Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan

Investigation Nos. 701-TA-376, 377, & 379 and 731-TA-788-793
(Review)

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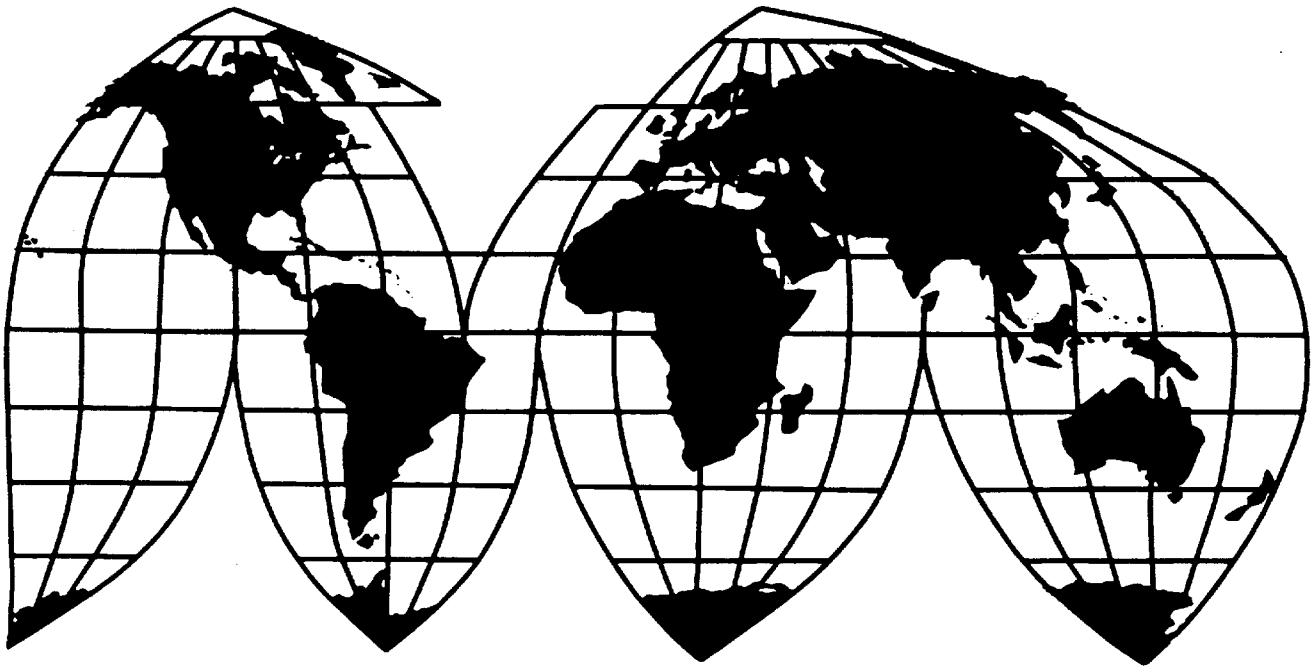
U.S. International Trade Commission



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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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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-376, 377, & 379 and 731-TA-788-793 (Review)
Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the countervailing duty orders on certain stainless steel plate from Belgium, Italy, and South Africa and that revocation of the antidumping duty orders on certain stainless steel plate from Belgium, Italy, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2] The Commission further determines, pursuant to section 751(c) of the Act, that revocation of the antidumping duty order on certain stainless steel plate from Canada would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[3]

BACKGROUND

The Commission instituted these reviews on April 1, 2004 (69 F.R. 17235) and determined on July 6, 2004 that it would conduct full reviews (69 F.R. 45076, July 28, 2004). 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 September 3, 2004 (69 F.R. 53946).[4] The hearing was held in Washington, DC, on March 30, 2005, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Vice Chairman Deanna Tanner Okun and Commissioners Jennifer A. Hillman and Daniel R. Pearson dissenting.

[3] Chairman Stephen Koplan and Commissioner Charlotte R. Lane dissenting.

[4] The revised schedule for the subject reviews was published on January 27, 2005 (70 F.R. 3944).

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (the Act), that revocation of the antidumping duty orders on certain stainless steel plate from Belgium, Italy, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1] We also determine under section 751(c) of the Act that revocation of the countervailing duty orders on certain stainless steel plate from Belgium, Italy, and South Africa would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2] We further determine under section 751(c) of the Act that revocation of the antidumping duty order on subject imports from Canada would not likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[3]

I. BACKGROUND

A. Market Background

Certain stainless steel plate consists of flat-rolled stainless steel products, 254 mm (10 inches) or greater in width and 4.75 mm (0.1875 inch) or greater in thickness, in coils, and annealed or otherwise heat-treated and pickled or otherwise descaled. The subject plate may also be further processed (e.g., cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing.[4] Plate can be sold in several conditions or finishes. Plate that has been annealed (or otherwise heat-treated) and descaled is referred to as hot-rolled, annealed and pickled (HRAP) product; HRAP plate that is cold-reduced by 25 percent or more is referred to as cold-rolled stainless steel plate.[5] Stainless steel plate is used to fabricate storage tanks, process vessels, and equipment in a variety of industries where the corrosion resistance, heat resistance, or ease of maintenance of stainless steel is required. It is also commonly used in the production of stainless steel tubing.[6] The majority of U.S. shipments of both domestically produced and subject imports of certain stainless steel plate was to distributors or service centers. The service centers, in turn, frequently further process the plate for their end-user customers.[7]

The original petition was filed in 1998 on behalf of domestic producers, Armco, J&L Specialty Steel, Lukens, North American Stainless (NAS), and subsequently joined by Allegheny Ludlum and Washington Steel (formerly the Washington Steel Division of Lukens). The United Steelworkers of

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[1] Vice Chairman Deanna Tanner Okun and Commissioners Jennifer A. Hillman and Daniel R. Pearson dissenting. They however join sections I (Background), II (Domestic Like Product and Industry), III.B.1 (cumulation with respect to Canada) and V (material injury analysis with respect to Canada) of these views.

[2] Vice Chairman Okun and Commissioners Hillman and Pearson dissenting.

[3] Chairman Stephen Koplan and Commissioner Charlotte R. Lane dissenting.

[4] Confidential Staff Report ("CR") at I-18, Public Staff Report ("PR") at I-16. Excluded from the scope of the reviews are the following: (1) plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars. Ibid.

[5] CR at I-19 and I-22, PR at I-16 and 18. Only a small proportion of stainless steel plate is produced and sold as cold-rolled. CR at I-22, PR at 18.

[6] CR at I-19, PR at 17.

[7] CR at I-31, PR at 23.

