainless steel bar.

**Table IV-36**  
**Stainless steel bar: Top importing countries and regions, 2001-06**

\* \* \* \* \*

Table IV-37 presents stainless steel bar production, imports, exports, apparent consumption, and import penetration for subject and nonsubject countries. Germany, one of the top exporters and yet a net importer of stainless steel bar, maintained one of the highest import penetration percentages across all periods. Of nonsubject countries, Japan maintained the lowest import penetration, while apparent consumption declined by approximately \*\*\* percent between 2001 and 2005.

**Table IV-37**  
**Stainless steel bar: Subject and nonsubject production, imports, exports, apparent consumption, and import penetration, 2001-06**

\* \* \* \* \*

### Prices

Published price data for cold-rolled stainless steel bar are available by subscription only and cannot be reproduced without the consent of the publisher.<sup>65</sup> Tables IV-38 and IV-39 illustrate regional transaction prices for cold-drawn stainless steel bar in grades 304 and 316.<sup>66</sup> Tables IV-40 and IV-41 illustrate regional transaction prices for peeled stainless steel bar in grades 304 and 316.

Between January 2005 and October 2007, transaction prices for all four products increased substantially across all countries represented, although prices decreased between August 2007 and October 2007 partly as a result of declining nickel prices and inventory destocking during the second and third quarters. U.S. prices for cold-drawn and peeled stainless bar products in both grades increased by \*\*\*. European prices (including those for Germany, France, and Italy) increased by \*\*\*. October 2007 transaction prices are generally higher in the EU countries represented for all stainless bar products, with the exception of peeled bar grade 304, for which prices in the United States are \*\*\* than in Germany, France, and Italy, but \*\*\* than those in the United Kingdom. Overall, transaction prices for all four stainless bar products were generally higher in France, Germany, and Italy than in the United States. Transaction prices were generally \*\*\* in Korea. \*\*\* pricing data reflect similar pricing sentiment among some industry observers who believe that although domestic U.S. prices are high, foreign prices are

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<sup>64</sup> Ugitech estimates that regional demand for stainless steel bar in 2008 will increase \*\*\*. Ugitech's posthearing brief, pp. 4-5 and exh. 1-B.

<sup>65</sup> \*\*\*.

<sup>66</sup> \*\*\*.

generally higher.<sup>67</sup> Price increases for cold-rolled stainless steel bar coincide with escalating raw material costs, notably for nickel.

The accuracy of \*\*\* data has been questioned because of apparent pricing discrepancies in the data.<sup>68</sup> Additionally, it has been argued that European prices are generally higher than U.S. prices because the majority of sales in Europe are made to end users, whereas the majority of sales made in the United States are to distributors.<sup>69</sup> As the majority of European SSB producers own their own distribution systems, the higher European prices likely reflect the additional value-added distribution service activities.<sup>70</sup> As a result, \*\*\* pricing data may not make a comparable price comparison at the same level of trade between the United States and Europe.<sup>71</sup> However, German SSB producer DEW estimates that \*\*\* of its European sales are made to distributors.<sup>72</sup> In addition, CES has stated that it sells to both distributors and OEMs.<sup>73</sup>

**Table IV-38**  
**Cold-drawn stainless steel bar, grade 304: Monthly negotiated transaction prices, January 2005-August 2007**

\* \* \* \* \*

**Table IV-39**  
**Cold-drawn stainless steel bar, grade 316: Monthly negotiated transaction prices, January 2005-August 2007**

\* \* \* \* \*

**Table IV-40**  
**Peeled stainless steel bar, grade 304: Monthly negotiated transaction prices, January 2005-August 2007**

\* \* \* \* \*

**Table IV-41**  
**Peeled stainless steel bar, grade 316: Monthly negotiated transaction prices, January 2005-August 2007**

\* \* \* \* \*

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<sup>67</sup> “Stainless Bar Demand Not Hampered by Surcharge Rise,” *Metal Bulletin* (April 17, 2007), found at <http://www.metalbulletin.com>, retrieved September 22, 2007.

<sup>68</sup> Domestic interested parties’ prehearing brief, p. 19. \*\*\*. Staff contacted \*\*\* to inquire about this apparent discrepancy. \*\*\*. Staff email correspondence with \*\*\*, Nov. 2, 2007.

<sup>69</sup> *Stainless Steel Bar from Brazil, India, Japan, and Spain, Inv. Nos. 731-TA-678, 679, 681, and 682 (Second Review)*, USITC Publication 3895, December 2006, p. IV-35; hearing transcript, p. 178–179 (McGarry).

<sup>70</sup> *Stainless Steel Bar from Brazil, India, Japan, and Spain, Inv. Nos. 731-TA-678, 679, 681, and 682 (Second Review)*, USITC Publication 3895, December 2006, p. IV-35; hearing transcript, p. 56–57, 121 (Kerwin).

<sup>71</sup> *Ibid.*

<sup>72</sup> German respondents’ prehearing brief, p. 10.

<sup>73</sup> Corus’ posthearing brief, p. 6.



## **PART V: PRICING AND RELATED INFORMATION**

### **FACTORS AFFECTING PRICING**

#### **Raw Material Costs**

The primary inputs for stainless steel bar are stainless steel scrap and/or carbon steel scrap as well as nickel, chromium, and molybdenum alloys. As shown in figures V-1 through V-4, monthly prices of the materials have all fluctuated widely during the period from January 2001 through August 2007, though they have shown a large overall increase in price over this period.

U.S. producers' costs of raw materials have increased substantially as a percentage of their cost of goods sold since 2001. In the aggregate for all producers, these costs increased from 37.0 percent of the cost of goods sold in 2001 to 65.8 percent in 2006. During January-June 2007, they amounted to 70.0 percent as compared to 61.0 percent in January-June 2006.

#### **Transportation Costs to the U.S. Market**

Transportation costs for stainless steel bar shipped to the United States from France, Germany, Italy, Korea, and the United Kingdom averaged 3.5 percent, 5.6 percent, 2.9 percent, 6.0 percent, and 4.7 percent of the respective customs values of imports from these countries during 2006. These estimates are derived from official import data.<sup>1</sup>

#### **Transportation Costs in the U.S. Market**

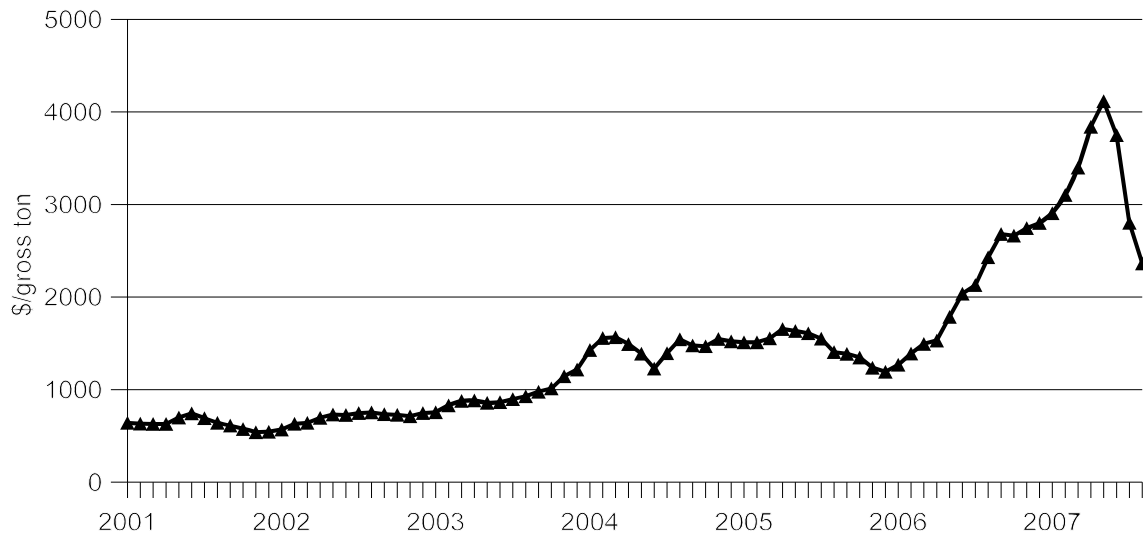
Transportation costs on U.S. inland shipments of stainless steel bar generally account for a small to moderate share of the delivered price of these products. For the U.S. producers that provided meaningful estimates, these costs were consistently 4 percent or less of the delivered price. Among the importers that provided meaningful estimates, U.S. inland transportation costs ranged from less than 1 percent to 9 percent of the delivered price. Estimates by importers of less than 3 percent were most common.

Producers were asked to estimate the shares of their sales that occurred within 100 miles of their storage or production facility, between 101 and 1,000 miles, and over 1,000 miles. All eight U.S. producers reported that the majority of their sales is for distances of over 100 miles. The shares of shipments within 100 miles by producers ranged from 0 to 10 percent. In the case of importers, 7 of the 15 firms that provided estimates reported that the majority of their shipments were for distances of 100 miles or less. Among these 7 firms, 3 reported that 100 percent of their shipments were within 100 miles, 3 reported that 90 percent were within 100 miles, and 1 reported that 89 percent of its shipments were within 100 miles.

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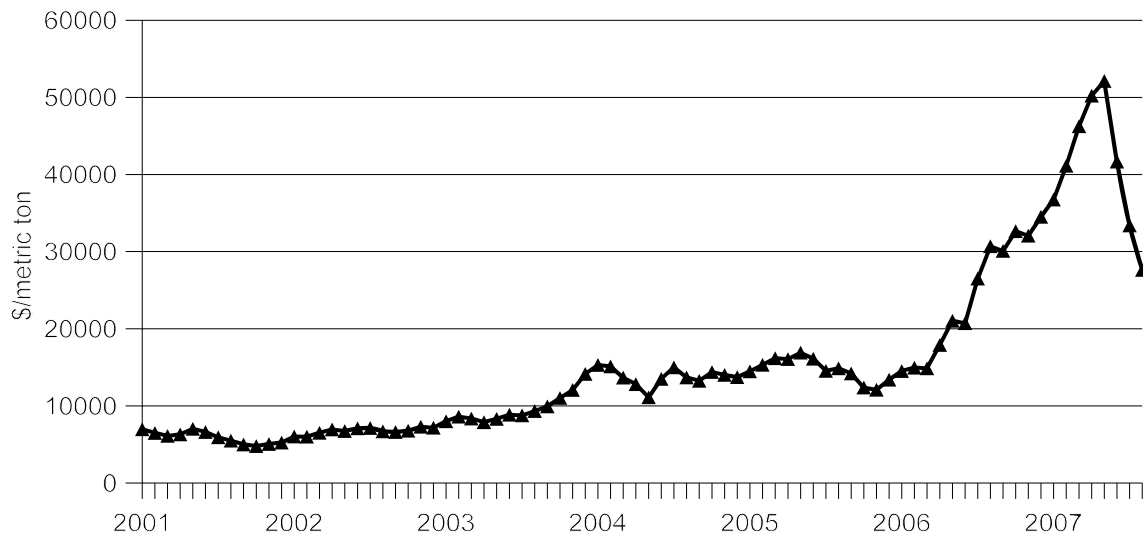
<sup>1</sup> The estimated cost was obtained by subtracting the customs value from the c.i.f. value of the imports for 2006 and then dividing by the customs value.

**Figure V-1**  
**Stainless steel scrap: Monthly consumer prices of 18-8 bundles, solids, and clips, January 2001-August 2007**



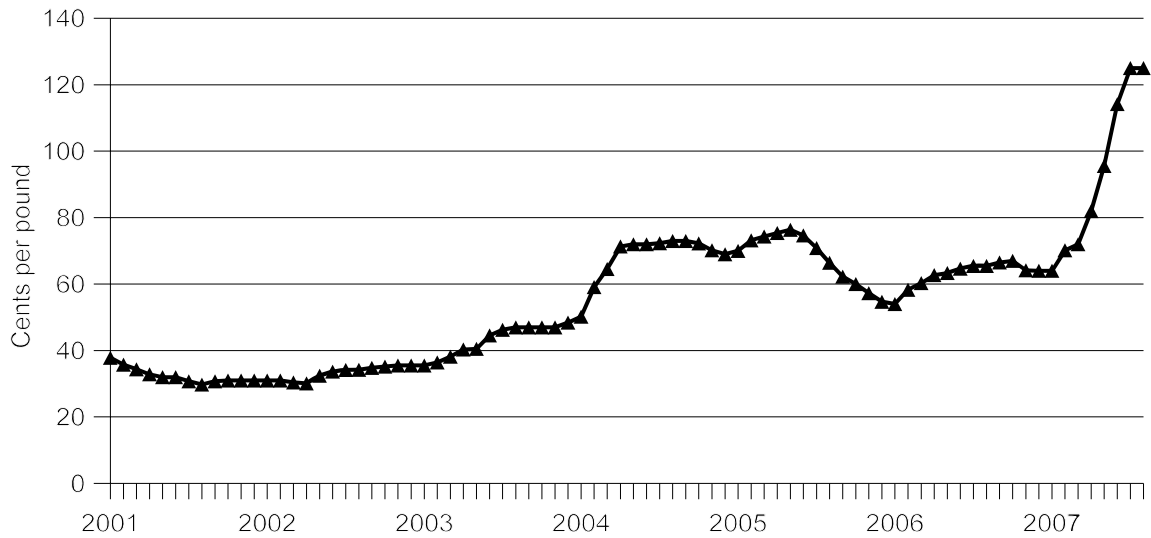
Source: Compiled from statistics of American Metal Market.

**Figure V-2**  
**Nickel: Monthly spot bid prices, January 2001-August 2007**



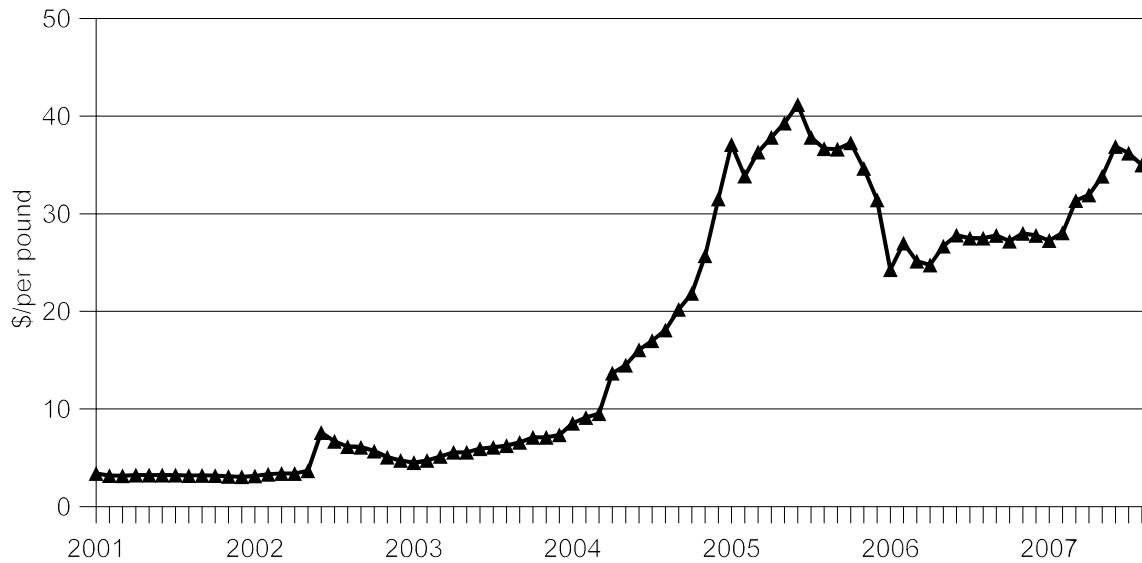
Source: Compiled from statistics of American Metal Market.

**Figure V-3**  
**Ferrochrome: U.S. free market prices for 60-65 percent chromium, January 2001-August 2007**



Source: Compiled from statistics of American Metal Market.

**Figure V-4**  
**Ferromolybdenum: U.S. free market prices, January 2001- August 2007**



Source: Compiled from statistics of American Metal Market.

## Exchange Rates

Nominal and real exchange rates for the currencies of France, Germany, Italy, Korea, and the United Kingdom in relation to the U.S. dollar are presented on a quarterly basis for the period January-March 2001 through April-June 2007 in figure V-5.<sup>2</sup> The data show that the French, German, and Italian euro, the Korean won, and the British pound all appreciated overall relative to the dollar during the period shown both in nominal and real terms.