America, AFL-CIO/CLC also joined in the petition.[8] Avesta was a domestic producer, but not a petitioner.[9] The industry was already in the midst of restructuring and consolidation during the original investigation period, a process that continued throughout the review period. Avesta and Washington Steel discontinued operations in July 1998 and November 1998, respectively, prior to the imposition of the orders.[10] Later, AK acquired Armco (September 1999), and Allegheny Ludlum acquired J&L's stainless steel plate operations (June 2004). At the time of the Commission's determination in these reviews, three domestic producers existed - AK, Allegheny Ludlum, and NAS, that together manufacture stainless steel plate in plants in Indiana, Kentucky, Ohio, and Pennsylvania.[11]

Domestic production accounted for a significant share of the U.S. market for certain stainless steel plate over the period examined. Subject imports accounted for a decreasing share of the U.S. market from 1998 to 2004 while the market share of nonsubject imports rose.[12] Belgium was the single largest source of subject plate throughout the period examined in these reviews; nonsubject plate was reported to be imported from ***.[13]

B. Original Determinations and These Reviews

In the original investigations, the Commission found two domestic like products, certain hot-rolled stainless steel plate in coils ("hot-rolled stainless steel plate") and certain cold-rolled stainless steel plate in coils ("cold-rolled stainless steel plate").[14] The Commission determined that the domestic industry producing certain hot-rolled stainless steel plate was materially injured by reason of subject imports from Belgium, Canada, Italy, Korea, South Africa, and Taiwan. The Commission also determined that the domestic industry producing certain cold-rolled stainless steel plate was not materially injured or threatened with material injury by reason of subject imports from Belgium and Canada. It further found subject imports of certain cold-rolled stainless steel plate from Italy, Korea, South Africa, and Taiwan to be negligible and terminated those investigations.[15]

Domestic producers challenged the Commission's majority negative determinations with respect to imports of cold-rolled stainless steel from Belgium and Canada. The United States Court of International Trade ("CIT") affirmed the Commission majority's negative determinations. Upon

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[8] CR at I-2; PR at I-2

[9] CR/PR at I-2 n. 3, Table I-9.

[10] CR at I-34; PR at I-27.

[11] CR/PR at Table I-9.

[12] CR/PR at Table I-12.

[13] CR/PR at Table I-10.

[14] The Commission majority consisting of Vice Chairman Miller and Commissioners Crawford, Hillman, and Askey defined cold-rolled stainless steel plate as merchandise that meets the physical characteristics for certain stainless steel plate but has undergone a cold-reduction process reducing the thickness of the steel by 25 percent or more, and has been annealed and pickled following cold-reduction.

Chairman Bragg and Commissioner Koplan dissented; specifically, they found one domestic like product, certain stainless steel plate in coils, which included hot-rolled and cold-rolled product. They determined that an industry in the United States was materially injured by reason of dumped and/or subsidized imports of certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan. USITC Pub. 3188 at 29-31 (May 1999)

[15] Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376, 377 and 379 (Final) and Inv. Nos. 731-TA-788-793 (Final), USITC Pub. 3188 (May 1999) ("USITC Pub. 3188") at 3.

subsequent appeal, the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit") vacated the CIT's ruling, finding that the volume and impact analysis in the Commission's negative determination with respect to certain cold-rolled stainless steel plate from Belgium and Canada was not in accordance with the law and that the Commission's pricing analysis for cold-rolled stainless steel plate was unsupported by substantial evidence.[16] On June 18, 2002, the CIT remanded the Commission's negative determinations regarding cold-rolled stainless steel plate from Belgium and Canada to the Commission, consistent with the decision of the Federal Circuit.

On remand, the Commission majority defined a single like product, certain stainless steel plate in coils, and determined that an industry in the United States was materially injured by reason of imports of dumped and/or subsidized imports of subject merchandise from Belgium, Canada, Italy, Korea, South Africa, and Taiwan.[17]

The Commission instituted the instant reviews on April 1, 2004, to determine whether revocation of the orders on certain stainless steel plate would be likely to lead to the continuation or recurrence of material injury.[18] The Commission received responses to the notice of institution from the domestic interested parties and from the Belgian and Korean respondent interested parties. The Commission found that the domestic interested party group response was adequate for each of the reviews, and that the respondent interested party group response was adequate for the reviews on subject imports from Belgium and Korea. Although the Commission did not receive a response in the reviews concerning subject imports from Canada, Italy, South Africa, or Taiwan, the Commission determined to conduct full reviews with respect to all six countries in order to promote administrative efficiency, in light of its decision to conduct full reviews with respect to the orders concerning Belgium and Korea.[19]

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the "domestic like product" and the "industry."[20] 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."[21]

As detailed above, in the original investigations, the Commission found hot-rolled and cold-rolled stainless steel plate to be separate like products. Following a remand by the CIT, the Commission by a three-to-two vote found a single domestic like product coextensive with the scope definition. In so doing, the Commission found that:

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[16] Allegheny Ludlum Corp. v. United States, 287 F.3d 1365 (Fed. Cir. 2002).

[17] The Commission majority, on remand, consisting of Chairman Okun and Commissioners Bragg and Koplan, adopted the original affirmative determinations of Chairman Bragg and Commissioner Koplan. USITC Pub. 3188 at 1-2 (Sept. 2002). Vice Chairman Hillman and Commissioner Miller had been part of the four-Commissioner majority on the original determinations; they dissented on remand, again found two like products, and made negative determinations with respect to imports of cold-rolled stainless steel plate in coils. USITC Pub. 3541 at 3-4.

[18] 69 Fed. Reg. 17235 (Apr. 1, 2004).

[19] Commission Statement on Adequacy (June 2004); CR/PR at Appendix A.

[20] 19 U.S.C. § 1677(4)(A).

[21] 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

> because hot-rolled and cold-rolled SS coiled plate share similar characteristics, chemical composition, and dimensions; can be used in most of the same corrosion resistant applications; share the same production processes through production of the hot-rolled product; and because the hot-rolled plate is substitutable for the cold-rolled product with further grinding and polishing, we find that there is no clear dividing line between hot-rolled and cold-rolled SS coiled plate.[22]

Domestic interested parties argue that in these reviews the Commission should again define a single domestic like product coextensive with the scope definition.[23] At the hearing, respondents indicated that they agreed with the Commission's single like product definition.[24]

Reviewing the record and taking into account the parties' positions on this issue, we see no basis for departing from the domestic like product definition as revised on remand. The evidence in the record of these reviews with respect to the factors the Commission normally examines in its domestic like product analysis does not lead us to revisit the definition of the domestic like product. Therefore, for the reasons stated in the original remand determination, we continue to define a single domestic like product coextensive with the scope definition.[25]

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[22] USITC Pub. 3188 at 31. In the Remand Determination, Commissioners Koplan and Bragg adopted their analysis in full from the original determination. USITC Pub. 3541 at 1, n.5, & 6. Chairman Okun, who did not participate in the original determination, also adopted Chairman Bragg and Commissioner Koplan's entire analysis from their original determination. USITC Pub. 3541 at 1, n.7. Because the Commission majority did not provide further analysis in its remand determination, these views cite to USITC Pub. 3188, unless specifically noted otherwise.

[23] Domestic Interested Parties' Prehearing Brief at 5-6.

[24] Hearing Transcript ("Tr.") at 223.

[25] Commissioners Miller and Hillman take as a starting point their finding in the original investigations that hot-rolled and cold-rolled stainless steel plate are separate like products. They observe that the facts on the record of the current reviews differ somewhat from those on the original record; most notably, whereas the record in the original investigations indicated that domestic producers producing cold-rolled stainless steel plate at that time generally performed cold-rolling and subsequent annealing and pickling using production lines and employees that were different from those used to make hot-rolled product, the current record indicates that those producers that now make cold-rolled stainless steel plate typically use the same lines and production workers for both products. CR at I-31, PR at I-25.

They also note that the positions of the parties have changed since the original investigations. In the original investigations, the petitioning domestic producers argued in favor of a single like product. Several respondent parties advocated finding separate hot- and cold-rolled like products, pointing out differences in physical characteristics, production processes, price, and limited practical interchangeability. In these reviews, domestic producers continue to urge the Commission to find one like product, and have submitted extensive argument and some additional data. By contrast, unlike during the original investigations, no respondent party in the current reviews argues in favor of a finding that hot-rolled and cold-rolled plate are separate like products.

On balance, while they recognize that various differences remain between hot-rolled and cold-rolled stainless steel plate, they join the majority in finding a single like product of all stainless steel plate coextensive with the scope definition.

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."[26] Consistent with our domestic like product finding, we define the domestic industry as all U.S. producers of certain stainless steel plate: Allegheny Ludlum, AK, and NAS.[27]

III. CUMULATION

A. Framework

Section 752(a) of the Act provides that:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[28]

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[29] We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[30] 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.[31]

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[26] 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).

[27] CR at I-34, PR at I–25-26.

[28] 19 U.S.C. § 1675a(a)(7).

[29] 19 U.S.C. § 1675a(a)(7).

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

[31] For a discussion of the analytical framework of Chairman Koplan and Commissioners Hillman and Miller regarding the application of the "no discernible adverse impact" provision, see Malleable Cast Iron Pipe Fittings

(continued...)

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as Commerce and the Commission initiated all the reviews on April 1, 2004.[32]

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.[33] Only a "reasonable overlap" of competition is required.[34] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders are revoked. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.[35]

B. Likelihood of No Discernible Adverse Impact

As noted above, we generally consider the likely volume of subject imports and their impact within a reasonably foreseeable time if the orders are revoked. We note that the statute refers to no "discernible" adverse impact, rather than to a "significant" adverse impact, which would be more appropriate to the ultimate analysis of whether the industry is likely to be materially injured upon revocation or termination. Because of this substantially lower threshold, the no discernible adverse

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[31] (...continued)
from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review) USITC Pub. 3274 (Feb. 2000). For a further discussion of Chairman Koplan's analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review) USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

[32] 69 Fed. Reg. 17235 (Apr. 1, 2004).

[33] The four factors generally considered by the Commission in assessing whether subject 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).

[34] 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).

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

impact analysis was not intended to be equivalent in scope to an analysis of likely material injury.[36] Although we include here a substantial analysis of the likely impact of imports from each of the six subject countries, we bear in mind that the threshold is whether the adverse impact will simply be "discernible."

1. Canada[37]

Currently, there is no production of stainless steel plate in Canada. Atlas Stainless Steels ("Atlas"), a division of Slater Stainless Corp., was the sole Canadian producer of stainless steel plate in Canada during the period examined in these reviews. Slater announced the possible restructuring or sale of Atlas in October 2003.[38] In January 2004, Slater announced that it would begin to close down operations and continue to seek a buyer.[39] The record indicates that the closed facility presently is owned by a scrap dealer and no purchase is known to be pending.[40] Low levels of U.S. imports from Canada continued in 2004 after the closure of Atlas, but these volumes appear to be a sell-off of existing inventory.[41]

Although domestic producers argued that the facility remains for sale and that a group of investors is considering purchasing and restarting the operations, record evidence does not suggest any imminent return to production operations.[42] Based on the absence of current production in Canada and the lack of any evidence other than speculation that the Atlas facilities soon will be sold and production would resume, we find that it is unlikely that Canada will export the subject merchandise to the United States within a reasonably foreseeable time. Accordingly, we find that subject imports from Canada are likely to have no discernible adverse impact on the domestic industry if the antidumping duty order is revoked. Therefore, we find that the statute precludes cumulation of subject imports from Canada with other subject imports.

2. Belgium[43]

In the original investigations, the quantity of U.S. shipments of subject imports from Belgium increased from *** tons in 1995 to *** tons in 1996, then decreased to *** tons in 1997.[44] The quantity of U.S. shipments from Belgium was *** tons in 1998.[45] At the same time, the U.S. market share of

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[36] See, e.g., Usinor Industeel, S.A. v. United States, ___ F. Supp. 2d, Slip Op. 03-118 (Ct. Int'l Trade 2001), aff'd per curiam, 112 Fed. Appx. 59 (Fed. Cir. Nov. 8, 2004) (to require a greater effect than discernible adverse impact "would defeat the purpose of cumulation, i.e., to guard against the 'hammering' effect of imports which, in isolation, do not cause material injury.")

[37] See Dissenting Views of Chairman Koplan and Commissioner Lane, with respect to Canada.

[38] CR at IV-19-20, PR at IV-8-9.

[39] CR at IV-19-20, PR at IV-8-9.

[40] Tr. at 113, 120; CR at IV-19-20, PR at IV-8-9, Domestic Producers' Prehearing Brief at 63-64.

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

[42] CR at IV-19-20, PR at IV-9, Domestic Producers' Prehearing Brief at 63-64.

[43] Vice Chairman Okun and Commissioners Hillman and Pearson do not join the rest of these views.