## PRICING PRACTICES

All eight U.S. producers quote prices on an f.o.b basis, while among importers from the subject countries, some quote prices on an f.o.b. basis and others quote prices on a delivered basis. Producer f.o.b. quotes are on a mill basis, an f.o.b. warehouse basis, and in some cases on an f.o.b. basis from a particular city. Among importers of product from the subject countries, six reported quoting prices on an f.o.b. basis, six reported quoting on a delivered basis, and one reported quoting both ways. The importers' f.o.b quotes are from a port of entry, from a warehouse, and in some cases from a particular city. Seven of the eight U.S. producers and eight of the thirteen responding importers of product from the subject countries reported that they arrange transportation for their customers.

Producers and importers were asked to indicate whether prices are determined by transaction-by-transaction negotiations, by contracts, by set price lists, by a combination of these methods, or by other methods. Among the eight U.S. producers, two reported that their prices are based solely on set price lists, and one reported that they are determined by transaction-by-transaction negotiations, while the other five firms reported that they used a combination of all three methods in arriving at prices. In contrast to producers, 13 of the 19 responding importers reported that their prices are determined solely by transaction-by-transaction negotiations. Three importers reported that their prices are determined by both transaction-by-transaction negotiations and contracts or verbal agreements. In addition, two firms reported that their prices are determined solely by contracts and another reported that its prices are determined by set price lists.

Producers and importers were also asked to describe their discount policies indicating whether they offer quantity discounts, offer annual volume discounts, don't offer discounts, or don't have a discount policy. Among U.S. producers, two indicated that they don't have a discount policy, one reported that it offers a few minor discounts, another reported quantity discounts with extras, another offers annual total value discounts, and still another reported that it offers both quantity discounts and annual total volume discounts. Of the other two producers, one reported that its discounts are negotiated and the other reported that it bases its discounts on the competitive situation in the market.<sup>3</sup> In the case of importers, 16 of the 18 responding firms either reported that they do not offer discounts or do not have a discount policy. One importer reported that it offers quantity discounts and another reported that it provides annual volume discounts.

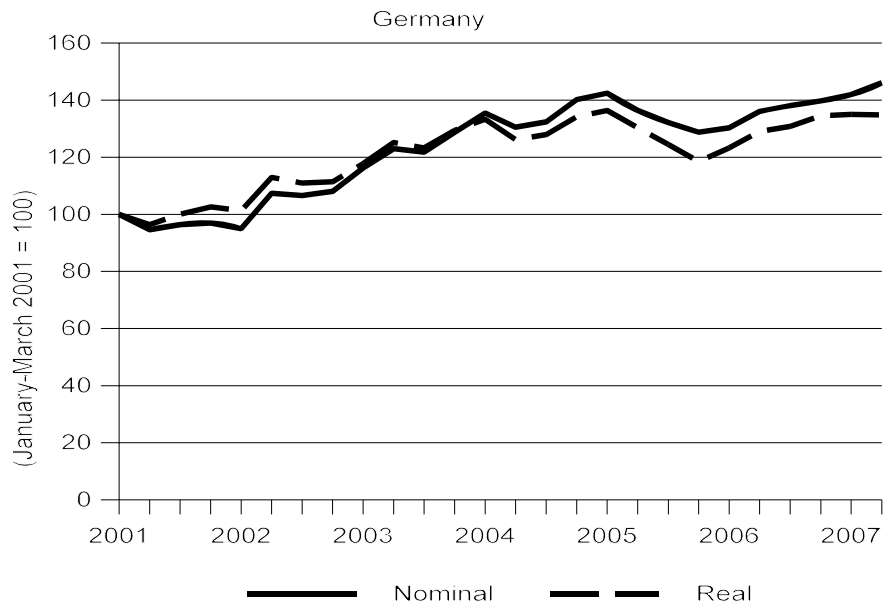
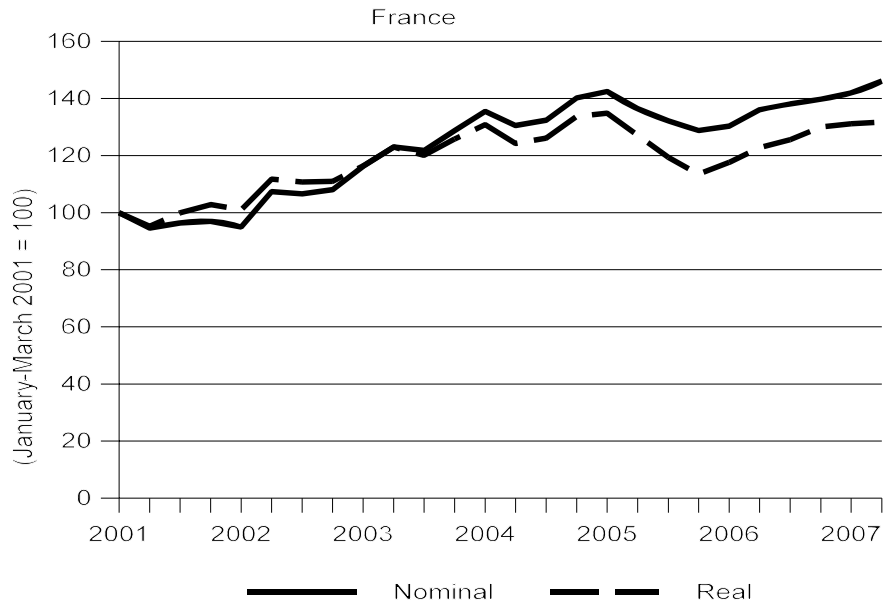
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<sup>2</sup> Real exchange rates were calculated by adjusting the nominal rates for movements in producer prices in the United States and in the subject countries.

<sup>3</sup> Five of eight producers provide discounts of 0.5 to 0.75 percent for the early payment of accounts. Three of 20 importers reported that they provide discounts of 0.5 percent for the early payments of accounts.



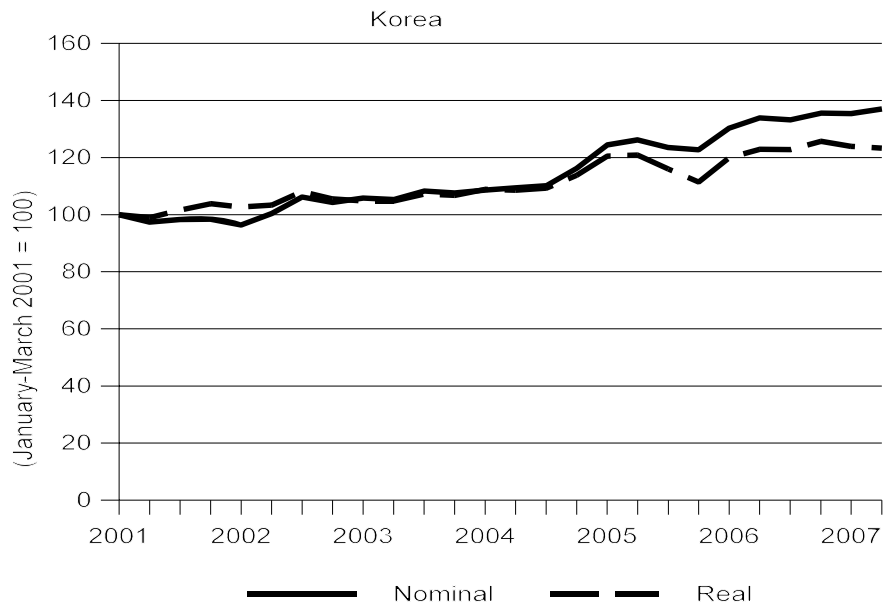
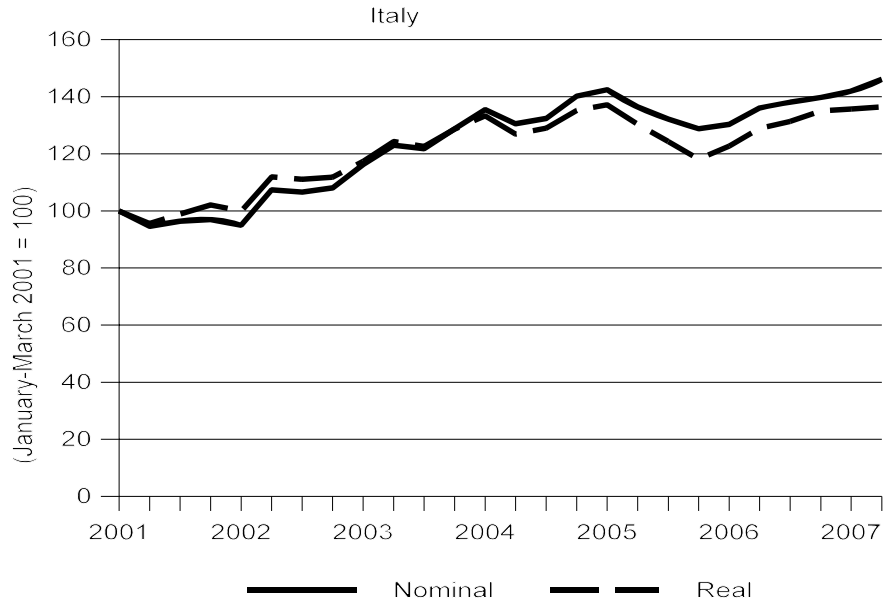
**Figure V-5**  
**Exchange rates: Indexes of the nominal and real exchange rates of the currencies of France, Germany, Italy, Korea, and the United Kingdom relative to the U.S. dollar, by quarters, January-March 2001-April-June 2007**



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Figure V-5--Continued

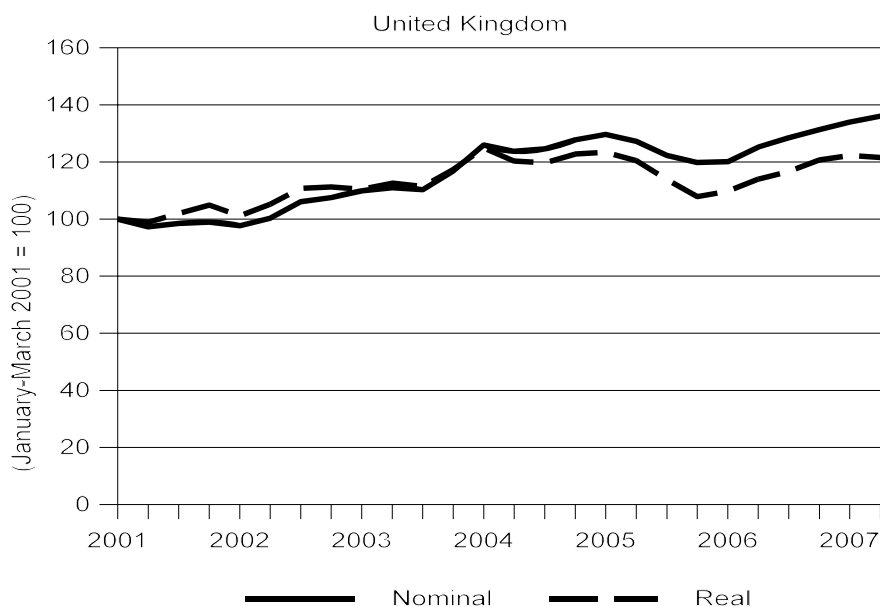
Exchange rates: Indexes of the nominal and real exchange rates of the currencies of France, Germany, Italy, Korea, and the United Kingdom relative to the U.S. dollar, by quarters, January-March 2001-April-June 2007



Continued on the following page.

**Figure V-5--Continued**

**Exchange rates: Indexes of the nominal and real exchange rates of the currencies of France, Germany, Italy, Korea, and the United Kingdom relative to the U.S. dollar, by quarters, January-March 2001-April-June 2007**



Source: IMF International Financial Statistics, September 2007 and various earlier issues.

The majority of all sales of stainless steel bar is on a spot basis. Among the eight U.S. producers, spot sales ranged from a low of 50 percent of company totals in 2006 to a high of 100 percent. In the case of responding importers, 11 of 17 firms reported that spot sales accounted for 100 percent of their total in 2007. Producers and importers that make use of contracts reported short-term contracts ranging from 2 months to 1 year, and long-term contracts ranging from 1 to 5 years. In the majority of cases for both long and short-term contracts, prices and quantities are fixed during the contract period. The majority of the contracts do not contain meet-or-release provisions.

### PRICE DATA

The Commission asked U.S. producers and importers of stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom to provide quarterly data for the total quantity and f.o.b value of stainless steel bar that was shipped to unrelated purchasers in the U.S. market during January-March 2001 through January-March 2007. Data were requested separately for sales to distributors and end users. The products for which pricing data were requested are as follows:

**Product 1.**--Stainless steel bar, grade ANSI 316/316L, 6 to 10 inches in diameter, annealed, peeled or peeled and polished, of round shape.

**Product 2.**--Stainless steel bar, grade ANSI 303, 11/16 to 1.25 inch in diameter, cold finished from annealed wire rod coil, cut-to-length, straightened, or annealed in straight-length, cold finished bar, of round shape.

***Product 3.***--Stainless steel bar, grade 630 (17-4PH), 3 to 8 inches in diameter, double precipitation hardened in condition DH1150, turned (peeled or peeled and polished), of round shape.

***Product 4.***--Stainless steel bar, grade ANSI 630 (17-4), 2 to 4 inches in diameter, annealed, (condition A), cold finished (smooth turned, peeled and polished, or center less ground), of round shape.

***Product 5.***--Stainless steel bar, grade ANSI 304/304L, 3 to 5 inches in diameter, annealed, turned (peeled or peeled and polished), of round shape.

***Product 6.***--Stainless steel bar, grade ANSI 410, 3 to 8 inches in diameter, annealed, quenched and double tempered, turned (peeled or peeled and polished), of round shape.

***Product 7.***--Stainless steel bar, grade ANSI 410, 9 to 12 inches in diameter, quenched and double tempered, turned (peeled or peeled and polished), of round shape.

Six U.S. producers<sup>4</sup> and 5 importers<sup>5</sup> of stainless steel bar that are still subject to antidumping or countervailing duties reported varying amounts of price data for the seven product categories. Price data were available for imports from France, Germany, Italy, the United Kingdom and nonsubject countries, but there were no reported prices for Korea. The data received amounted to 10.1 percent of U.S. producer shipments in 2006, 8.9 percent of subject imports from France, 10.4 percent of subject imports from Germany, and very small percentages of subject imports from Italy and the United Kingdom in 2006.

### Price Trends

U.S. producer and importer prices are presented quarterly in tables V-1 through V-12 and in figure V-6 for the period January 2001 through June 2007. The data show that producer prices for products 1 through 6 on sales to distributors increased during the period. Prices on sales to end users also increased for products 2 through 4 during the period, while producer prices for product 5 fluctuated. The available data also show that importer prices from subject and nonsubject sources also tended to increase during 2001-06.<sup>6</sup>

**Table V-1**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 1 sold to distributors and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

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<sup>4</sup> The six producers are \*\*\*.

<sup>5</sup> The five importers are \*\*\*.

<sup>6</sup> Antidumping duties were discontinued in the case of five of the firms in April of 2007. The firms are UGITECH S.A. (France), Acciaieria Foroni SpA (Italy), Acciaierie Valbruna (Italy), Rodacciai (Italy), and Corus Engineering Steels (U.K.). Their price data are not presented in this final report. Known imports from Trafilerie Bedini (Italy), which have never been subject to the antidumping and countervailing duty orders, are also not included in the pricing data for Italy.

**Table V-2**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 1 sold to end users and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Table V-3**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 2 sold to distributors and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Table V-4**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 2 sold to end users and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Table V-5**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 3 sold to distributors and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Table V-6**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 3 sold to end users and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Table V-7**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 4 sold to distributors and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Table V-8**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 4 sold to end users and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Table V-9**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 5 sold to distributors and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Table V-10**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 5 sold to end users and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Table V-11**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 6 sold to distributors and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Table V-12**

**Stainless steel bar: Weighted-average f.o.b. prices and quantities of product 7 sold to distributors and margins of underselling/(overselling), January 2001-June 2007**

\* \* \* \* \*

**Figure V-6**

**Stainless steel bar: Weighted-average f.o.b prices of domestic and imported products 1-7, January 2001-June 2007**

\* \* \* \* \*

**Price Comparisons**

Prices of imports from France and Germany were lower than prices of U.S.-produced stainless steel bar in the majority of comparisons, while prices of imports from Italy and nonsubject sources were higher in the majority of cases.<sup>78</sup> Breakouts of margins of underselling/overselling are shown in the table below.<sup>9</sup>

**Table-V-13**

**Stainless steel bar: Instances of underselling/overselling and the range of margins, by countries, January 2001-June 2007**

Country	Underselling		Overselling	
	Number of instances	Range (percent)	Number of instances	Range (percent)
France	8	9.6 to 29.6	0	-
Germany	57	0.5 to 36.0	16	0.1 to 39.8
Italy	21	2.2 to 50.8	27	0.7 to 39.5
Nonsubject countries <sup>1</sup>	62	0.2 to 67.0	124	0.1 to 125.5

<sup>1</sup> In one quarter the U.S. and import prices for nonsubject imports were identical.