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

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

Belgian plate increased from *** percent in 1995 to *** percent in 1996, decreased to *** percent in 1997, and increased to *** percent in 1998.[46]

Following imposition of the orders, subject imports from Belgium fell but continued to enter the U.S. market. In 2000, the quantity of U.S. shipments of subject imports from Belgium was *** tons, which declined to *** tons the following year but then *** increased, reaching *** tons by 2004.[47]

U&A Belgium ("U&A") is the only manufacturer of subject merchandise in Belgium. It reported that its capacity increased since the time of the original investigations, rising from *** tons in 1998 to *** tons in 2004, as it made capital improvements to its steel-making operations.[48] During the period examined in these reviews, U&A reported capacity utilization rates ranging from *** percent (in 2002) to *** percent (in 2004).[49]

As at the time of the original investigations, U&A continues to *** on its export markets, which include the United States. Home market shipments from 1998 to 2004 represented a *** percentage of its total shipments, ranging between *** percent in 2001 to *** percent in 2004. The proportion of shipments exported to the United States ranged from *** percent in 1999 to *** percent in 2001.[50] U&A's shipments to the European market accounted for *** percent of its shipments in 1998 but declined irregularly to *** percent in 2004.[51] U&A's shipments to China accounted for *** percent of its shipments in 1998. U&A's shipments increased to *** percent in 2001, fell to *** percent in 2002, increased to *** percent in 2003, and then fell to *** percent in 2004.[52] U&A's shipments to other Asian markets accounted for *** percent of its shipments in 1998. U&A's shipments to other Asian markets increased to *** percent in 1999, were between *** percent and *** percent during 2000 and 2003, and once again increased to *** percent in 2004.[53]

While imports from Belgium are already appreciable, the Belgian producer would have incentive to increase its exports to the U.S. market if the orders were revoked. We note that the Belgian producer has stated it intends to focus on *** and *** in the foreseeable future, given increasing demand for stainless steel plate in those markets.[54] However, the Chinese market has not become a stable outlet for

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

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

[48] CR/PR at Table IV-7 and CR at IV-15, n. 25 and PR at IV-7, n. 25.

[49] CR/PR at Table IV-7.

[50] CR/PR at Table IV-7.

[51] CR/PR at Table IV-7.

[52] CR/PR at Table IV-7.

[53] CR/PR at Table IV-7.

[54] CR at IV-17, PR at IV-8, Respondents' Posthearing Brief at 11. U&A also stresses that its *** market is the EU and it has directed its marketing efforts to EU countries. It contends that it would not abandon its customer base in the EU in order to increase sales to the U.S. market if the orders were revoked. However, Belgian exports of stainless steel plate to the EU have fluctuated over the period examined. CR/PR at Table IV-7, Respondents' Posthearing Brief at 11.

We note that Belgian exports to China declined in 2004, and were redirected to other markets, including the EU. Given that prices in the EU were comparable to U.S. prices at that time (see e.g., CR/PR at Table IV-11), this increase in Belgian exports to the EU demonstrates that Belgian producers follow price and demand signals in its export markets. CR/PR at Table IV-7. Because the record indicates that demand in the EU will likely slow in the foreseeable future, Belgian exports are likely to seek the open U.S. market absent the orders. Domestic Producers' Posthearing Brief at Exs. 5, 14.

Belgian exports as evidenced by the *** decline of Belgian exports to China from 2003 to 2004.[55] Although the volume of Belgian exports to China was higher in first few months of 2005 than it was for the same period in 2004,[56] the volume of Belgian exports is likely to decline within a reasonably foreseeable time. Indeed, the record indicates that the Belgian producer will face additional competition in the Chinese market as the Chinese stainless steel industry increases its own production capacity, and Belgian exports must compete not only with the Chinese product, but exports from other countries as well.[57] The U.S. market would therefore be an attractive alternative for the Belgian producer, given the U.S. market's higher prices relative to China and other markets,[58] as well as the U.S. market's large size, openness, and likely steady demand.[59] The record shows that prices in the United States were often higher than prices in the subject countries or the world's other major markets in 2004.[60] While in late 2004 and early 2005 the gap in price had narrowed between the U.S. market and some other markets, such as the EU and Korea, the gap remains significant in comparison with other important world markets, such as China.[61]

In sum, the record indicates that subject imports from Belgium initially declined after imposition of the order but increased thereafter. Subject imports from Belgium have maintained a solid presence in the U.S. market, and the sole Belgian producer relies *** on its export markets. U&A has demonstrated its ability to shift easily between markets. Moreover, the sizable, steady, and high-priced U.S. market remains an attractive market relative to U&A's alternative markets. Given these factors and the Belgian producer's trade patterns during the original investigations, as well as the vulnerability of the domestic industry as discussed in section IV of these views, we do not find that subject imports from Belgium would be likely to have no discernible adverse impact on the domestic industry if the order were revoked.

3. Italy

In the original investigations, the quantity of U.S. shipments of subject imports from Italy increased dramatically from *** tons in 1995 to *** tons in 1997.[62] Market share of subject imports from Italy also increased from *** percent in 1995 to *** percent in 1997.[63] The volume and market share of subject imports from Italy fell *** following imposition of the orders.[64] Since ***, subject imports from Italy have been ***.[65]

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[55] CR/PR at Table IV-7.

[56] Respondents' Posthearing Brief at 6, Appendix D.

[57] CR at IV-30-31; IV-37-38, PR at IV-14.

[58] CR/PR at Tables IV-11, 12. As a result of the *** in EU prices for the high-volume grade 304 hot-rolled coils, U.S. prices have *** E.U. prices for the most recent three months. CR/ PR at Table IV-11.

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

[60] CR/PR at Tables IV-11, 12.

[61] CR/PR at Tables IV-11, 12, CR at IV-31-33, PR at IV-14-16. Domestic Interested Parties' Prehearing Brief at Ex. 25.

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

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

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

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

TKAST, a division of ThyssenKrupp, is the only manufacturer of subject merchandise in Italy.[66] TKAST provided an allocated capacity for hot-rolled stainless steel plate but *** stainless steel plate.[67] TKAST indicated, however, that the "'only meaningful measure'" of its ability to produce the subject product is its overall capacity (which includes melting, hot-rolling, and cold-rolling operations for nonsubject product).[68] TKAST's reported total melt capacity for stainless steel increased from *** tons in 1998 to *** tons in 2004 or by *** percent.[69] TKAST's stainless hot-rolling and cold-rolling operations have expanded throughout the period examined by *** percent and *** percent respectively.[70] TKAST's reported melting, hot-rolling, and cold-rolling capacity utilization rates were approximately *** percent or greater from 1998 to 2004.[71] TKAST's marginal unused capacity, however, constitutes substantial production capacity for its export markets, even if only a portion is used to produce the subject product.[72]

The record indicates that TKAST relies *** on its export markets. During the period examined in these reviews, *** of TKAST's production of stainless steel plate was exported.[73] TKAST's home market shipments of the subject product fell from a high of *** percent of total shipments in 2001 to *** percent in 2004.[74] At the same time, TKAST's shipments to China increased, while its shipments to the EU decreased.[75]

TKAST reports that its shipments of subject merchandise to China are *** and that it ***.[76] However, TKAST's shipments to China accounted for *** percent of its shipments in 2003 but declined to *** percent in 2004.[77] Although the record indicates that TKAST's exports to China were ***,[78] Italian exports to China will likely face additional competition in China as the Chinese stainless steel industry increases its production capacity and Italian exports have to compete not only with exports from other countries but with the Chinese product as well.[79] The U.S. market would therefore be an attractive alternative for the Italian producer, given its higher prices relative to China and other markets,[80] as well as

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[66] CR at IV-20, PR at IV-9.

[67] CR at IV-20, PR at IV-10.

[68] CR at IV-20, PR at IV-10.

[69] CR/PR at Table F-5. TKAST reported hot-rolling capacity of *** tons and cold-rolling capacity of *** tons in 2004. CR/PR at Table F-5.

[70] CR/PR at Table F-5.

[71] CR at IV-13, PR at IV-7.

[72] Commissioner Miller does not join this conclusion. She finds it more relevant to consider TKAST's production and shipment trends for the subject product, both before and during the period of review, rather than capacity data that include an unknown volume of nonsubject product. While TKAST's capacity to produce all stainless steel products did increase, its production of the subject product increased *** as well, from ***. CR/PR at Table IV-8. This confirms an ability to shift overall capacity among TKAST's different stainless steel products.

[73] CR/PR at Table IV-8.

[74] CR/PR at Table IV-8.

[75] CR/PR at Table IV-8.

[76] CR at IV-22, PR at IV-10.

[77] CR/PR at Table IV-8.

[78] CR at IV-38, PR at IV-17.

[79] CR at IV-30-31; IV-37-38, PR at IV-14.

[80] CR/PR at Tables IV-10, 11, 12.

its large size, openness, and steady demand.[81] Indeed, the record shows that prices in the United States were often higher than prices in the subject countries or the world's other major markets in 2004.[82] While the gap in price had narrowed in late 2004 and early 2005 between the U.S. market and some other markets, such as the EU and Korea, the gap remains significant in comparison with other important world markets, such as China.[83] [84]

TKAST relies *** on its export markets, and has demonstrated the ability to shift easily between markets. Moreover, the sizable, steady, and high-priced U.S. market remains an attractive market relative to the Italian producer's alternative markets. Given the Italian producer's trade patterns during the original investigations and the vulnerability of the domestic industry as discussed in section IV.C., we do not find that subject imports from Italy would be likely to have no discernible adverse impact on the domestic industry if the order were revoked.

4. Korea

In the original investigations, the quantity of U.S. shipments of subject imports from Korea increased from *** tons in 1995 to *** tons in 1996, and to *** tons in 1997.[85] At the same time, Korea's market share increased from *** percent in 1995 to *** percent in 1996, and to *** percent in 1997.[86] The volume of subject imports from Korea was *** tons in 1998, *** tons in 1999, and *** tons in 2000.[87] The market share of subject imports from Korea was *** percent in 1998, *** percent in 1999, and *** percent in 2000.[88] From 2001 to 2004, subject imports from Korea have been ***.[89]

There is one Korean producer of stainless steel plate, POSCO. Since the original investigations, POSCO's capacity has increased significantly, from *** tons in 1998 to *** tons in 2004.[90] POSCO's capacity utilization rates from 1998 to 2004 were reported to be over *** percent, indicating that even a reported *** percent capacity utilization rate does not actually signify full production utilization.[91]

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[81] Subject merchandise from Italy is subject to minimum import prices in India, antidumping duties in Thailand, and to an ongoing antidumping investigation in Russia. CR at IV-23, PR at IV-11.

[82] CR/ PR at Tables IV-11 and IV-12.

[83] CR/PR at Tables IV-11, 12, CR at IV-31-33, PR at IV-14-16. Domestic Interested Parties Prehearing Brief at Ex. 25.

[84] TKAST argues that it has increased its commitment to its home market and third-country European markets due to heightened demand and robust prices. However, as noted above, TKAST's shipments to its home market decreased overall from 2002 to 2004. CR/PR at Table IV-8. We note that Italian exports to China declined in 2004, and were redirected to other markets, including the EU. Given that prices in the EU were comparable to U.S. prices at that time (see e.g CR/PR at Table IV-11), this increase in Italian exports to the EU demonstrates that the Italian producer follows price and demand signals in its export markets. CR/PR at Table IV-7. The record indicates that demand in the EU will likely slow in the foreseeable future and Italian exports likely will seek the open U.S. market, absent the orders. Domestic Producers' Posthearing Brief at Exs. 5, 14.

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

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

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

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

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

[90] CR/PR at Table IV-9.

[91] CR/PR at Table IV-9.

POSCO's home market shipments are a *** but variable portion of its total shipments. POSCO's home shipments from 1998 to 2004, as a percentage of its total shipments, ranged between *** percent (in 2004) to *** percent (in 2002).[92] As it did at the time of the original investigations, POSCO relies *** on its export markets. The proportion of POSCO's shipments exported to ***, China, ranged from *** percent (in 1998) to *** percent (in 2004).[93]

POSCO has two joint ventures in China, and POSCO reports that it expects to continue to supply hot-rolled stainless steel plate as "feedstock" for these joint ventures.[94] However, at least some of POSCO's exports to its joint ventures will likely decline within a reasonably foreseeable time. According to the record, at least one of these joint ventures already has hot-rolling capacity (now used primarily for carbon steel) and, in 2006, is adding a stainless steel melt shop, with melt capacity of 600,000 metric tons.[95] As such, the joint venture's need for "feedstock" from POSCO likely will be reduced.[96]

Given the erratic nature of its shipments to its home market and the likely need of POSCO to find an outlet for its exports currently serving as "feedstock" to its joint ventures, POSCO has incentive to shift to the U.S. market in the event of revocation. Moreover, Korean exports to China face additional competition in China in the foreseeable future as the Chinese stainless steel industry increases its production capacity and Korean exports have to compete not only with exports from other countries but with the Chinese product as well.[97] The U.S. market will likely be an attractive alternative given its large size, steady demand, and high prices in relation to POSCO's third country markets such as China. Indeed, the record indicates that prices in the United States were often higher than in the subject countries or the world's other major markets in 2004.[98] While in late 2004 and early 2005 the gap in price had narrowed between the U.S. market and some other markets, such as the EU and Korea, the gap remains significant in comparison with other important world markets, such as China.[99]

Thus, the record shows that POSCO relies *** on its export markets and has demonstrated the ability to shift easily between markets. Moreover, the sizable, steady, and high-priced U.S. market remains attractive relative to POSCO 's alternative markets. Given POSCO's trade patterns during the original investigation and the vulnerability of the domestic industry, we do not find that subject imports from Korea would be likely to have no discernible adverse impact on the domestic industry if the order were revoked.