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

<sup>7</sup> In a related topic concerning price comparisons, a foreign producer, UGITECH, argued in its prehearing brief that NAS, a U.S. producer, has emerged as an industry leader, and that it is able to sell at \*\*\* than competing U.S. producers (see UGITECH’s prehearing brief, pp. 16-17). \*\*\*.

<sup>8</sup> None of the price comparisons shown in table V-13 included import price data reported by UGITECH S.A. (France), Acciaieria Foroni SpA (Italy), Acciaierie Valbruna (Italy), Rodacciai (Italy), or Corus Engineering Steels (U.K.).

<sup>9</sup> In the original investigations, weighted-average prices of imports from France, Germany, Italy, Korea, and the United Kingdom were lower than weighted-average U.S. producer prices in the majority of comparisons for each of these countries (see *Stainless Steel Bar from France, Germany, Italy, Korea and the United Kingdom, Investigation Nos. 701-TA-413( (Final) and 731-TA-913-916 and 918 (Final) (USITC Publication 3488, February 2002, p. V-9)*).

**APPENDIX A**

***FEDERAL REGISTER* NOTICES AND  
THE COMMISSION'S STATEMENT ON ADEQUACY**





## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-413 and 731-TA-913-916 and 918 (Review)]

### Stainless Steel Bar From France, Germany, Italy, Korea, and the United Kingdom

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of five-year reviews concerning the countervailing duty order on stainless steel bar from Italy and the antidumping duty orders on stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom.

**SUMMARY:** The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the countervailing duty order on stainless steel bar from Italy and the antidumping duty orders on stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom 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;<sup>1</sup> to be assured of consideration, the deadline for responses is March 23, 2007. Comments on the adequacy of responses may be filed with the Commission by April 16, 2007. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**EFFECTIVE DATE:** February 1, 2007.

**FOR FURTHER INFORMATION CONTACT:**

Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special

assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

**Background.**—On March 7, 2002, the Department of Commerce (“Commerce”) issued antidumping duty orders on imports of stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom (67 FR 10381-10385). On March 8, 2002, Commerce issued a countervailing duty order on imports of stainless steel bar from Italy (67 FR 10670). The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

**Definitions.**—*The following definitions apply to these reviews:*

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The *Subject Countries* in these reviews are France, Germany, Italy, Korea, and the United Kingdom.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original determinations, the Commission defined a single *Domestic Like Product* consisting of all stainless steel bar meeting the specifications described in Commerce's scope determination.

(4) The *Domestic Industry* is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined a single *Domestic Industry* encompassing all U.S. producers of stainless steel bar. The Commission also concluded that service centers were not part of the *Domestic Industry*.

<sup>1</sup> 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. 07-5-166, expiration date June 30, 2008. 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.

(5) The *Order Dates* are the dates that the countervailing and antidumping duty orders under review became effective. In these reviews, the Order Date concerning the antidumping duty orders is March 7, 2002, and the Order Date concerning the countervailing duty order is March 8, 2002.

(6) An Importer is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

*Participation in the reviews and public service list.*—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission's designated agency ethics official has advised that a five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

*Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.*—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the

application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

*Certification.*—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

*Written submissions.*—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is March 23, 2007. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is April 16, 2007. 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 Fed. Reg. 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

*Inability to provide requested information.*—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

*Information To Be Provided In Response To This Notice Of Institution:* If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the countervailing and antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. § 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and

likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Countries* that currently export or have exported *Subject Merchandise* to the United States or other countries since the *Order Dates*.

(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 2006 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2006 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country*.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2006 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Countries* since the *Order Dates*, 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 Countries*, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions,

please explain why and provide alternative definitions.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: January 25, 2007.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E7-1446 Filed 1-29-07; 8:45 am]

**BILLING CODE 7020-02-P**

**DEPARTMENT OF COMMERCE****International Trade Administration****Initiation of Five-Year ("Sunset") Reviews**

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

**SUMMARY:** In accordance with section 751(c) of the Tariff Act of 1930, as amended ("the Act"), the Department of

Commerce ("the Department") is automatically initiating a five-year ("Sunset Review") of the antidumping and countervailing duty orders listed below. The International Trade Commission ("the Commission") is publishing concurrently with this notice its notice of *Institution of Five-Year Review* which covers this same order.

**DATES:** *Effective Date:* February 1, 2007.

**FOR FURTHER INFORMATION CONTACT:** The Department official identified in the *Initiation of Review(s)* section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th & Constitution Ave., NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205-3193.

**SUPPLEMENTARY INFORMATION:****Background**

The Department's procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3—*Policies Regarding the Conduct of Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

**Initiation of Reviews**

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping and countervailing duty orders:

DOC Case No.	ITC Case No.	Country	Product	Department contact
A-427-820 .....	731-TA-913 .....	France .....	Stainless Steel Bar .....	Brandon Farlander (202) 482-0182.
A-428-830 .....	731-TA-914 .....	Germany .....	Stainless Steel Bar .....	Brandon Farlander (202) 482-0182.
A-475-829 .....	731-TA-915 .....	Italy .....	Stainless Steel Bar .....	Brandon Farlander (202) 482-0182.
A-580-847 .....	731-TA-916 .....	South Korea .....	Stainless Steel Bar .....	Brandon Farlander (202) 482-0182.
A-412-822 .....	731-TA-918 .....	United Kingdom .....	Stainless Steel Bar .....	Brandon Farlander (202) 482-0182.
C-475-830 .....	701-TA-413 .....	Italy .....	Stainless Steel Bar .....	Brandon Farlander (202) 482-0182.

**Suspended Investigations**

No suspended investigations are scheduled for initiation in February 2007.

**Filing Information**

As a courtesy, we are making information related to Sunset proceedings, including copies of the Department's regulations regarding Sunset Reviews (19 CFR 351.218) and *Sunset Policy Bulletin*, the Department's schedule of Sunset Reviews, case history information (i.e., previous margins, duty absorption determinations, scope language, import volumes), and service lists available to the public on the Department's sunset Internet Web site at the following address: <http://ia.ita.doc.gov/sunset/>. All submissions in these Sunset Reviews must be filed in accordance with the Department's regulations regarding format, translation, service, and certification of documents. These rules can be found at 19 CFR 351.303.

Pursuant to 19 CFR 351.103(c), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding

contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of the notice of initiation of the sunset review. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304-306.

**Information Required from Interested Parties**

Domestic interested parties (defined in section 771(9) (C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b)) wishing to participate in these Sunset Reviews must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day

deadline, the Department will automatically revoke the orders without further review. See 19 CFR 351.218(d)(1)(iii).

For sunset reviews of countervailing duty orders, parties wishing the Department to consider arguments that countervailable subsidy programs have been terminated must include with their substantive responses information and documentation addressing whether the changes to the program were (1) limited to an individual firm or firms and (2) effected by an official act of the government. Further, a party claiming program termination is expected to document that there are no residual benefits under the program and that substitute programs have not been introduced. Cf. 19 CFR 351.526 (b) and (d). If a party maintains that any of the subsidies countervailed by the Department were not conferred pursuant to a subsidy program, that party should nevertheless address the applicability of the factors set forth in 19 CFR 351.526 (b) and (d). Similarly, parties wishing the Department to consider whether a company's change in ownership has extinguished the benefit from prior non-recurring, allocable, subsidies must include with their substantive responses information

and documentation supporting their claim that all or almost all of the company's shares or assets were sold in an arm's length transaction, at a price representing fair market value, as described in the *Notice of Final Modification of Agency Practice Under Section 123 of the Uruguay Round Agreements Act*, 68 FR 37125 (June 23, 2003) (Modification Notice). See *Modification Notice* for a discussion of the types of information and documentation the Department requires.

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements. Please consult the

Department's regulations for information regarding the Department's conduct of Sunset Reviews.<sup>1</sup> Please consult the Department's regulations at 19 CFR part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: January 24, 2007.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. E7-1655 Filed 1-31-07; 8:45 am]

**BILLING CODE 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Advance Notification of Sunset Reviews**

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

**ACTION:** Notice of Upcoming Sunset Reviews.

**SUPPLEMENTARY INFORMATION:**

**Background**

Every five years, pursuant to section 751(c) of the Tariff Act of 1930, as amended, the Department of Commerce ("the Department") and the International Trade Commission automatically initiate and conduct a review to determine whether revocation of a countervailing or antidumping duty order or termination of an investigation suspended under section 704 or 734 would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.

**Upcoming Sunset Reviews for March 2007**

The following Sunset Review is scheduled for initiation in March 2007 and will appear in that month's Notice of Initiation of Five-year Sunset Reviews.

Antidumping Duty Proceedings	Department Contact
Automotive Replacement Glass Windshields from China (A-570-867)	Juanita Chen (202) 482 1904.
Countervailing Duty Proceedings	
No countervailing duty orders are scheduled for initiation in March 2007.	
Suspended Investigations	
No suspended investigations are scheduled for initiation in March 2007..	

The Department's procedures for the conduct of Sunset Reviews are set forth in 19 CFR 351.218. Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3--Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin"). The Notice of Initiation of Five-year ("Sunset") Reviews provides further information regarding what is required of all parties to participate in Sunset Reviews.

Puruant to 19 CFR 351.103(c), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 15 days of the publication of the Notice of Initiation.

Please note that if the Department receives a Notice of Intent to Participate from a member of the domestic industry within 15 days of the date of initiation, the review will continue. Thereafter, any interested party wishing to participate in the Sunset Review must

provide substantive comments in response to the notice of initiation no later than 30 days after the date of initiation.

This notice is not required by statute but is published as a service to the international trading community.

Dated: January 24, 2007.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. E7-1656 Filed 1-31-07; 8:45 am]

**BILLING CODE 3510-DS-S**

<sup>1</sup> In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was

insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests for

extension of that five-day deadline based upon a showing of good cause.

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**DEPARTMENT OF COMMERCE****International Trade Administration****Implementation of the Findings of the  
WTO Panel in US—Zeroing (EC):  
Notice of Determinations Under  
Section 129 of the Uruguay Round  
Agreements Act and Revocations and  
Partial Revocations of Certain  
Antidumping Duty Orders**

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

**SUMMARY:** On April 23, 2007, the U.S. Trade Representative instructed the Department of Commerce (the Department) to implement its findings under section 129 of the Uruguay Round Agreements Act (URAA) regarding the offsetting of dumped sales with non-dumped sales in investigations involving average-to-average transactions. The Department issued its findings on April 9, 2007, regarding eleven investigations challenged by the European Communities before the World Trade Organization. The Department is now implementing those findings.

**DATES:** The effective date of these determinations is April 23, 2007.

**FOR FURTHER INFORMATION CONTACT:**

Daniel O'Brien, William Kovatch, or Michael Rill, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW., Washington, DC 20230; telephone: (202) 482-1376, (202) 482-5052, or (202) 482-3058, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

On February 22, 2007, the Department initiated twelve proceedings under section 129 of the URAA to implement the WTO dispute settlement panel's report in United States—Laws, Regulations and Methodology for Calculating Dumping Margins ("Zeroing") (WT/DS294). In each proceeding, the Department recalculated the weighted-average dumping margin from the following antidumping investigations, applying the calculation methodology described in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin During an Antidumping Investigation; Final Modification*; see 71 FR 77722 (December 27, 2006):

1. Certain Hot-Rolled Carbon Steel from the Netherlands (A-421-807).
2. Stainless Steel Bar From France (A-427-820).
3. Stainless Steel Bar From Germany (A-428-830).
4. Stainless Steel Bar From Italy (A-475-829).
5. Stainless Steel Bar From the United Kingdom (A-412-822).
6. Stainless Steel Wire Rod From Sweden (A-401-806).
7. Stainless Steel Wire Rod From Spain (A-469-807).
8. Stainless Steel Wire Rod From Italy (A-475-820).
9. Certain Stainless Steel Plate in Coils from Belgium (A-423-808).
10. Stainless Steel Sheet and Strip in Coils from Italy (A-475-824).
11. Certain Cut-to-Length Carbon-quality Steel Plate From Italy (A-475-826).
12. Certain Pasta From Italy (A-475-818).

On February 26, 2007, the Department issued its preliminary results and requested comments. After receiving comments and rebuttal comments from the interested parties, the Department issued its Final Results for the Section 129 Determinations in eleven of the twelve proceedings on April 9, 2007.<sup>1</sup>

<sup>1</sup> With respect to Stainless Steel Sheet and Strip in Coils from Italy (A-475-824), one interested party made allegations of computational errors in calculating the weighted-average dumping margin. The Department found that there was a reasonable

basis to investigate the allegations further, and postponed its decision in that proceeding in order to place additional information on the administrative record, and allow interested parties additional time to comment.

**Nature of the Proceedings**

Section 129 of the URAA governs the nature and effect of determinations issued by the Department to implement findings by WTO dispute settlement panels and the Appellate Body. Specifically, section 129(b)(2) provides that "notwithstanding any provision of the Tariff Act of 1930," within 180 days of a written request from the U.S. Trade Representative, the Department shall issue a determination that would render its actions not inconsistent with an adverse finding of a WTO panel or the Appellate Body. See 19 U.S.C. 3538(b)(2). The Statement of Administrative Action, U.R.A.A., H. Doc. 316, Vol. 1, 103d Cong. (1994) (SAA), variously refers to such a determination by the Department as a "new," "second," and "different" determination. See SAA at 1025, 1027. After consulting with the Department and the appropriate congressional committees, the U.S. Trade Representative may direct the Department to implement, in whole or in part, the new determination made under section 129. See 19 U.S.C. 3538(b)(4). Pursuant to section 129(c), the new determination shall apply with respect to unliquidated entries of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date on which the U.S. Trade Representative directs the Department to implement the new determination. See 19 U.S.C. 3538(c). The new determination is subject to judicial review separate and apart from judicial review of the Department's original determination. See 19 U.S.C. 1516a(a)(2)(B)(vii).

**Analysis of Comments Received**

The issues raised in the case and rebuttal briefs submitted by interested parties to these proceedings are addressed in the Issues and Decision Memorandum for the Final Results of the Section 129 Determinations, from Stephen J. Claeys to David M. Spooner,

dated April 9, 2007 (Issues and Decision Memorandum), which is hereby adopted by this notice. The Issues and Decisions Memorandum is on file in the Central Records Unit (CRU), room B-099 of the Department of Commerce main building and can be accessed directly at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Issues and Decisions Memorandum are identical in content. A list of the issues addressed in the Issues and Decisions Memorandum is appended to this notice.

**Final Antidumping Margins**

The recalculated margins, unchanged from the Preliminary Results for all cases, except the investigation of Stainless Steel Sheet and Strip in Coils from Italy, are as follows:

*(1) Certain Hot-Rolled Carbon Steel From the Netherlands*

- The margin for Corus, the sole respondent, decreases from 2.59 percent to zero. Since Corus was the only respondent in the investigation, we are now revoking this order effective April 23, 2007 (the effective date).

*(2) Stainless Steel Bar From France*

- The margin for UGITECH decreases from 3.9 percent to zero. We are now revoking this order for UGITECH effective April 23, 2007 (the effective date).

- The margin for Aubert and Duval S.A. was based on total AFA. This margin does not change as a result of this proceeding.

- Since there are no non-AFA, above *de minimis* margins remaining, pursuant to Department practice, the all others rate is based on a simple average of the zero margins and the AFA margins. Therefore, the all-others rate changes from 3.9 percent to 35.92 percent.

*(3) Stainless Steel Bar From Germany*

- The margin for BGH decreases from 13.63 percent to 2.59 percent.

- The margin for Einsal decreases from 4.17 percent to *de minimis*. We are now revoking this order for Einsal effective April 23, 2007 (the effective date).

- The margin for Edlestahl Witten-Krefeld GmbH decreases from 15.40 percent to 10.82 percent.