5. South Africa

In the original investigations, the quantity of U.S. shipments of subject imports from South Africa increased from *** tons in 1995 to *** tons in 1996, and decreased to *** tons in 1997.[100] The market

[92] CR/PR at Table IV-9.

[93] CR/PR at Table IV-9.

[94] CR at IV-26, PR at IV-12.

[95] Domestic Producers' Posthearing Brief at Ex.1 at 13, Ex. 8 and 14.

[96] See, e.g., ***.

[97] CR at IV-30-31; IV-37-38, PR at IV-14.

[98] CR/PR at Tables IV-11 and IV-12.

[99] CR/PR at Tables 11, 12, CR at IV-31-33, PR at IV-14-16, Domestic Interested Parties' Prehearing Brief at Ex. 25.

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

share of subject imports from Africa also increased, from *** percent in 1995 to *** percent in 1997.[101] The volume of subject imports from South Africa was *** tons in 1998, or *** percent of the U.S. market, but fell *** after the orders were imposed.[102] In 2004, the volume of subject imports from South Africa was *** tons.[103]

Columbus is the sole South African producer of the subject merchandise.[104] Columbus did not provide capacity allocations for its production of the subject merchandise.[105] However, it reported that its melt capacity was *** tons in 2004.[106] Columbus provided only melting capacity utilization rates from 1999 to 2004, ranging from *** in 2002 to *** percent in 2004.[107]

As at the time of the original investigations, the South African producer continues to be export-oriented. The South African producer's shipments to its home market from 2000 to 2004, as a percentage of its total shipments, ranged from *** percent in 2002 to *** percent in 2004.[108] The proportion of shipments exported to the United States declined from *** percent in 2000 to *** percent in 2004.[109] From 2001 onward, the majority of its shipments were split between ***.[110] The record shows periodic fluctuations in the volume of the South African producer's export shipments, particularly to ***.[111] South African exports to China will face additional competition in China in the foreseeable future as the Chinese stainless steel industry increases its production capacity and South African exports must compete not only with exports from other countries but with the Chinese product as well.[112] The U.S. market would therefore be an attractive alternative for Columbus, given its comparably higher prices in relation to its other markets, as well as its large size, openness, and steady demand. Indeed, the record indicates that prices in the United States were often higher than in the subject countries or in many of the world's other major markets in 2004.[113] While in late 2004 and early 2005 the gap in price had narrowed between the U.S. market and certain markets, such as the EU and Korea, the gap remains significant in comparison with other important world markets, such as China.[114]

Thus, the record shows that the South African producer relies *** on its export markets, and has demonstrated the ability to shift easily between markets. Moreover, the sizable, steady and high-priced U.S. market remains an attractive market relative to the South African producer's alternative markets. Given the trade patterns of Columbus during the original investigations and the vulnerability of the

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

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

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

[104] CR at IV-27, PR at IV-12.

[105] CR at IV-27, PR at IV-12.

[106] CR/PR at Table F-7.

[107] CR/PR at Table IV-10, CR at IV-13, PR at IV-6-7.

[108] CR/PR at Table IV-10.

[109] CR/PR at Table IV-10.

[110] CR/PR at Table IV-10.

[111] CR/PR at Table IV-10.

[112] CR at IV-30-31; IV-37-38, PR at IV-14.

[113] CR/ PR at Tables IV-11and IV-12.

[114] CR/PR at Tables 11, 12, CR at IV-31-33, PR at IV-14-16, Domestic Interested Parties' Prehearing Brief at Ex. 25.

domestic industry, we do not find that subject imports from South Africa would be likely to have no discernible adverse impact on the domestic industry if the order were revoked.

6. Taiwan

In the original investigations, the quantity of U.S. shipments of subject imports from Taiwan increased dramatically from *** tons in 1995 to *** tons in 1996, and then to *** tons in 1997.[115] Public data indicates that subject import volume from Taiwan was 5,004 tons in 1998, but fell to 307 tons in 1999. From 2000-2004, subject import volume from Taiwan remained low, with no reported imports in 2003 and only *** tons in 2004.[116]

No Taiwan producer of stainless steel plate responded to the Commission questionnaire in these five-year reviews.[117] Available public data indicate that Taiwan's stainless steel production grew between 1999 and 2003 from less than 1.2 million metric tons to more than 1.5 million metric tons.[118] Data collected in the original investigations indicate that Taiwan's capacity utilization fell from *** percent in 1995 to *** percent in 1996 and then increased to *** percent in 1997. The Taiwan producers' percentage of shipments to the home market decreased from *** percent to *** percent in 1997. The percent of shipments exported to the United States increased from *** percent in 1995 to *** percent in 1997.[119] Taiwan's exports to China will face stiffer competition in China in the foreseeable future as the Chinese stainless steel industry increases its production capacity and exports have to compete not only with exports from other countries but with the Chinese product as well.[120] The U.S. market would therefore be an attractive alternative for Taiwan producers, given its higher prices in relation to its other markets as well as its large size, openness, and steady demand. Indeed, the record indicates that prices in the United States were often higher than in the subject countries or the world's other major markets in 2004.[121] While in late 2004 and early 2005 the gap in price had narrowed between the U.S. market and some other markets, such as the EU and Korea, the gap remains significant in comparison with other important world markets, such as China.[122]

In sum, production capacity of subject producers in Taiwan has increased significantly since the original investigations and will likely increase further in a reasonably foreseeable time. The relative attractiveness of the U.S. market likely would provide an impetus for Taiwan subject producers to increase their sales to the U.S. market. Given Taiwan producers' trade patterns in the original investigations and the vulnerability of the domestic industry, we do not find that subject imports from Taiwan would be likely to have no discernible adverse impact on the domestic industry if the order were revoked.

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

[116] CR/PR at Table IV-1.

[117] CR at IV-29, PR at 13.

[118] CR at IV-29, PR at 13. Data from the same source indicate that Taiwan's exports of hot-rolled and cold-rolled coils in plate thicknesses were increasing between 2001 and 2003, the most recent period for which data were available.

[119] 1998 Confidential Staff Report at Table VII-12.

[120] CR at IV-30-31; IV-37-38, PR at IV-14.

[121] CR/PR at Tables 11, 12, CR at IV-31-33, PR at IV-14-16, Domestic Interested Parties' Prehearing Brief at Ex. 25.

[122] CR/PR at Tables 11, 12, CR at IV-31-33, PR at IV-14-16, Domestic Interested Parties' Prehearing Brief at Ex. 25.