- The margin for Krupp Edlestahlprofile GmbH decreases from 32.32 percent to 31.25 percent.

- The all-others rate changes from 16.96 percent to 15.16 percent.

*(4) Stainless Steel Bar From Italy*

- The margin for Acciaiera Valbruna S.p.A. decreases from 2.50 percent to

zero. We are now revoking this order for Acciaiera Valbruna S.p.A. effective April 23, 2007 (the effective date).

- The margin for Acciaiera Foroni S.p.A. decreases from 7.07 percent to zero. We are now revoking this order for Acciaiera Foroni S.p.A. effective April 23, 2007 (the effective date).

- Trafilerie Bedini S.r.l. was excluded from the order and that does not change as a result of this proceeding.

- The margin for Cogne Acciai Speciali Srl was based on total AFA. This margin does not change as a result of this proceeding.

- The margin for Rodacciai S.p.A. decreases from 3.83 percent to zero. We are now revoking this order for Rodacciai S.p.A. effective April 23, 2007 (the effective date).

- Since there are no non-AFA above *de minimis* margins remaining, pursuant to Department practice, the all-others rate is based on a simple average of the zero margins and the AFA margins. Therefore, the all-others rate changes from 3.81 percent to 6.60 percent.

*(5) Stainless Steel Bar From the United Kingdom*

- The margin for Corus Engineering Steels Ltd. decreases from 4.48 percent to zero. We are now revoking this order for Corus Engineering Steels Ltd. effective April 23, 2007 (the effective date).

- Firth Rixon Special Steels Ltd. and Crownridge Stainless Steel Ltd.'s/Valkia Ltd.'s margins were based on total AFA. These margins do not change as a result of this proceeding.

- Since there are no non-AFA above *de minimis* margins remaining, pursuant to Department practice, the all-others rate is based on a simple average of the zero margins and the AFA margins. Therefore, the all-others rate changes from 4.48 percent to 83.85 percent.

*(6) Stainless Steel Wire Rod From Sweden*

- The margin for Fagersta Stainless AB decreases from 5.71 percent to zero. Since Fagersta Stainless AB was the only respondent in the investigation, we are now revoking this order effective April 23, 2007 (the effective date).

*(7) Stainless Steel Wire Rod From Spain*

- The margin for Roldan S.A., the sole respondent, decreases from 4.76 percent to 2.71 percent.

- The all-others rate changes from 4.76 percent to 2.71 percent.

*(8) Stainless Steel Wire Rod From Italy*

- The margin for Cogne Acciai Speciali S.r.l. decreases from 12.73 percent to 11.25 percent.

- Acciaiera Valbruna S.p.A. was excluded from the order and that does not change as a result of this proceeding.

- The all-others rate changes from 12.73 percent to 11.25 percent.

*(9) Stainless Steel Plate in Coils From Belgium*

- The margin for Ugine & ALZ Belgium (formerly ALZ N.V.), the sole respondent, decreases from 9.84 percent to 8.54 percent.

- The all-others rate changes from 9.84 percent to 8.54 percent.

*(10) Certain Cut-To-Length Carbon-Quality Steel Plate Products From Italy*

- The margin for Palini and Bertoli S.p.A. decreases from 7.85 percent to 7.64 percent.

- ILVA S.p.A. was excluded from the order and that does not change as a result of this proceeding.

- The all-others rate changes from 7.85 percent to 7.64 percent.

*(11) Certain Pasta From Italy*

- The margin for Arrighi S.p.A. Industrie Alimentari decreases from 21.34 percent to 20.84 percent.

- The margin for Liguori Pastificio Dal 1820 S.p.A. decreases from 12.41 percent to 12.14 percent.

- The margin for Pastificio Fratelli Pagani S.p.A. decreases from 18.30 percent to 18.23 percent.

- The margin for La Molisana Industrie Alimentari S.p.A. remains at 14.78 percent based on this recalculation.

- De Matteis Agroalimentare S.p.A. and Delverde S.r.l. were excluded from the order and that does not change as a result of this proceeding.

- F.lli De Cecco de Filippo Fara San Martino S.p.A.'s margin was based on total AFA. This margin does not change as a result of this proceeding.

- The all-others rate changes from 12.09 percent to 16.51 percent. We note that Delverde S.r.l.'s margin in the investigation was a component of the all-others rate. However, since Delverde S.r.l. was later revoked from the order as a result of litigation relating to the investigation, its margin is no longer a component of the all others rate. We note also that, for cash deposit purposes, we deduct from the margin of dumping any export subsidies. On that basis, the new cash deposit rate that will be established for all others is 15.45 percent.

**Revocations, Cash Deposits and Continuation of the Suspension of Liquidation**

On April 23, 2007, in accordance with sections 129(b)(4) and 129(c)(1)(B) of the URAA, the U.S. Trade Representative, after consulting with the Department and Congress, directed the Department to implement these determinations.

With respect to Certain Hot-Rolled Carbon Steel from the Netherlands and Stainless Steel Wire Rod from Sweden, we will instruct U.S. Customs and Border Protection (CBP) to liquidate without regard to antidumping duties entries of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after April 23, 2007, (the effective date), and to discontinue collection of cash deposits of antidumping duties.

With respect to Stainless Steel Bar from France, we will instruct CBP to liquidate without regard to antidumping duties entries of the subject merchandise manufactured and exported by UGITECH, entered, or withdrawn from warehouse, for consumption on or after April 23, 2007, (the effective date), and to discontinue collection of cash deposits of antidumping duties. We will instruct CBP to continue to suspend liquidation of all entries of subject merchandise from all other exporters or producers. CBP shall continue to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price. The suspension of liquidation instructions will remain in effect until further notice. The Section 129 Determination all-others rate will be the new cash deposit rate for all exporters of subject merchandise for whom the Department has not calculated an individual rate.

With respect to Stainless Steel Bar from Germany, we will instruct CBP to liquidate without regard to antidumping duties entries of the subject merchandise manufactured and exported by Einsal, entered, or withdrawn from warehouse, for consumption on or after April 23, 2007, (the effective date), and to discontinue collection of cash deposits of antidumping duties. We will instruct CBP to continue to suspend liquidation of all entries of subject merchandise from all other exporters or producers. CBP shall continue to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price. The suspension of liquidation instructions will remain in effect until further notice. The Section 129 Determination all-others rate will be the new cash deposit rate for all



exporters of subject merchandise for whom the Department has not calculated an individual rate.

With respect to Stainless Steel Bar from Italy, we will instruct CBP to liquidate without regard to antidumping duties entries of the subject merchandise manufactured and exported by Acciaiera Valbruna S.p.A., Acciaiera Foroni S.p.A. and Rodacciai S.p.A., entered, or withdrawn from warehouse, for consumption on or after April 23, 2007, (the effective date), and to discontinue collection of cash deposits of antidumping duties. We will instruct CBP to continue to suspend liquidation of all entries of subject merchandise from all other exporters or producers. CBP shall continue to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price. The suspension of liquidation instructions will remain in effect until further notice. The Section 129 Determination all-others rate will be the new cash deposit rate for all exporters of subject merchandise for whom the Department has not calculated an individual rate.

With respect to Stainless Steel Bar from the United Kingdom, we will instruct CBP to liquidate without regard to antidumping duties entries of the subject merchandise manufactured and exported by Corus Engineering Steels Ltd., entered, or withdrawn from warehouse, for consumption on or after April 23, 2007, (the effective date), and to discontinue collection of cash deposits of antidumping duties. We will instruct CBP to continue to suspend liquidation of all entries of subject merchandise from all other exporters or producers. CBP shall continue to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price. The suspension of liquidation instructions will remain in effect until further notice. The Section 129 Determination all-others rate will be the new cash deposit rate for all exporters of subject merchandise for whom the Department has not calculated an individual rate.

With respect to Stainless Steel Wire Rod from Spain, we will instruct CBP to continue to suspend liquidation of all entries of subject merchandise from all exporters or producers. CBP shall continue to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price. The suspension of liquidation instructions will remain in effect until further notice. The Section 129 Determination all-others rate will be the new cash deposit rate for all exporters of subject merchandise for whom the

Department has not calculated an individual rate.

With respect to Stainless Steel Wire Rod from Italy, we will instruct CBP to continue to suspend liquidation of all entries of subject merchandise from all exporters or producers. CBP shall continue to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price. The suspension of liquidation instructions will remain in effect until further notice. The Section 129 Determination all-others rate will be the new cash deposit rate for all exporters of subject merchandise for whom the Department has not calculated an individual rate.

With respect to Stainless Steel Plate in Coils from Belgium, we will instruct CBP to continue to suspend liquidation of all entries of subject merchandise from all exporters or producers. CBP shall continue to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price. The suspension of liquidation instructions will remain in effect until further notice. The Section 129 Determination all-others rate will be the new cash deposit rate for all exporters of subject merchandise for whom the Department has not calculated an individual rate.

With respect to Certain Cut-To-Length Carbon-Quality Steel Plate Products from Italy, we will instruct CBP to continue to suspend liquidation of all entries of subject merchandise from all exporters or producers. CBP shall continue to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price. The suspension of liquidation instructions will remain in effect until further notice. The Section 129 Determination all-others rate will be the new cash deposit rate for all exporters of subject merchandise for whom the Department has not calculated an individual rate.

With respect to Certain Pasta from Italy, we will instruct CBP to continue to suspend liquidation of all entries of subject merchandise from all exporters or producers. CBP shall continue to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price. The suspension of liquidation instructions will remain in effect until further notice. The Section 129 Determination all-others rate will be the new cash deposit rate for all exporters of subject merchandise for whom the Department has not calculated an individual rate.

The cash deposit rates will remain unchanged for those companies that we are not revoking and whose cash deposit

rates since the original investigation have been superseded by administrative reviews.

These Section 129 Determinations are issued and published in accordance with section 129(c)(2)(A) of the URAA.

Dated: April 30, 2007.

**David M. Spooner,**  
*Assistant Secretary for Import Administration.*

#### Appendix I

Issues Raised in the Issues and Decision Memorandum

Comment 1: Whether the Department Has the Authority to Implement the WTO Appellate Body Decision

Comment 2: Targeted Dumping

Comment 3: Treatment of Unliquidated Entries

Comment 4: Calculation of All-Others Rate

Comment 5: Clerical Error Allegation in the Investigation of Stainless Steel Sheet and Strip in Coils from Italy

Comment 6: Clarification of Valbruna Exporter Name

Comment 7: The Department's Briefing Schedule

[FR Doc. 07-2212 Filed 5-3-07; 8:45 am]

BILLING CODE 3510-DS-P

**INTERNATIONAL TRADE  
COMMISSION**

[Investigation Nos. 701-TA-413 and 731-TA-913-916 and 918 (Review)]

**Stainless Steel Bar From France,  
Germany, Italy, Korea, and The United  
Kingdom**

**AGENCY:** United States International Trade Commission.

**ACTION:** Notice of Commission determinations to conduct full five-year reviews concerning the countervailing duty order on stainless steel bar from Italy and the antidumping duty orders on stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom.

**SUMMARY:** The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the countervailing duty order on stainless steel bar from Italy and the antidumping duty orders on stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**EFFECTIVE DATE:** May 7, 2007.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:** On May 7, 2007, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to

section 751(c)(5) of the Act. The Commission found that the domestic interested party group response to its notice of institution (72 FR 4293, January 30, 2007) was adequate and that the respondent interested party group responses with respect to France, Germany, and the United Kingdom were adequate and decided to conduct full reviews with respect to the antidumping duty orders concerning stainless steel bar from France, Germany, and the United Kingdom. The Commission found that the respondent interested party group responses with respect to Italy and Korea were inadequate.<sup>1</sup> However, the Commission determined to conduct full reviews concerning the countervailing duty order on stainless steel bar from Italy and the antidumping duty orders on stainless steel bar from Italy and Korea to promote administrative efficiency in light of its decision to conduct full reviews with respect to the orders concerning stainless steel bar from France, Germany, and the United Kingdom. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: May 14, 2007.

**William R. Bishop,**

*Acting Secretary to the Commission.*

[FR Doc. E7-9560 Filed 5-17-07; 8:45 am]

**BILLING CODE 7020-02-P**

<sup>1</sup> Commissioners Lane and Williamson dissented with respect to the adequacy of the Italian respondent interested party group response, finding that the Italian respondent interested party group response was adequate.

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-427-820, A-475-829, A-580-847, A-412-822]

**Stainless Steel Bar from France, Italy, South Korea and the United Kingdom; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders**

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

**SUMMARY:** On February 1, 2007, the Department of Commerce (“the Department”) initiated sunset reviews of the antidumping duty orders on stainless steel bar from France, Italy, South Korea and the United Kingdom pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). The Department conducted expedited (120-day) sunset reviews for these orders. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. The dumping margins are identified in the Final Results of Reviews section of this notice.

**EFFECTIVE DATE:** June 4, 2007.

**FOR FURTHER INFORMATION CONTACT:** FOR FURTHER INFORMATION: Audrey Twyman or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3534 and (202) 482-0182, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On February 1, 2007, the Department published the notice of initiation of the sunset reviews of the antidumping duty orders on stainless steel bar (“SSB”) from France, Italy, South Korea and the United Kingdom pursuant to section 751(c) of the Act. See Initiation of Five-year (“Sunset”) Reviews, 72 FR 4689 (February 1, 2007). The Department received the Notice of Intent to Participate from Carpenter Technology Corp.; North American Stainless; Crucible Specialty Metals Division of Crucible Materials Corp.; Electralloy; Outokumpu Stainless Bar, Inc.; Universal Stainless & Alloy Products, Inc.; and Valbruna Slater Stainless, Inc. (collectively “the domestic interested parties”), within the deadline specified in section 351.218(d)(1)(i) of the Department’s Regulations (“Sunset

Regulations”). (Valbruna Slater Stainless, Inc. will remain neutral regarding the continuation of the antidumping duty order against Italy.) The domestic interested parties claimed interested party status under sections 771(9)(C) of the Act, as manufacturers of a domestic-like product in the United States.

We received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no responses from respondent interested parties with respect to any of the orders covered by these sunset reviews. As a result, pursuant to section 751(c)(4)(A) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of these orders. The domestic interested parties submitted letters on April 12, 2007, agreeing with the Department’s decision to conduct expedited sunset reviews for these orders because we did not receive responses from any respondent interested parties.

**Scope of the Orders**

For the purposes of these orders, the term “stainless steel bar” includes articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. Stainless steel bar includes cold-finished stainless steel bars that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut length flat-rolled products (i.e., cut length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), products that have been cut from stainless steel sheet, strip or plate, wire (i.e., cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.

The stainless steel bar subject to these reviews is currently classifiable under

subheadings 7222.11.00.05, 7222.11.00.50, 7222.19.00.05, 7222.19.00.50, 7222.20.00.05, 7222.20.00.45, 7222.20.00.75, and 7222.30.00.00 of the *Harmonized Tariff Schedule of the United States* (“HTSUS”). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.

**Analysis of Comments Received**

All issues raised in these reviews are addressed in the “Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Stainless Steel Bar from France, Italy, South Korea, and the United Kingdom; Final Results” (“Decision Memo”) from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated May 25, 2007, 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 to be revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in room B-099 of the main Department building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>, under the heading “May 2007.” 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 orders on SSB from France, Italy, South Korea, and the United Kingdom would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted Average Margin (percent)
<b>France.</b>	
Aubert & Duval, S.A. ....	71.83
All Others .....	35.92, as amended
<b>Italy.</b>	
Cogne Acciai Speciali Srl .....	33.00
All Others .....	6.60, as amended
<b>South Korea.</b>	
Changwon Specialty Steel Co. Ltd. ....	13.38
Dongbang Industrial Co., Ltd .....	4.75
All Others .....	11.30
<b>United Kingdom.</b>	

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Crownridge Stainless Steels, Ltd. (Valkai Ltd.) .....	125.77
Firth Rixson Special Steels, Ltd. ....	125.77
All Others .....	83.85, as amended

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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 orders 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: May 25, 2007.

**David M. Spooner,**  
*Assistant Secretary for Import Administration.*

[FR Doc. E7-10702 Filed 6-1-07; 8:45 am]

**BILLING CODE 3510-DS-S**

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**DEPARTMENT OF COMMERCE****International Trade Administration**

[C-475-830]

**Stainless Steel Bar From Italy: Final Results of Expedited Five-Year ("Sunset") Review of the Countervailing Duty Order****AGENCY:** Import Administration, International Trade Administration, Department of Commerce.**SUMMARY:** On February 1, 2007, the Department of Commerce ("the Department") published in the **Federal Register** the notice of initiation of the five-year sunset review of the countervailing duty order on stainless steel bar ("SSB") from Italy, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). See *Initiation of Five-Year ("Sunset") Reviews*, 72 FR 4689 (February 1, 2007) ("*Sunset Review*"). The Department has conducted an expedited sunset review of this order pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2). As a result of this sunset review, the Department finds that revocation of the countervailing duty order is likely to lead to continuation or recurrence of a countervailable subsidy at the levels indicated in the "Final Results of Review" section of this notice.**DATES:** *Effective Date:* June 6, 2007.**FOR FURTHER INFORMATION CONTACT:**

Audrey R. Twyman or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW., Washington, DC 20230; telephone: (202) 482-3534 or (202) 482-0182, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

On February 1, 2007, the Department initiated this sunset review of the countervailing duty order on SSB from Italy, pursuant to section 751(c) of the Act. See *Initiation of Five-year ("Sunset") Reviews*, 72 FR 4689 (February 1, 2007). The Department received the Notice of Intent to Participate from Carpenter Technology Corp.; Crucible Specialty Metals Division of Crucible Materials Corp.; Electralloy; Outokumpu Stainless Bar, Inc.; Universal Stainless & Alloy Products, Inc.; and Valbruna Slater Stainless, Inc. (collectively "the domestic interested parties"), within the deadline specified in section 351.218(d)(1)(i) of the Department's Regulations ("Sunset Regulations"). The

domestic interested parties claimed interested party status under section 771(9)(C) of the Act, as manufacturers of a domestic-like product in the United States.

On February 28, 2007, the Department received a complete substantive response to the notice of initiation from the Delegation of the European Commission ("EC"). On March 1, 2007, the Department received a complete substantive response from Cogne Acciai Speciali S.r.l. ("CAS"), a foreign producer and exporter of subject merchandise during this review. On March 5, 2007, the Department received complete substantive responses from the domestic interested parties and from the Government of Italy ("GOI"). CAS claimed interested party status under section 771(9)(A) as a foreign producer and exporter of the subject merchandise. The GOI and EC expressed their intent to participate in this review as the authorities responsible for defending the interests of the Italian industry.

We find that CAS accounted for less than 50 percent of the exports to the United States by companies subject to this order, the level that the Department normally considers to be an adequate response to the notice of initiation by respondent interested parties under 19 CFR 351.218(e)(1)(ii)(A). In addition, a government response alone, normally, is not sufficient for full sunset reviews in which the orders are not done on an aggregate basis. See, e.g., *Final Results of Expedited Sunset Reviews of Countervailing Duty Orders: Pure Magnesium and Alloy Magnesium from Canada*, 70 FR 67140 (November 4, 2005). Therefore, we conducted an expedited (120-day) sunset review of the CVD order on stainless steel bar from Italy as provided for at section 751(c)(3)(B) of the Act and at section 351.218(e)(1)(ii)(C)(2) of the Department's regulations. See Memorandum from Damian Felton to Susan Kuhbach entitled, "Adequacy Determination: Sunset Review of the Countervailing Duty Order on Stainless Steel Bar from Italy" (March 23, 2007). On April 12, 2007, we received a letter from domestic interested parties stating that they agree with the Department's decision to conduct an expedited review of this order.

On March 12, 2007, the domestic interested parties filed a rebuttal to the substantive responses of CAS, the GOI, and the EC. CAS, the GOI, and the EC did not file rebuttals. The Department did not conduct a hearing because a hearing was not requested.

### Scope of the Order

For the purposes of this order, the term “stainless steel bar” includes articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. Stainless steel bar includes cold-finished stainless steel bars that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut length flat-rolled products (*i.e.*, cut length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), products that have been cut from stainless steel sheet, strip or plate, wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.

The stainless steel bar subject to this review is currently classifiable under subheadings 7222.11.00.05, 7222.11.00.50, 7222.19.00.05, 7222.19.00.50, 7222.20.00.05, 7222.20.00.45, 7222.20.00.75, and 7222.30.00.00 of the *Harmonized Tariff Schedule of the United States* (“HTSUS”). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

### Analysis of Comments Received

All issues raised in substantive responses by parties in this sunset review are addressed in the “Issues and Decision Memo for the Expedited Sunset Review of the Countervailing Duty Order on Stainless Steel Bar from Italy; Final Results,” (“Decision Memo”), from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated June 1, 2007, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of

continuation or recurrence of a countervailable subsidy, the net countervailable subsidy rate likely to prevail if the order were revoked, and the nature of the subsidies.

Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendation in this public memorandum which is on file in B-099, the Central Records Unit, of the main Commerce building. In addition, a complete version of the Decision Memo can be accessed directly on the Department’s Web page at <http://ia.ita.doc.gov/frn/index.html>. The paper copy and electronic version of the Decision Memo are identical in content.

### Final Results of Review

The Department determines that revocation of the countervailing duty order on SSB from Italy is likely to lead to continuation or recurrence of countervailable subsidies at the following countervailing duty rates:

Manufacturer/exporter	Net subsidy rate (percent)
Cogne Acciai Speciali S.r.l ..... 1.57	1.57
All Others .....	12.93

### Notification Regarding Administrative Protective Orders

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(a)(3). 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 this determination and notice in accordance with sections 751(c), 752, and 777(i) of the Act.

Dated: May 31, 2007.

#### David M. Spooner,

*Assistant Secretary for Import Administration.*

[FR Doc. E7-10908 Filed 6-5-07; 8:45 am]

**BILLING CODE 3510-DS-P**

**INTERNATIONAL TRADE  
COMMISSION**

[Investigation Nos. 701-TA-413 and 731-TA-913-916 and 918 (Review)]

**Stainless Steel Bar From France,  
Germany, Italy, Korea, and the United  
Kingdom**

**AGENCY:** United States International Trade Commission.

**ACTION:** Scheduling of full five-year reviews concerning the countervailing duty order on stainless steel bar from Italy and antidumping duty orders on

stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom.

**SUMMARY:** The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the countervailing duty order on stainless steel bar from Italy and antidumping duty orders on stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**EFFECTIVE DATE:** June 14, 2007.

**FOR FURTHER INFORMATION CONTACT:**

Joanna Lo (202-205-1888), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

*Background.* On May 7, 2007, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (72 FR 28071, May 18, 2007). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

*Participation in the reviews and public service list.* Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with

the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

*Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.* Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

*Staff report.* The prehearing staff report in the reviews will be placed in the nonpublic record on October 9, 2007, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

*Hearing.* The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on November 6, 2007, 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 October 30, 2007. 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 November 1, 2007, 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 reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is October 24, 2007. 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 November 15, 2007; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before November 15, 2007. On December 14, 2007, 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 December 18, 2007, 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 Fed. Reg. 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 Fed. Reg. 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 reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a



document for filing without a certificate of service.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: June 21, 2007.

**William R. Bishop,**

*Acting Secretary to the Commission.*

[FR Doc. E7-12312 Filed 6-25-07; 8:45 am]

**BILLING CODE 7020-02-P**

**DEPARTMENT OF COMMERCE****International Trade Administration**

[A-428-830]

**Stainless Steel Bar from Germany; Final Results of the Sunset Review of the Antidumping Duty Order**

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

**SUMMARY:** The Department of Commerce (“the Department”) has conducted a full sunset review of the antidumping duty order on stainless steel bar (“SSB”) from Germany pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). As a result of this review, the Department finds that revocation of the antidumping duty order on SSB from Germany would likely lead to the continuation or recurrence of dumping.

**EFFECTIVE DATE:** October 5, 2007.

**FOR FURTHER INFORMATION CONTACT:**

Audrey R. Twyman or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14<sup>th</sup> Street & Constitution Avenue, NW, Washington, DC, 20230; telephone: 202-482-3534 and 202-482-0182, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

On May 30, 2007, the Department published a notice of preliminary results of the full sunset review of the antidumping duty order on SSB from Germany pursuant to section 751(c) of the Act. See *Stainless Steel Bar From Germany; Preliminary Results of the Sunset Review of Antidumping Duty Order*, 72 FR 29970 (May 30, 2007), as corrected in 72 FR 31660 (June 7, 2007) (“*Preliminary Results*”). We provided interested parties an opportunity to comment on our *Preliminary Results*. The Department received a case brief from BGH Edelstahl Freital GmbH, BGH Edelstahl Lippendorf GmbH, BGH Edelstahl Lugau GmbH, and BGH Edelstahl Siegen GmbH (collectively, “BGH”) on June 29, 2007, and a rebuttal brief from Carpenter Technology Corp.; North American Stainless; Crucible Specialty Metals Division of Crucible Materials Corp.; Electralloy; Outokumpu Stainless Bar, Inc.; Universal Stainless & Alloy Products, Inc.; and Valbruna Slater Stainless, Inc. (collectively, “the domestic interested parties”) on July 5, 2007. A hearing was not held because none was requested.

**Scope of the Order**

For the purposes of this order, the term “stainless steel bar” includes

articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. Stainless steel bar includes cold-finished stainless steel bars that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut length flat-rolled products (*i.e.*, cut length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), products that have been cut from stainless steel sheet, strip or plate, wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.

The stainless steel bar subject to this review is currently classifiable under subheadings 7222.11.00.05, 7222.11.00.50, 7222.19.00.05, 7222.19.00.50, 7222.20.00.05, 7222.20.00.45, 7222.20.00.75, and 7222.30.00.00 of the *Harmonized Tariff Schedule of the United States* (“HTSUS”). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

**Analysis of Comments Received**

All issues raised in this sunset review are addressed in the “Issues and Decision Memorandum for the Sunset Review of the Antidumping Duty Order on Stainless Steel Bar from Germany; Final Results,” to David M. Spooner, Assistant Secretary for Import Administration, dated October 1, 2007 (“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 margin likely to prevail if the antidumping duty order on SSB from Germany 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 Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn/index.html>. The paper copy and electronic version of the Decision Memo are identical in content.

**Final Results of Review**

The Department determines that revocation of the antidumping duty order on SSB from Germany is likely to lead to a continuation or recurrence of dumping at the following weighted-average margins:

Manufacturers/Producers/Exporters	Weighted-Average Margin (Percentage)
BGH Edelstahl Seigen GmbH / BGH Edelstahl Freital GmbH ..	0.73
Edelstahl Witten-Krefeld GmbH	10.82
Krupp Edelstahlprofile .....	31.25
All Others .....	15.16

This notice serves as a final reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the disposition of proprietary material disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This sunset review and notice are in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: October 1, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E7-19710 Filed 10-4-07; 8:45 am]

**BILLING CODE 3510-DS-S**

*Kingdom: Notice of Initiation and Preliminary Results of Changed Circumstances Review, and Intent to Revoke Order in Part*, 72 FR 57911 (October 11, 2007) (*Initiation and Preliminary Results*). We received no comments from interested parties objecting to the *Initiation and Preliminary Results*. Thus, we determine that changed circumstances exist to warrant revocation of the order, in part.

**FOR FURTHER INFORMATION CONTACT:** Kate Johnson or Rebecca Trainor, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4929 or (202) 482-4007, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On March 7, 2002, the Department published in the **Federal Register** an antidumping duty order on stainless steel bar from the United Kingdom. *See Antidumping Duty Order: Stainless Steel Bar from the United Kingdom*, 67 FR 10381 (March 7, 2002). On August 27, 2007, Swagelok Company (Swagelok), an interested party, requested that the Department initiate a changed circumstances review to exclude SAF 2507 grade stainless steel bar from the antidumping duty order on stainless steel bar from the United Kingdom. On September 18, 2007, the Domestic Industry<sup>1</sup> submitted a letter affirming that it does not object to the exclusion of the product identified in Swagelok's August 27, 2007, request for a changed circumstances review. On September 21, 2007, the Domestic Industry submitted a statement affirming that its members account for substantially all of the U.S. production of stainless steel bar, exceeding 85 percent of total domestic production. On September 25, 2007, Sandvik Bioline, a U.K. producer of stainless steel bar, provided a technical description of the stainless steel bar product Swagelok requested to be excluded from the scope of the antidumping duty order.<sup>2</sup>

On October 11, 2007, the Department published a notice of initiation and preliminary results of a changed circumstances review for a partial

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-412-822]

**Stainless Steel Bar From the United Kingdom: Notice of Final Results of Changed Circumstances Review and Revocation of Order, in Part**

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

**DATES:** *Effective Date:* November 23, 2007.

**SUMMARY:** On October 11, 2007, the Department of Commerce (the Department) published a notice of initiation and preliminary results of a changed circumstances review for a partial revocation of the antidumping duty order on stainless steel bar from the United Kingdom with respect to SAF 2507 grade stainless steel bar. *See Stainless Steel Bar from the United*

<sup>1</sup> Carpenter Technology Corp., Crucible Specialty Metals Division of Crucible Materials Corp., Electralloy Corp., North American Stainless, Universal Stainless & Alloy Products, Inc., and Valbruna Slater Stainless, Inc.

<sup>2</sup> Sandvik Bioline is the producer of the product which is the subject of Swagelok's changed circumstances review request.

revocation of the antidumping duty order on stainless steel bar from the United Kingdom with respect to SAF 2507 grade bar. *See Initiation and Preliminary Results*. On October 25, 2007, the Domestic Industry submitted a letter reiterating that it does not object to the exclusion of SAF 2507 grade bar from the order.

#### Scope of the Order

For purposes of this order, the term "stainless steel bar" includes articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. Stainless steel bar includes cold-finished stainless steel bars that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the scope does not include stainless steel semi-finished products, cut length flat-rolled products (*i.e.*, cut length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), products that have been cut from stainless steel sheet, strip or plate, wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.

Also excluded from the scope of the order is grade SAF 2507 stainless steel bar. SAF 2507 is cold worked and finished Super Duplex stainless steel bar material having either a round or hexagonal cross section, conforming to UNS S32750, having a minimum elevated tensile strength in excess of 140 KSI, and a PRE (pitting resistant equivalent) value of 42.5 minimum, supplied in straight bar lengths. SAF 2507 grade stainless steel bar is currently classified under HTSUS subheadings 7222.20.00.45 and 7222.20.00.75.

The stainless steel bar subject to this order is currently classifiable under subheadings 7222.11.00.05, 7222.11.00.50, 7222.19.00.05, 7222.19.00.50, 7222.20.00.05, 7222.20.00.45, 7222.20.00.75, and

7222.30.00.00 of the *Harmonized Tariff Schedule of the United States* (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

#### Final Results of Changed Circumstances Review and Revocation of Order in Part

Pursuant to sections 751(d)(1) and 782(h)(2) of the Tariff Act of 1930, as amended (the Act), the Department may partially revoke an antidumping duty order based on a review under section 751(b) of the Act (*i.e.*, a changed circumstances review). Section 751(b)(1) of the Act requires a changed circumstances review to be conducted upon receipt of a request which shows changed circumstances sufficient to warrant a review.

In the instant review, based on the information provided by Swagelok and the lack of interest on the part of the Domestic Industry, the Department found preliminarily that the continued relief provided by the order with respect to the product in question from the United Kingdom is no longer of interest to the Domestic Industry. *See Initiation and Preliminary Results*. We did not receive any comments objecting to our preliminary results. Therefore, the Department is partially revoking the order on stainless steel bar from the United Kingdom with respect to grade SAF 2507 stainless steel bar, as described in the Scope of the Order section of this notice.

We will instruct U.S. Customs and Border Protection (CBP) to liquidate without regard to antidumping duties and to refund any estimated antidumping duties collected on entries of all shipments of the product in question that are not covered by the final results of an administrative review or automatic liquidation. The most recent period for which the Department has completed an administrative review or ordered automatic liquidation under 19 CFR 351.212(c) is March 1, 2006, through February 28, 2007. Any prior entries are subject to either the final results of review or automatic liquidation. Therefore, we will instruct CBP to liquidate, without regard to antidumping duties, shipments of stainless steel bar from the United Kingdom meeting the specifications of the product in question entered, or withdrawn from warehouse, for consumption on or after March 1, 2007. We will also instruct CBP to release any cash deposits or bonds and pay interest on such refunds in accordance with section 778 of the Act and 19 CFR 351.222(g)(4). The Department intends

to issue assessment instructions to CBP 15 days after the date of publication of these final results of review.

This notice serves as a reminder to parties subject to administrative protective orders (APOs) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.306. Timely written notification of the return/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 sanctionable violation.