C. Likelihood of a Reasonable Overlap of Competition

Below we examine the four factors the Commission customarily considers in determining whether there will be a likely reasonable overlap of competition. We find a likely reasonable overlap of competition among subject imports from Belgium, Canada, Italy, Korea, South Africa, and Taiwan and between these imports and the domestic like product, if the orders were revoked.[123]

In the original investigations, the Commission found a reasonable overlap of competition and cumulated subject imports from all six countries for purposes of its material injury analysis. In so doing, the Commission first found that subject imports from all six subject countries were fungible with both the domestic like product and with each other.[124] The Commission found that stainless steel plate is generally viewed as a commodity product in which similar grades and dimensions offered by domestic and foreign producers can be used interchangeably.[125] The Commission further found that stainless steel plate, regardless of source, is produced to standard industry specifications such as ASTM, AISI, and IOS. The industry specifications stipulate chemical, dimensional, mechanical and corrosion-resistant properties of the product.[126] Although subject producers had attempted to differentiate their products on the basis of grades or dimensions, the Commission found a sufficient overlap in these products to warrant cumulation.[127] The Commission also specifically rejected the Belgian producer's argument that it produced wide width product that did not compete with the U.S. product or other imports, concluding that there was a sufficient overlap in widths sold by Belgium and other countries.[128]

The Commission also found in the original investigations that there was geographic overlap on the basis that the domestic product was sold/marketed on a nationwide basis, as were imports from Belgium, Italy and Taiwan imports. Moreover, it found imports from South Africa and Korea were marketed on the East, West, and Gulf Coasts, with South African imports marketed in the Midwest as well, thus covering the vast majority of the United States. Additionally, it found that subject imports from Canada primarily were marketed on the East Coast. As such, the Commission found the presence of sales or offers to sell in several geographic regions for three subject countries, and the presence of sales or offers to sell in several geographic regions of imports from the three remaining countries, sufficient to establish that the subject imports and domestic like product all compete in the same geographic market.[129]

In the original investigations, with respect to channels of distribution, the Commission found that domestically produced stainless steel plate and imports of stainless steel plate were distributed primarily to service centers/distributors, which generally sell to end-users such as fabricators of vessels, pipe manufacturers, and makers of industrial equipment. It also noted that some of the domestic product and a significant share of subject imports were sold to end-users. On that basis, the Commission concluded that there was an overlap in the channels of distribution.[130]

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[123] Commissioner Miller has determined that subject imports from Canada are likely to have no discernible adverse impact on the domestic industry. She does not, therefore, cumulate subject imports from Canada with those from Belgium, Italy, Korea, South Africa, and Taiwan, and does not join these views where they address cumulation of subject imports from Canada.

[124] USITC Pub. 3188 at 10-11.

[125] USITC Pub. 3188 at 10.

[126] USITC Pub. 3188 at 10-11.

[127] USITC Pub. 3188 at 11.

[128] USITC Pub. 3188 at 11, n. 61.

[129] USITC Pub. 3188 at 12.

[130] USITC Pub. 3188 at 12.

Finally, the Commission found that import statistics and questionnaire responses showed that subject imports from each country and the domestic product were simultaneously present in the market during the period of investigation.[131]

1. Fungibility

As previously discussed, the Commission found this factor satisfied in the original investigations. The record indicates that the domestic like product and subject imports are substitutable products given the general conformity of both domestic and imported products to standardized specifications such as those developed by AISI or ASME.[132] Moreover, most purchasers stated that stainless steel plate from the United States was always or frequently interchangeable with subject imports from each of the six countries.[133]

Respondent interested parties point out that subject imports from Belgium consist primarily of stainless steel plate in widths greater than 60 inches, which the domestic industry does not commonly produce and manufacturers in other subject countries do not produce.[134] As such, respondent interested parties contend that the Belgian product is not fungible with the domestic product or other subject imports. However, we find that there will likely be a reasonable overlap of competition between Belgian imports and the domestic like product and other subject imports.

Belgium is the only subject country that is known to produce stainless steel plate in widths greater than 60 inches and, in 2004, *** of its U.S. imports of stainless steel plate were of widths greater than 60 inches.[135] However, the proper focus is on the subject imports' likely post-revocation behavior, and the composition of current imports affected by the discipline of the orders is not necessarily indicative of likely post-revocation behavior. In 1997, before imposition of the orders, *** percent of U.S. imports of subject merchandise from Belgium were sold in widths of 60 inches or less while *** percent was sold in widths greater than 60 inches.[136] In its original determinations, the Commission found that despite the fact that a substantial portion of subject imports from Belgium were in widths greater than 60 inches, there were sufficient other imports from Belgium that were fungible with the domestic like product and other subject imports.[137] Moreover, the record shows that the Belgian producer continues to ship stainless steel plate in widths of 60 inches or less, although in smaller amounts due to the effect of the orders.[138]

2. Channels of Distribution

As was true at the time of the original investigations, the domestic product and subject imports primarily are sold to service centers/distributors, who then generally sell to end-users.[139]

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[131] USITC Pub. 3188 at 12.

[132] CR at V-1, PR at V-1.

[133] CR at II-28, PR at II-12.

[134] CR/PR at Table I-5, ***.

[135] CR/PR at Table I-5

[136] CR at I-25 n. 40, PR at I-20 n. 40.

[137] Original Determination at 11.

[138] CR/PR at Table I-5, see also Domestic Interested Parties' Posthearing Brief at 8-9.

[139] CR/PR at II-1.

3. Geographic Overlap and Simultaneous Presence in the Market

These two factors are less easy to evaluate, given that, since the orders were imposed, imports of subject merchandise from Canada,[140] Italy, Korea, and Taiwan have declined substantially.[141] However, in the original investigations, the Commission found both of these criteria to be satisfied. None of the parties argue that either of these two criteria likely will not be satisfied if the orders were revoked.

4. Conclusion

Based on a balance of these factors, we therefore find that there would likely be a reasonable overlap of competition between the subject imports and the domestic like product, and among the subject imports themselves, if the orders are revoked. Accordingly, with respect to subject imports from each of the six countries, we find that there is a likely overlap of competition with the domestic like product and with the other subject imports.

We do not find any likely differences in the conditions of competition relevant to the subject merchandise that would warrant our declining to exercise our discretion to cumulate.[142] For these reasons, we exercise our discretion to cumulate subject imports from Belgium, Canada, Italy, Korea, South Africa, and Taiwan.[143]

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

A. Legal Standard In A Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order or terminate a suspended investigation unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[144] 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

[140] Commissioner Miller dissenting with respect to Canada.

[141] See CR at II-1, 2, PR at II-1, and CR/PR at Table I-1 for details.