This determination is issued and published in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216.

Dated: November 15, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E7-22865 Filed 11-21-07; 8:45 am]

BILLING CODE 3510-DS-P

## **EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY**

in

*Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom,*  
Investigation Nos. 701-TA-413 and 731-TA-913-916 and 918 (Review)

On May 7, 2007, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. §1675(c)(3)(B).

The Commission unanimously determined that the domestic interested party group response to the notice of institution was adequate for all reviews. The Commission received individually adequate responses from Carpenter Technology Corp.; Crucible Specialty Metals Division of Crucible Materials Corp.; Electralloy; North American Stainless; Outokumpu Stainless Bar, Inc.; Universal Stainless & Alloy Products, Inc.; and Valbruna Slater Stainless, Inc. These companies account for the vast majority of U.S. production of stainless steel bar. The Commission therefore determined that the domestic interested party group response was adequate.

With respect to the review concerning imports of stainless steel bar from France, the Commission unanimously determined that the respondent interested party group response to the notice of institution was adequate. The Commission received individually adequate responses from UGITECH S.A., a French producer, and UGITECH USA, Inc., an importer of the subject merchandise from France. Because the Commission received an adequate response from foreign producers accounting for a substantial share of the total volume of production of subject merchandise in France, the Commission determined that the French respondent interested party group response was adequate. Accordingly, the Commission determined to proceed to a full review.

With respect to the review concerning imports of stainless steel bar from Germany, the Commission unanimously determined that the respondent interested party group response to the notice of institution was adequate. The Commission received individually adequate responses from German producers Bessey Präzisionsstahl GmbH, BGH Edelstahlwerke GmbH, Deutsche Edelstahlwerke GmbH, Walzwerke Einsal GmbH, and Schmiedewerke Groditz GmbH. Because the Commission received an adequate response from foreign producers accounting for the majority of the total volume of production of subject merchandise in Germany, the Commission determined that the German respondent interested party group response was adequate. Accordingly, the Commission determined to proceed to a full review.

With respect to the review concerning imports of stainless steel bar from the United Kingdom, the Commission unanimously determined that the respondent interested party group response to the notice of institution was adequate. The Commission received individually adequate responses from British producers Corus Engineering Steels, Enpar Special Alloys Ltd., and Sandvik Ltd. Because the Commission received an adequate response from foreign producers accounting for most of the total volume of production of subject merchandise in the United Kingdom, the Commission determined that the British respondent interested party group response was adequate. Accordingly, the Commission determined to proceed to a full review.

With respect to the reviews concerning imports of stainless steel bar from Italy, the Commission received individually adequate responses from Italian producers Cogne Acciai Speciali S.p.A., UGITECH, and Foroni S.p.A. Importers of the subject merchandise from Italy, Cogne Specialty Steel USA Inc., UGITECH USA, and Foroni Metals of Texas also responded. The Commission determined that the Italian interested party group response was inadequate because it accounted for only a relatively small share of Italian production of stainless steel bar.<sup>1</sup> However, the Commission determined to conduct full reviews of the orders on Italy in order to promote administrative efficiency in light of its decision to conduct a full reviews with respect to the other orders.

With respect to the review concerning imports of stainless steel bar from Korea, the Commission did not receive a response from any respondent interested party. Consequently, the Commission unanimously determined that the respondent interested party group response to the notice of institution was inadequate. However, the Commission determined to conduct a full review in order to promote administrative efficiency in light of its decision to conduct full reviews with respect to the other orders.

A record of the Commissioners' votes is available from the Office of the Secretary and at the Commission's web site.

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<sup>1</sup> Commissioner Charlotte Lane and Commissioner Irving Williamson determined that the Italian interested party group response to the notice of institution was adequate. They viewed the Italian industry response in light of the relationship between a nonresponding large Italian producer, Acciaiera Valbruna S.p.A., and a domestic producer, Valbruna Slater Stainless, Inc., the latter of which responded to the notice of institution, and, with respect to the antidumping duty order, the pending revocation with respect to two Italian producers. On balance, in light of these circumstances, they found the group response adequate.

**APPENDIX B**  
**HEARING WITNESSES**





## CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearings:

**Subject:** Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom  
**Inv. Nos.:** 701-TA-413 and 731-TA-913-916 and 918 (Review)  
**Dates and Time:** November 6, 2007 - 9:30 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room (room 101), 500 E Street, SW, Washington, DC.

### **FOREIGN GOVERNMENT APPEARANCE:**

European Delegation of the European Commission  
Washington, DC

**Sibylle Zitko**, Legal Advisor, Delegation of the European Commission to the United States

### **OPENING REMARKS:**

In Support of the Continuation of the Orders (**David A Hartquist**, Kelley Drye Collier Shannon)  
In Opposition to the Continuation of the Orders (**Marc E. Montalbino**, deKieffer & Horgan)

### **In Support of the Continuation of the Antidumping and Countervailing Duty Orders:**

Kelley Drye Collier Shannon  
Washington, DC  
on behalf of

The Domestic Industry

**Mike McGarry**, Vice President, Bar Business Group, Carpenter Technology Corp.  
**James Rauch**, National Sales Manager, Stainless and Bar Steels, Crucible Specialty Metals  
**Jim Gugino**, Product Manager, Dunkirk Specialty Steel  
**Jack Simmons**, Manager, Marketing and Product Development, Electralloy  
**Missy Bilz**, Marketing and Distribution Manager, North American Stainless  
**Michael Eberth**, Commercial Manager, Outokumpu Stainless, Inc.  
**Tom Carlson**, Plant Manager, Valbruna Slater Stainless, Inc.  
**Valter Viero**, Secretary, Valbruna Slater Stainless, Inc.  
**Edward J. Blot**, President, Ed Blot and Associates  
**Michael T. Kerwin**, Economist, Georgetown Economic Services, LLC  
**Brad Hudgens**, Economist, Georgetown Economic Services, LLC

**David A. Hartquist** )  
**Laurence J. Lasoff** )  
**Mary T. Staley** ) -OF COUNSEL  
**Grace W. Kim** )

**In Opposition to the Continuation of the Antidumping and Countervailing Duty Orders:**

Shearman & Sterling LLP  
Washington, DC  
on behalf of

Ugitech S.A.  
Ugitech USA, Inc.

**Daniele Cereda**, Automotive Product Manager, Ugitech  
**Daniel O'Donnell**, Board Member, Ugitech USA, Inc.  
**Robert Crandall, Ph.D.**, Senior Fellow, The Brookings Institution  
**Lisa Raisner**, Government Affairs Specialist, Shearman & Sterling LLP

**Robert S. LaRussa**     )  
**Ryan A.T. Trapani**    )-OF COUNSEL

deKieffer & Horgan  
Washington, DC  
on behalf of

Bessey Präzisionsstahl GmbH  
BGH Edelstahlwerke GmbH  
Deutsche Edelstahlwerke GmbH  
Schmiedewerke Gröditz GmbH  
Walzwerke Einsal GmbH

**Ulla A. Plenkers**, Senior Vice President, Mill Direct Services, Schmolz & Bickenbach USA, Inc.  
**Todd L. Sewell**, President, Specialty Steel Supply  
**Dan Benditz**, CEO, Continental Alloys & Services  
**Bruce Malashevich**, President & CEO, Economic Consulting Services, LLC

**Marc E. Montalbine** – OF COUNSEL

Cameron & Hornbostel LLP  
Washington, DC  
on behalf of

Sandvik Bioline

**Alexander W. Sierck**     )  
**Stacie B. Lieberman**    )-OF COUNSEL

**In Opposition to the Continuation of the Antidumping and Countervailing Duty Orders:—Continued**

David & Leiman P.C.  
Washington, DC  
on behalf of

Corus Engineering Steels

**Bruce Malashevich**, President and CEO, Economic Consulting Services, LLC

**Mark D. Davis** – OF COUNSEL

**REBUTTAL/CLOSING REMARKS:**

In Support of the Continuation of the Orders (**David A. Hartquist**, Kelley Drye Collier Shannon)  
In Opposition to the Continuation of the Orders (**Robert S. LaRussa**, Shearman & Sterling LLP)



**APPENDIX C**  
**SUMMARY DATA**



Table C-1  
Stainless steel bar: Summary data concerning the U.S. market, 2001-06, January-June 2006, and January-June 2007

(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								
	2001	2002	2003	2004	2005	2006	January-June		2001-06	2001-02	2002-03	2003-04	2004-05	2005-06	Jan-June 2006-07
							2006	2007							
<b>U.S. consumption quantity:</b>															
Amount	237,414	215,167	208,358	246,971	295,659	297,074	142,579	156,508	25.1	-9.4	-3.2	18.5	19.7	0.5	9.8
Producers' share (1)	57.3	60.5	67.4	66.1	57.9	59.4	61.4	58.4	2.2	3.2	6.9	-1.2	-8.2	1.5	-3.0
<b>Importers' share (1):</b>															
France	2.8	2.6	2.1	3.0	2.3	2.8	3.0	2.5	0.0	-0.2	-0.5	0.9	-0.7	0.6	-0.5
Germany	4.1	2.4	1.5	2.9	3.3	3.7	3.8	4.3	-0.5	-1.7	-0.9	1.4	0.5	0.3	0.5
Italy	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Korea	2.7	0.8	0.3	0.2	0.5	0.1	0.0	0.1	-2.7	-1.9	-0.5	-0.1	0.3	-0.4	0.0
United Kingdom	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Italy (non-subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other non-subject	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	42.7	39.5	32.6	33.9	42.1	40.6	38.6	41.6	-2.2	-3.2	-6.9	1.2	8.2	-1.5	3.0
<b>U.S. consumption value:</b>															
Amount	706,734	584,353	562,408	842,447	1,214,141	1,345,335	566,147	915,443	90.4	-17.3	-3.8	49.8	44.1	10.8	61.7
Producers' share (1)	65.6	66.8	72.3	70.6	62.3	64.4	64.1	64.9	-1.2	1.2	5.4	-1.6	-8.4	2.1	0.8
<b>Importers' share (1):</b>															
France	2.5	2.5	2.0	3.1	2.2	2.4	2.6	2.1	-0.1	-0.0	-0.5	1.1	-0.9	0.2	-0.5
Germany	3.4	2.3	1.5	2.3	2.4	2.8	3.0	2.8	-0.5	-1.0	-0.8	0.8	0.1	0.4	-0.2
Italy	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Korea	1.8	0.5	0.3	0.2	0.4	0.0	0.0	0.1	-1.8	-1.3	-0.2	-0.1	0.3	-0.4	0.0
United Kingdom	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Italy (non-subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other non-subject	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	34.4	33.2	27.7	29.4	37.7	35.6	35.9	35.1	1.2	-1.2	-5.4	1.6	8.4	-2.1	-0.8
<b>U.S. imports from:</b>															
<b>France:</b>															
Quantity	6,694	5,628	4,357	7,477	6,737	8,453	4,272	3,970	26.3	-15.9	-22.6	71.6	-9.9	25.5	-7.1
Value	17,853	14,732	11,316	26,425	27,212	32,234	14,482	18,802	80.5	-17.5	-23.2	133.5	3.0	18.5	29.8
Unit value	\$2,667	\$2,618	\$2,597	\$3,534	\$4,039	\$3,813	\$3,390	\$4,736	43.0	-1.9	-0.8	36.1	14.3	-5.6	39.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
<b>Germany:</b>															
Quantity	9,835	5,235	3,145	7,069	9,895	10,863	5,351	6,712	10.5	-46.8	-39.9	124.8	40.0	9.8	25.4
Value	23,798	13,636	8,493	19,651	29,524	38,129	16,827	25,836	60.2	-42.7	-37.7	131.4	50.2	29.1	53.5
Unit value	\$2,420	\$2,605	\$2,700	\$2,780	\$2,984	\$3,510	\$3,145	\$3,849	45.1	7.6	3.7	2.9	7.3	17.6	22.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
<b>Italy (subject):</b>															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
<b>Korea:</b>															
Quantity	6,472	1,820	708	490	1,381	191	49	111	-97.0	-71.9	-61.1	-30.8	182.1	-86.2	127.9
Value	12,859	3,156	1,641	1,373	5,050	662	160	522	-94.9	-75.5	-48.0	-16.3	267.9	-86.9	227.2
Unit value	\$1,987	\$1,734	\$2,318	\$2,803	\$3,656	\$3,459	\$3,273	\$4,700	74.1	-12.7	33.7	20.9	30.4	-5.4	43.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
<b>United Kingdom:</b>															
Quantity	6,325	2,769	2,279	3,067	2,921	3,306	1,659	2,606	-47.7	-56.2	-17.7	34.6	-4.7	13.2	57.1
Value	17,388	7,238	5,775	9,372	14,310	16,492	8,505	12,592	-5.2	-58.4	-20.2	62.3	52.7	15.2	48.0
Unit value	\$2,749	\$2,614	\$2,534	\$3,056	\$4,898	\$4,989	\$5,127	\$4,832	81.5	-4.9	-3.0	20.6	60.3	1.8	-5.8
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
<b>Subtotal:</b>															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
<b>Italy (non-subject):</b>															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
<b>All other (non-subject):</b>															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
<b>All sources:</b>															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued  
Stainless steel bar: Summary data concerning the U.S. market, 2001-06, January-June 2006, and January-June 2007

(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						January-June		Period changes						
	2001	2002	2003	2004	2005	2006	2006	2007	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06	Jan.-June 2006-07
U.S. producers:															
Average capacity quantity	238,109	268,279	292,523	336,200	359,796	372,288	202,477	214,022	56.4	12.7	9.0	14.9	7.0	3.5	5.7
Production quantity	137,299	136,539	148,078	174,117	183,925	192,168	92,871	102,147	40.0	-0.6	8.5	17.6	5.6	4.5	10.0
Capacity utilization (1)	57.7	50.9	50.6	51.8	51.1	51.6	45.9	47.7	-6.0	-6.8	-0.3	1.2	-0.7	0.5	1.9
U.S. shipments:															
Quantity	135,990	130,100	140,365	163,305	171,163	176,583	87,583	91,459	29.8	-4.3	7.9	16.3	4.8	3.2	4.4
Value	463,899	390,628	406,358	595,035	756,104	866,695	363,041	594,515	86.8	-15.8	4.0	46.4	27.1	14.6	63.8
Unit value	\$3,411	\$3,003	\$2,895	\$3,644	\$4,417	\$4,908	\$4,145	\$6,500	43.9	-12.0	-3.6	25.9	21.2	11.1	56.8
Export shipments:															
Quantity	***	***	***	10,205	9,426	12,669	6,652	7,550	***	***	***	***	-7.6	34.4	13.5
Value	***	***	***	35,286	49,771	75,004	32,466	53,474	***	***	***	***	41.1	50.7	64.7
Unit value	***	***	***	\$3,458	\$5,280	\$5,920	\$4,881	\$7,083	***	***	***	***	52.7	12.1	45.1
Ending inventory quantity	19,037	20,815	18,948	17,603	19,516	20,939	17,991	22,453	***	***	***	***	10.9	7.3	24.8
Inventories/total shipments (1)	***	***	***	10.1	10.8	11.1	9.5	11.3	***	***	***	***	0.7	0.3	1.8
Production workers	1,498	1,322	1,303	1,231	1,257	1,317	1,309	1,331	-12.1	-11.7	-1.4	-5.5	2.1	4.8	1.7
Hours worked (1,000s)	3,002	2,353	2,350	2,443	2,633	3,037	1,497	1,672	1.2	-21.6	-0.1	4.0	7.8	15.3	11.7
Wages paid (\$1,000s)	66,274	51,256	49,927	55,081	61,402	73,308	36,628	42,657	10.6	-22.7	-2.6	10.3	11.5	19.4	16.5
Hourly wages	\$22.08	\$21.78	\$21.25	\$22.55	\$23.32	\$24.14	\$24.47	\$25.51	9.3	-1.3	-2.5	6.1	3.4	3.5	4.3
Productivity (tons/1,000 hours)	45.7	58.0	63.0	71.3	69.9	63.3	62.0	61.1	38.4	26.9	8.6	13.1	-2.0	-9.4	-1.5
Unit labor costs	\$482.70	\$375.39	\$337.17	\$316.34	\$333.84	\$381.48	\$394.40	\$417.60	-21.0	-22.2	-10.2	-6.2	5.5	14.3	5.9
Net sales:															
Quantity	137,456	134,824	159,825	167,230	178,404	188,636	94,235	98,852	37.2	-1.9	18.5	4.6	6.7	5.7	4.9
Value	399,569	377,134	458,214	596,495	771,243	971,841	401,614	640,937	143.2	-5.6	21.5	30.2	29.3	26.0	59.6
Unit value	\$2,907	\$2,797	\$2,867	\$3,567	\$4,323	\$5,152	\$4,262	\$6,484	77.2	-3.8	2.5	24.4	21.2	19.2	52.1
Cost of goods sold (COGS)	385,607	362,905	482,859	507,798	662,928	810,944	338,328	529,454	110.3	-5.9	33.1	5.2	30.5	22.3	56.5
Gross profit or (loss)	13,962	14,229	(24,645)	88,697	108,315	160,897	63,286	111,483	1,052.4	1.9	(2)	(2)	22.1	48.5	76.2
SG&A expenses	39,083	33,549	34,429	30,695	33,685	39,370	17,710	20,910	0.7	-14.2	2.6	-10.8	9.7	16.9	18.1
Operating income or (loss)	(25,121)	(19,320)	(59,074)	58,002	74,630	121,527	45,576	90,573	(2)	23.1	-205.8	(2)	28.7	62.8	98.7
Capital expenditures	***	6,796	***	24,659	12,270	27,473	9,119	16,631	***	***	***	***	-50.2	23.9	82.4
Unit COGS	\$2,805	\$2,692	\$3,021	\$3,037	\$3,716	\$4,299	\$3,590	\$5,356	53.2	-4.1	12.2	0.5	22.4	15.7	49.2
Unit SG&A expenses	\$284	\$249	\$215	\$184	\$189	\$209	\$188	\$212	-26.6	-12.5	-13.4	-14.8	2.9	10.5	12.6
Unit operating income or (loss)	(\$183)	(\$143)	(\$370)	\$347	\$418	\$644	\$484	\$916	(2)	21.6	-157.9	(2)	20.6	54.0	89.4
COGS/sales (1)	96.5	96.2	105.4	85.1	86.0	83.4	84.2	82.6	-13.1	-0.3	9.2	-20.2	0.8	-2.5	-1.6
Operating income or (loss)/sales (1)	(6.3)	(5.1)	(12.9)	9.7	9.7	12.5	11.3	14.1	18.8	1.2	-7.8	22.6	-0.0	2.8	2.8

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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



**APPENDIX D**

**U.S. PRODUCERS', U.S. IMPORTERS', U.S. PURCHASERS',  
AND FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS  
OF THE ANTIDUMPING AND COUNTERVAILING DUTY ORDERS  
AND THE LIKELY EFFECTS OF REVOCATION**

**U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE  
LIKELY EFFECTS OF REVOCATION**

**U.S. producers were asked whether they anticipated any changes in the character of their operations or organization relating to the production of stainless steel bar in the future if the antidumping and countervailing duty orders were to be revoked. (Question II-4). Their responses were as follows:**

\*\*\*

“No.”

\*\*\*

“Yes. Revocation could result in reduction in \*\*\* volume.”

\*\*\*

“Yes. Capital investments (\*\*\* to handle capacity issues). Considerable negative impact to overall volume and pricing.”

\*\*\*

“Yes. Would expect lower margins on sales of stainless products.”

\*\*\*

“Yes. S.S. bar is a core product line. Dumped imports would capture U.S. market share, reducing prices, shrinking our ability to compete. This would cause a reduction in investment and employment.”

\*\*\*

“Yes. If the duties are revoked, it is very likely that we will be unable to realize the sales increases planned. Prices will be lower. And the \*\*\* would be temporarily, or permanently, reduced.”

\*\*\*

“Yes. We would expect pricing in the market to decrease resulting in decreased profit. This would eventually jeopardize ongoing operations at current capacities.”

\*\*\*

“No.”

\*\*\*

“Yes. If the above mentioned antidumping duty orders were to be revoked, our firm expects a significant increase of dumped imports of stainless bars into the US from the subject countries, which would destabilize the US market and jeopardize our plans to \*\*\* as described in II-3 above.”

**U.S. producers were asked to describe the significance of the existing antidumping and countervailing duty orders covering stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom in terms of their effects on their 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-16). Their responses were as follows:**

\*\*\*

“Imposition of the current dumping orders reduced imports/growth of imports from affected countries. Control of unfairly priced imports has allowed \*\*\* to remain viable in this market despite lower volumes during some periods.”

\*\*\*

“Dumped imports of stainless steel bar from the above mentioned and other countries were the leading cause of \*\*\*. Said dumped imports determined a combination of low production capacity utilization, decreasing production levels, high unsold inventories, falling revenues, significant losses, insufficient cash flow, inability to carry out needed capital expenditures and R & D activities over an extended period of time that ultimately \*\*\*.”

\*\*\*

“Stainless product impact is felt with all of the above countries. We compete head to head on a regular basis with low pricing from \*\*\*. Prior to countervailing duty and antidumping orders stainless capacity was less than 50% utilized. Stainless capacity utilization is currently at 81%.”

\*\*\*

“No significance.”

\*\*\*

“The imposition of duties occurred approximately the same time \*\*\* started production. Starting 2004, \*\*\* flourished. (Refer to page 16) the imposition of these orders and the continuation are paramount to our growth.”

\*\*\*

“If the orders were revoked, this could result in a reduction of \*\*\* volume.”

\*\*\*

“The existing dumping orders have helped limit imports from countries that sold unfairly traded imports in the US in the past. As such they have helped our company be better able to compete and were a factor in the investment decisions we have made over the last several years to increase our capacity.”

\*\*\*

“Over the past three years, \*\*\* has seen the benefit of the antidumping duties on our order book. This environment has permitted \*\*\* to increase production and reinvest in our equipment. Prior to the order/duties, \*\*\* could not operate effectively in S.S. bar product.”

\*\*\*

“Without the duties, we feel current prices could change.”

**U.S. producers were asked whether they anticipated any 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 stainless steel bar in the future if the antidumping orders were to be revoked. (Question II-17). Their responses were as follows:**

\*\*\*

“Yes. Generally lower margins on stainless products and loss of existing business especially in the case of \*\*\*.”

\*\*\*

“Yes. We would expect these countries to revert to past practices of dumping. This would impact our manufacturing, sales, and employment in a negative fashion.”

\*\*\*

“\*\*\* would not expect changes in our capacity, but we would expect to see a deterioration in U.S. shipments which would result in loss of revenue, decreased employment, reduction in capital spending and reduction of R&D projects. Based on history and pricing offers being reported by our field sales, \*\*\* anticipates on losing 50% of our commodity bar within one year of revoking the antidumping duties. Low-priced imports (i.e., \*\*\*) continue to compete with \*\*\* for the stainless steel bar business. If the antidumping order were revoked, \*\*\* believes that these products would cause considerable harm to the bar business.”

\*\*\*

“Yes. A significant reduction in \*\*\* volume could reduce revenue, profits, and cash flow.”

\*\*\*

“Yes. Would anticipate a loss of business which would reflect a proportionate decline in labor, inventory, jobs, and sales.”

\*\*\*

“No.”

\*\*\*

“Yes. If revoked, prices could fall.”

\*\*\*

“If the antidumping orders were revoked, we would anticipate the problems as our US capacity is becoming fully available. There would be excess supply in the market and would expect lower shipments at lower prices, lower revenues, and profits.”

\*\*\*

“Yes. If the above mentioned antidumping duty orders were to be revoked, our firm expects a significant increase of dumped imports of stainless bars into the US from the subject countries, which would destabilize the US market and jeopardize our plans \*\*\* as described in II-3 above.”

**U.S. IMPORTERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE  
LIKELY EFFECTS OF REVOCATION**

**U.S. importers were asked whether they anticipated any changes in the character of their operations or organization relating to the importation of stainless steel bar in the future if the antidumping and countervailing duty orders were to be revoked. (Question II-4). Their responses were as follows:**

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“Yes. If the duties are revoked, it is very likely that we will be unable to realize the sales increases planned. Prices will be lower. And the \*\*\* would be temporarily, or permanently, reduced.”

\*\*\*

“No.”

\*\*\*

“\*\*\* stainless bar is engineered for superior machineability. End users such as screw machine operations, machine shops, equipment manufacturers, etc. who benefit from the quality of our product can also benefit from a lower cost product, if the anti-dumping order were to be revoked on stainless bar.”

\*\*\*

“\_\_”

\*\*\*

“Yes. If \*\*\*, \*\*\* would resume selling and stocking \*\*\* stainless bars to and for the US \*\*\* marketplace. \*\*\* pricing policy on \*\*\* produced \*\*\* stainless would continue as outlined by the attached \*\*\*.”

\*\*\*

“Yes. \*\*\* will be able to maintain current market share.”

\*\*\*

“No.”

\*\*\*

“Yes. Certain mills provide certain material specifications. Also, price per pound would increase.”

\*\*\*

“No, as the orders have no impact on \*\*\* business.”

\*\*\*

“If the above mentioned antidumping duty orders were to be revoked, our firm expects a significant increase of dumped imports of stainless bars into the US from the subject countries, which would destabilize the US market and jeopardize the plans of \*\*\*.”

**U.S. importers were asked to describe the significance of the existing antidumping and countervailing duty orders covering stainless steel bar from Brazil, India, Japan, and Spain in terms of their effects on their imports, U.S. shipments of imports, and inventories. (Question II-8). Their responses were as follows:**

\*\*\*

“None.”

\*\*\*

“\_\_”

\*\*\*

“After the countervailing and antidumping duty order covering imports from \*\*\* decided to stop imports of stainless steel bars and we sold the inventory that \*\*\* had in the US.”

\*\*\*

“It has precluded our importing bars from these countries.”

\*\*\*

“These duty orders have had no impact or significance on \*\*\*’s production, home market, US shipments or other markets within the specialized product range of stainless steel bar that \*\*\* produces and sells.”

\*\*\*

“None.”



\*\*\*

“Marketing opportunities for alloy steels outside the scope of these orders rather than the orders are the most significant factors in \*\*\*’s current and future production and marketing strategies.”

\*\*\*

“\*\*\*’s imports into the United States have been mainly confined to \*\*\* stainless steel bar to meet \*\*\*. The volume of these imports is determined by demand, which is a function of the level of activity within the industry. The A.D. orders have not affected significantly \*\*\*’s sales since the firm sells niche products. The main effect has been market driven such as higher prices in the U.S. Market.”

\*\*\*

“N/A.”

\*\*\*

“There is no significance since we import a small amount of stainless steel.”

\*\*\*

“No significance.”

\*\*\*

“The \*\*\* made our imports of Stainless Steel Bars from \*\*\* generally uncompetitive in the U.S. Market.”

\*\*\*

“No effect since we haven’t imported stainless steel bar from these countries.”

\*\*\*

“N/A.”

\*\*\*

“N/A.”

\*\*\*

“The US market has been competitive without volumes from subject countries. Better volumes and better prices have been possible.”

\*\*\*

“I have no idea.”

\*\*\*

“Anti-dumping orders restrict free trade and limit the availability of competitively priced product in the U.S. market. North American Stainless, being a low-cost domestic producer, have already proven that they can compete in a free market without trade restrictions. \*\*\* business \*\*\* in 2002, when dump duty was imposed.”

\*\*\*

“\_\_\_”

\*\*\*

“\*\*\* had little effect on \*\*\* sales as the product is sold primarily on quality and delivery availability (please see \*\*\*). However, \*\*\* the sale of \*\*\* produced bar has dropped significantly. The only new orders being placed for \*\*\* bar are from \*\*\*. \*\*\* effectively makes \*\*\* something close to \*\*\*. At this price level, customers will not purchase \*\*\* materials. If the duty continues, \*\*\* will not replenish US stock levels of \*\*\* produced \*\*\* stainless steel bar.”

\*\*\*

“\*\*\* will lose revenue due to anti-dumping duties.”

\*\*\*

“The orders have had no significant impact upon our imports, U.S. shipments or inventories. Subject imports declined in 2002 and 2003 due to the safeguard measures imposed by the President and have since increased to previous levels. In addition, products manufactured by the related companies Ugitech and Bedini are excluded from the orders.”

\*\*\*

“Should the orders be revoked, \*\*\* does not anticipate any increase in projected import figures. In fact, \*\*\* expects a decrease in U.S. imports from \*\*\* for several reasons. First, \*\*\* primary business focus is on markets such as \*\*\* and, as a result, only a very small percentage of \*\*\*’s global sales of stainless steel bar are to the United States. In 2006, just \*\*\* percent of subject stainless steel bar from \*\*\*’s production in \*\*\* was sold to the United States, and there were no U.S. sales of subject stainless steel bar from \*\*\*. While \*\*\* has had the opportunity to \*\*\*,<sup>1</sup> it has chosen not to do so. Second, while \*\*\*. Although its imports \*\*\* has no plans to increase annual import volumes. Finally, and most importantly, \*\*\*. Accordingly, \*\*\* has no incentive to import increased volumes from \*\*\* - material that will be burdened by additional freight costs and disadvantaged by the exchange rate. In fact, shipments to the United States are planned to decrease over the next few years.

<sup>1</sup> \*\*\*. Although this facility was \*\*\*, Commerce \*\*\*. Commerce \*\*\*, as \*\*\*. As a result, \*\*\*.”

\*\*\*

“Prices we pay may possibly include any antidumping fees and duty fees. We buy through service centers.”

\*\*\*

“Our \*\*\* applies fair pricing policies and is committed to serve the US market, so it continued to export into the US even after the imposition of the order. \*\*\*.

Our imports of stainless steel bars from \*\*\* were considerably reduced after the imposition of the subject orders.”

**U.S. importers were asked whether they anticipated any changes in their imports, U.S. shipments of imports, or inventories of stainless steel bar in the future if the antidumping and countervailing duty orders were to be revoked. (Question II-9). Their responses were as follows:**

\*\*\*

“No.”

\*\*\*

“—”

\*\*\*

“No.”

\*\*\*

“Yes. We would seek additional sources of supply from those countries.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No. Some time ago \*\*\* made a strategic decision to concentrate its production and marketing efforts on non-order alloy steels and specific niche stainless steels for the aerospace and power generation industries.”

\*\*\*

“No.”

\*\*\*

“No knowledge.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“Revocation of the AD order would likely lead to an increase in tonnage from current volumes that are being imported from \*\*\*. Expected volume would probably be less than experienced in the 2002-2006 period because a number of our customers moved their purchasing to other offshore producers following application of \*\*\*.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“—”

\*\*\*

“Yes. Business as usual would resume with marketing and pricing policy returning to that outlined in the \*\*\*. Normal inventories of implantable stainless bar would be replenished in the US to provide materials for ‘spot buys’.”

\*\*\*

“Yes. Business will resume as normal.”

\*\*\*

“No. Products which have been selling despite antidumping duties are in high demand, not readily available or completely unavailable domestically.”

\*\*\*

“No. None.”

\*\*\*

“No.”

\*\*\*

“Yes. If the above mentioned antidumping duty orders were to be revoked, our firm expects a significant increase of dumped imports of stainless bars into the US from the subject countries, which would destabilize the US market and jeopardize the plans of \*\*\*.”

**U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE  
LIKELY EFFECTS OF REVOCATION**

**U.S. purchasers were asked to describe the likely effects of any revocation of the antidumping and countervailing duty orders covering imports of stainless steel bar France, Germany, Italy, Korea, and the United Kingdom in terms of (1) their future activities and (2) the U.S. market as a whole. (Question III-39). Their responses were as follows:**

\*\*\*

(1) "We do not believe the revocation will change the way we buy bars. We will continue to buy best value for stock." (2) "Based on strength of domestic stainless bar manufacturers, we do not believe there will be any major effect on the domestic market. We are already operating in a world market."

\*\*\*

(1) "Revocation of duties will cause market costs to fall. Our customers will demand the cheaper product. Domestic mills will be faced with the same issues they previously had relative to low priced subsidized stainless bar." (2) same response as (1).

\*\*\*

(1) No response. (2) No response.

\*\*\*

(1) No response. (2) No response.

\*\*\*

(1) "Don't know." (2) "Don't know."

\*\*\*

(1) "Our purchases are determined by price and availability. Assuming equal quality, we would expect purchases from these countries to increase." (2) Same.

\*\*\*

(1) "No change, our market dictates some U.K. grades not licensed for sale by domestic producers." (2) "A backlash of duties going to the E.U. and Korea will be the result."

\*\*\*

(1) "Would consider some as new sources." (2) "Failure to remove action will result in only the mills willing to invest in U.S. production will be competitive."

\*\*\*

(1) "Business as usually. Quantity, availability are key. Price follows. \*\*\* will always try to have material come from multiple sources." (2) "Additional supply would be welcome, especially from countries that the USA enjoys strong relations with. Market would be able to determine the natural order of supply and demand."

\*\*\*

(1) "Suspect we would see increased offering." (2) "Same."

\*\*\*

(1) "Our activity will remain unchanged as we buy from domestic sources only." (2) "An abundance of cheaper foreign material in the market drives profits down with domestic producers and would put some of them out of business. This is not good for the USA manufacturing infra-structure. We (USA) could lose producers in as little as two years."

\*\*\*

(1) "N/A" (2) "N/A"

\*\*\*

(1) "Little effect at this time. Pricing may become more competitive but supply behind demand may manifest itself in only a small increase of product imported." (2) "Little effect; see above."

\*\*\*

(1) No response. (2) "There will be very little impact on specialty items already sourced for the U.K., Germany, France and Italy but there will be further penetration of commodity items from Korea and Italy and to a lesser extent from France and Germany."

\*\*\*

(1) "None." (2) "We are not in a position to comment, since we \*\*\*."

**FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

**Foreign producers were asked whether they anticipated any changes in the character of their operations or organization relating to the production of stainless steel bar in the future if the antidumping and countervailing duty orders were to be revoked. (Question II-3) Their responses were as follows:**

\*\*\*

“Yes. If the orders are revoked, we would expect that a number of stainless bar producers from the subject countries will regain unrestricted access to exporting to the US market with strong risks of destabilizing pricing and market conditions there. As a consequence we would expect our sales and production levels to decrease and inventory levels possibly to increase with a negative financial impact on our company.”

\*\*\*

“No.”

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“No.”

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“No.”

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“No.”

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“No.”

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“No.”

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“No.”

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“No.”



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“No.”

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“No.”

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“No.”

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“No.”

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“No.”

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“—”

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“No, as the orders have had no impact on \*\*\* exports.”

\*\*\*

“No.”

**Foreign producers were asked to identify export markets that they have developed or where they have increased their sales of stainless steel bar as a result of the antidumping and countervailing duty orders. (Question II-13) Their responses were as follows:**

\*\*\*

“None.”

\*\*\*

“Apart from USA and our home market, subject products are sold to \*\*\* on a regular basis, but volume development was not linked to US duties.”

\*\*\*

“\*\*\* has not developed any export markets as a result of the orders on stainless steel bar.”

\*\*\*

“\*\*\* has not developed any export market products as a result of the antidumping duty order on stainless steel bar from \*\*\*. \*\*\* has maintained significant shipments to the United States.”

\*\*\*

“\*\*\*. However, \*\*\* developed these export markets as part of its normal commercial activity, NOT because of the U.S. AD/CVD duty orders on stainless steel bars. \*\*\* exports of stainless bars the U.S. market had always been limited even before the AD/CVD orders (in year 2000 \*\*\* exported to the U.S. market \*\*\* of stainless bars and this was the maximum volume even exported by \*\*\* on a \*\*\* basis). Thus, the loss of those U.S. shipments did not compel \*\*\* to seek alternative markets.”

\*\*\*

“\*\*\* has not developed or increased sales to any export markets as a result of any CVD or ADD orders.”

\*\*\*

“The development of other markets has been independent from U.S. antidumping duties on stainless steel bars. More than 90% of \*\*\* shipments are \*\*\*.”

\*\*\*

“N/A. We are not developing stainless steel. Other than specific \*\*\* bars which are primarily \*\*\* customers or are “directed buy” instructions by end user to a customer in Europe.”

\*\*\*

“The other principle export markets are various EU countries. However, \*\*\* has not increased its sales in those markets during the period covered by the review.”

\*\*\*

“The sale quota to the US has always been so low that it has not been necessary to increase the export quota to an other or other countries in particular, especially when the market is generally good all over the world.”

\*\*\*

“Although \*\*\* has developed or increased sales to the \*\*\* markets since the imposition of the antidumping duty order, this development is caused by these markets’ own advantage rather than by the imposition of antidumping duty in U.S.A. market. In addition, demand in these markets keeps increasing and low cost (overseas freight price, etc.) guarantee the profitability and price competitiveness in these markets to \*\*\*.”

\*\*\*

“None.”

\*\*\*

“No benefit from addition sales in other export markets apart from regular organic growth - between 8-10% generally for \*\*\*.”

\*\*\*

“\*\*\* has not developed any export markets as a result of the orders on stainless steel bar.”

\*\*\*

“There was no identifiable sales increase in other markets resulting from the introduction of ADD on bar from \*\*\*”

\*\*\*

“No export markets have been developed as a result of the orders. \*\*\* primary markets are \*\*\*. By contrast, although \*\*\* has been a traditional supplier of SSB to the United States, that market has never been \*\*\* primary emphasis and is not projected to assume such a role in the foreseeable future. For example, \*\*\* shipments of SSB to the United States accounted for approximately \*\*\* percent of total shipments in 2006. Although \*\*\* is committed to providing non-commodity grades to its U.S. customers, its primary focus is \*\*\*.”

\*\*\*

“No export market has increased due to the dumping orders. They developed due to new contacts on these markets and due to lack of steel on these markets.”

**Foreign producers were asked to describe the significance of the existing antidumping and countervailing duty orders covering imports of stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom in terms of their effects on their production capacity, production, home market shipments, exports to the United States and other markets, or inventories. (Question II-14) Their responses were as follows:**

\*\*\*

“\*\*\*”

\*\*\*

“Because \*\*\*. That amount, of course, would fluctuate based on normal market conditions, as it did during 2001-2006. If anything, future imports from \*\*\* would likely to be somewhat less in the future, even if the anti dumping duty order were revoked, because \*\*\*.”

\*\*\*

“The orders on stainless steel bar have had no significance on our operations. The decline in shipments to the United States was due to the safeguard measures in 2002-2003.”

\*\*\*

“The antidumping duty order on stainless steel bar from \*\*\* has had no impact on \*\*\*’s operations. \*\*\* has maintained significant shipments to the United States.”

\*\*\*

“The existing AD/CVD orders did not have (and do not now have) significant effects on \*\*\* production capacity, production, home market shipments, other market shipments, or inventories.”

\*\*\*

“These duty orders have had no impact or significance on \*\*\* production, home market, US shipments or other markets within the specialized product range of stainless steel bar that \*\*\* produces and sells.”

\*\*\*

“No influence. Deliveries to the US were reduced after 2001 because of Section 201 duties.”

\*\*\*

“None. We no longer supply stainless steel flat bar in commercial austenitic grades.”

\*\*\*

“The antidumping order has not affected significantly \*\*\*’s production since the firm strategic focus is on the production and sale of \*\*\* that are unavailable from other producers or otherwise in short supply.”

\*\*\*

“A zero countervailing duty margin and an antidumping that is not that high have not deeply affected the quantity sold to the US as well as the home market shipments and the export quantity to other countries. Therefore there has not been any change in the production or production capacity. An increase of the antidumping margin would of course limit the export to the US.”

\*\*\*

“The quantity ratio of U.S.A. export over the total exports has decreased from \*\*\* percent in 2001 to \*\*\* percent in 2006, but the decrease is mainly due to the fact that the primary market has changed from high cost market, such as the U.S.A. and Europe to the low cost market such as \*\*\*. The demand increases and low transportation cost in these markets are the primary reason for increased export, and is expected to be a long-term and permanent factor, given growth in the Asian economies. That is confirmed by the fact that the quantity ratio of export to Europe over the total exports has decreased from \*\*\* percent in 2001 to \*\*\* percent in 2006 even though \*\*\*.”

\*\*\*

“None.”

\*\*\*

“Sales have fallen to USA. They have not been offset by increased sales to other markets other than organic market growth rate - mainly \*\*\*.”

\*\*\*

“The orders on stainless steel bar have had no impact on \*\*\*. \*\*\* ships only small amounts of stainless steel bar to the United States for use in the \*\*\*.”

\*\*\*

“The introduction of the ADD on bar from \*\*\* has influenced \*\*\* competitiveness in the USA in two cases:

- i) the build-up of initiated customer relations on \*\*\*,
- ii) the keeping of the share of deliveries to the US \*\*\* manufacturers.”

\*\*\*

“The existing orders on SSB \*\*\* have had little impact on \*\*\* business. As mentioned above, \*\*\* principal market is the European Union. Exports to the United States are secondary to sales for SSB in Europe. As such, sales of SSB in the United States have not been affected by the imposition of duties.”

\*\*\*

“No significance of dumping orders. The section 201 had an impact on sales figures.”

**Foreign producers were asked whether they anticipated any changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of stainless steel bar in the future if the antidumping and countervailing duty orders were to be revoked. (Question II-15) Their responses were as follows:**

\*\*\*

“Yes. If the orders are revoked, a number of stainless bar producers from the subject countries will regain unrestricted access to exporting to the US market (also at less than fair value prices) with strong risks of destabilizing pricing and market conditions there.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No. If the orders are revoked, \*\*\* will evaluate the market conditions and consider re-entering the U.S. market in gradual steps.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

\*\*\*

“No.”

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“No.”

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“No.”

\*\*\*

“No.”

\*\*\*

“No. Exports to the USA would increase. Exports in 2006 were \*\*\*. To date in 2007 exports are only \*\*\* (YTD 7 months through July). Given that the market is itself increasing at \*\*\* our plan is geared to fulfill this increased demand - meaning that projected exports to the USA for stainless steel bar should be approximately \*\*\* short tons in 2008, increasing to \*\*\* short tons by 2009 and in excess of \*\*\* short tons by 2010.”

\*\*\*

“No.”

\*\*\*

“If the ADD on bar from Germany was to be revoked we would expect some opportunities to re-start the lost \*\*\* business. The same is true for bar for \*\*\*. Due to the factors in the markets (which are mostly due to tight specifications) we would expect to see a small percentage increase in sales of bar per year.”

\*\*\*

“No.”

\*\*\*

“No.”

**Foreign producers were asked if their projected figures, such as shipments to the United States, would be different if the antidumping and countervailing duty orders were to be revoked. (Question II-16d) Their responses were as follows:**

\*\*\*

“If the orders were revoked, a number of other stainless bar producers from the subject countries will regain unrestricted access to exporting to the US market (also at less than fair value prices) with strong risks of destabilizing pricing and market conditions there.

Should that occur, we expect that our export sales to the US for 2008 and onwards would decrease causing a corresponding decrease in production (and possibly also an increase in inventories in the short term) with a negative financial impact on our company.”

\*\*\*

“If the orders were revoked, shipments to the United States would likely be the same as in the 2001 - 2006 time period, because \*\*\*. That amount of course, would fluctuate based on normal market conditions, as it did during 2001-2006. If anything, future imports from \*\*\*.”

\*\*\*

“The projected figures would not be different if the orders were revoked.”

\*\*\*

“The projected figures would not be different if the orders were revoked.”

\*\*\*

“Projected figures would not be different if the orders were revoked.

\*\*\* will evaluate the market conditions and consider re-entering the U.S. market in gradual steps (after year 2008). But no U.S. customer has approached \*\*\* in recent years seeking stainless steel bars, and \*\*\* has not made any enquiry to former customers for stainless steel bars, it would take several years to re-enter the market.

From year 2002 to the present, the U.S. producer “NAS” (North American Stainless - a subsidiary of the Spanish producer Acerinox) has reinforced its position in the stainless steel long product market (wire rod and bars). Before the AD/CVD orders, Carpenter Technology dominated the North American stainless bar market while, nowadays, NAS is able to compete with Carpenter and is affirming itself as the stainless bar market leader.

Furthermore new competitors have entered the market (i.e.: Valbruna Slater Stainless) and, generally speaking, the domestic industry has undergone substantial restructuring. \*\*\* has been out of the market for a very long time, so. If the orders are revoked, it will not be easy for \*\*\* to win back the small market share held in the U.S. market before the AD/CVD orders.”

\*\*\*

“\*\*\* shipments of stainless steel bar would not change if the orders were revoked.”

\*\*\*

“The projected figures would not change if the orders were revoked. In our business plan all deliveries to customers are fixed. Because of full capacities, existing customer commitments and long lead times, a changing to other customers (and other countries) would not be possible.”

\*\*\*

“N/A. The U.S. market we used to supply is no longer of interest due to selling \*\*\*. The stainless grades we now produce are all specified and approved niche market products. These products have to be produced by certified, approved vendors in \*\*\* and Europe. There is no known producer in the USA for these products and if there is the market for these products it would be for only 5,000 - 10,000 lbs.”

\*\*\*

“Since \*\*\* focuses on selling \*\*\*, the firm does not foresee major changes in the projected figures.”

\*\*\*

“As already explained in the answers to questions II-13 and II-14, if the orders were revoked \*\*\* shipments to USA would not significantly change. \*\*\* business relationship with US customers are very good and could be lightly improved due to different external factors such as currency and world market trend. Our limit in increasing the production obliges us to give internal quotas to each export market, which can vary only of some percentage and cannot easily double.”



\*\*\*

“The projected figures would not be different if the orders were revoked because market condition of United States is not more favorable than that of \*\*\* and \*\*\* has no reason to increase in exporting stainless steel bar to the United States.”

\*\*\*

“\_\_”

\*\*\*

“Fundamentally \*\*\* exports to two main market segments in the USA. These are \*\*\*.

\*\*\* -We have one main customer \*\*\*, for \*\*\* bar. Currently \*\*\* is the only worldwide manufacturer of such bar to \*\*\*. \*\*\* are currently growing their business in this material and are therefore \*\*\* reliant on obtaining this material from \*\*\*. The duties that prevail (and which \*\*\* pay) mean that \*\*\* have suffered significant additional cost in terms of entering these materials into the USA. As such the \*\*\* profitability on their products has suffered tremendously - to the point where they have independently \*\*\*. The volume is set to increase from \*\*\* short tons approx in 2006 to approximately \*\*\* short tons by 2010. If the order was revoked it would substantially benefit the \*\*\* financially.

\*\*\*. Whilst the grades used for this application are available from US producers, the prevailing duties limit the US-based \*\*\* from having freedom of choice for selecting materials for \*\*\*, indeed, some have agreed to pay the additional duty in order to secure supply from \*\*\*. If the order was revoked volumes of imports would increase, however, in the scheme of overall volumes of imports of stainless steel from \*\*\*, \*\*\* portion is extremely small.

We estimate that the volume for 2008 (with the order revoked) will be approximately \*\*\* short tons from \*\*\* short tons in 2006 based on an assumption of \*\*\* annual market growth rate. (The annualized volume for 2007 is \*\*\* short tons as of end July due to the prevailing duties in place).

Should the orders be revoked there would be an increase of exports from \*\*\* bound for the USA - but as can be seen from the scale of the numbers above, \*\*\* is by no means a high volume producer and therefore has little impact or detriment to the US home Stainless Steel producers, short, medium or low term. The bigger impact is on the US end users and OEMs as the lack of availability of these stainless steel grades from \*\*\* into USA might force US based OEMs to move production to offshore locations in order to reduce duties payable on materials - resulting in a decline in US manufacture and a possible loss of jobs in the USA.”

\*\*\*

“The projected figures would not change if the orders were revoked.”

\*\*\*

“\_\_”

\*\*\*

“Should the orders be revoked, \*\*\* does not anticipate any increase in projected export figures. In fact, \*\*\* expects a decrease in U.S. imports from \*\*\* for several reasons. First, \*\*\* primary business focus is on markets such as the \*\*\* and, as a result, only a very small percentage of \*\*\*’s global sales of stainless steel bar are to the United States. In 2006, just \*\*\* percent of subject stainless steel bar from \*\*\*’s

production in \*\*\* was sold to the United States, and there were no U.S. sales of subject stainless steel bar from \*\*\*. While \*\*\* has had the opportunity to \*\*\*,<sup>1</sup> it has chosen not to do so. Second, while \*\*\*, which began production in 2007. Accordingly, \*\*\* has no incentive to import increased volumes from \*\*\* - material that will be burdened by additional freight costs and disadvantaged by the exchange rate. In fact, shipments to the United States are planned to decrease over the next few years.

<sup>1</sup> \*\*\*. Although this facility was \*\*\*, Commerce \*\*\*. Commerce \*\*\*, as \*\*\*. As a result, \*\*\*.”

\*\*\*

“None of the projected figures would be different if the orders were revoked. See response to question II-8c & III-8.”