[142] We note that respondent interested parties argued that the Commission should not cumulate subject imports from Belgium with other subject countries because its trade patterns following imposition of the orders differed significantly. Respondents point out that unlike other subject producers, the Belgian producer continues to ship to the U.S. market at appreciable levels. While the Belgian producer does continue to ship substantial quantities to the U.S. market, like all other subject producers, its U.S. shipments of imports declined in the first few years after imposition of the orders. CR/PR at Table I-1.

[143] Commissioner Miller dissenting with respect to Canada.

[144] 19 U.S.C. § 1675a(a).

proceeding and the elimination of its restraining effects on volumes and prices of imports."[145] Thus, the likelihood standard is prospective in nature.[146]

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.[147] [148]

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."[149] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis [in antidumping investigations]."[150] [151]

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

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[145] 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." Id. at 883.

[146] 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.

[147] 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'").

[148] Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA 1921-167 (Second Review), USITC Pub. 3698 at 15-17 (June 2004), she does not concur with the U.S. Court of International Trade's interpretation of "likely" but she will apply the Court's standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue.

[149] 19 U.S.C. § 1675a(a)(5).

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

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

merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[152] 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).[153]

In evaluating the likely volume of imports of subject merchandise if an order is 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.[154] 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.[155]

In evaluating the likely price effects of subject imports if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the 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.[156]

In evaluating the likely impact of imports of subject merchandise if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[157] 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.[158] As instructed by the statute, we have considered the extent to which any improvement in the

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[152] 19 U.S.C. § 1675a(a)(1).

[153] 19 U.S.C. § 1675a(a)(1). Commerce has made no duty absorption findings for stainless steel plate. CR at I-13. 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.

[154] 19 U.S.C. § 1675a(a)(2).

[155] 19 U.S.C. § 1675a(a)(2)(A-D).

[156] 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.

[157] 19 U.S.C. § 1675a(a)(4).

[158] 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the

(continued...)

state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.[159] [160]

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[161] The following conditions of competition in the stainless steel plate market are relevant to our determination.

Domestic demand for stainless steel plate depends on the level of demand for downstream products using stainless steel plate. Stainless steel plate is used in a number of industries including pulp and paper, chemical and petrochemical, food and beverage, mining, power generation, railcar manufacturing, textiles, and automotive.[162] Stainless steel plate is used in a variety of products, such as process tanks, vats, hoppers, other manufacturing equipment, pipes, tubes, containers, fermenting tanks, barrels, valves, fittings, railcars, and storage tanks.[163] As was true at the time of the original investigations, most stainless steel plate is sold to service centers which may further process the plate to customer specifications.[164] All responding producers, importers, and purchasers indicate end uses for stainless steel plate have not changed since the original investigations and anticipate that there will be no changes within the foreseeable future.[165]

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[158] (...continued)
administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In its final results of sunset reviews, with respect to the antidumping duty orders on Belgium, Canada, Italy, Korea, South Africa and Taiwan, Commerce determined the following likely dumping margins: Belgium: 9.86 percent; Canada: Atlas 15.35 percent, all others 11.10 percent; Italy, TKAST 45.09 percent, all others 39.69 percent; Korea: 6.08 percent; South Africa: 41.63 percent; Taiwan: YUSCO, 8.02 percent, YUSCO/Ta Chen 10.20 percent, all others 7.39 percent. CR at I-13, PR at I-11.

In its final results of sunset reviews, with respect to countervailing duty orders on Belgium, Italy, and South Africa, Commerce found the following likely countervailing duty levels: Belgium, 1.13 percent; Italy, 0.73 percent; and South Africa, 3.95 percent. CR at I-14, PR at I-11-12. In addition, the statute provides that "if a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement. 19 U.S.C. § 1675a(6). Commerce has made no findings relating to nature of the countervailable subsidy in the reviews with respect to Belgium, Italy, and South Africa.

[159] 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.

[160] 19 U.S.C. § 1675a(6).

[161] 19 U.S.C. § 1675a(a)(4).

[162] CR at II-12, PR at II-6.

[163] CR at II-12, PR at II-6.

[164] CR at II-12, PR at II-7.

[165] CR at II-12, PR at II-7.

Apparent U.S. consumption increased irregularly from 123,209 tons in 1998 to *** tons in 2004, an increase of *** percent.[166] More specifically, apparent U.S. consumption decreased steadily from 123,209 tons in 1998 to 101,037 tons in 2001, increased in 2002 to 118,633 tons, declined again in 2003 to *** tons, then rose in 2004 to *** tons, the highest level in the review period.[167] Evidence in the record as to future demand is somewhat mixed. Overall, most producers, importers, and purchasers indicate that demand will remain fairly steady in the foreseeable future.[168]

The U.S. market is supplied by domestic producers, subject country producers, and producers in nonsubject countries. During the period examined in these reviews, U.S. producers held shares of the U.S. market in terms of quantity ranging from a low of *** percent in 2004 to a high of 93.3 percent in 2001.[169] U.S. producers' market share rose by 8.5 percentage points from 1998 to 1999, and then remained relatively stable for the next three years before falling, in 2003 and 2004, to a share that was *** less than that reported for 1998.[170] The market share of subject imports declined steadily from *** percent in 1998 to *** percent in 2002 and 2003, and increased *** to *** percent in 2004.[171] Nonsubject import market share, in terms of quantity, remained fairly low throughout the period examined until 2002, when it began to increase *** as the U.S. producers' share declined. Nonsubject import market share increased from *** percent in 1998 to *** percent and to *** percent in 2003 and 2004, respectively.[172]

The composition of the domestic industry has changed since the original investigations. The restructuring of the industry observed in the original investigations has continued throughout the period examined in these reviews. In the period after the original petitions were filed (March 1998) but prior to the issuance of the orders (May 1999), two firms, Avesta and Washington Steel, discontinued domestic manufacturing operations. In September 1999, Armco was acquired by AK and, in June 2004, J&L's stainless steel plate manufacturing operations were acquired by wholly-owned subsidiaries of Allegheny Ludlum.[173] NAS is currently the largest domestic producer,[174] and is owned by Acerinox S.A. (Madrid, Spain). NAS began stainless steel production operations in 1992 without a hot-rolling mill in place but completed the installation of a new Steckel hot-rolling mill in late 1998, and began operating a melt shop in 2002.[175]

As in the original investigations, stainless steel plate, once certified to required specifications, is a commodity product that is sold on the basis of price regardless of the country of origin.[176] Prices for stainless steel plate are influenced by processing, raw materials, and transportation costs, along with exchange rates and demand factors. The combined costs of raw materials are substantial, representing

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

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

[168] CR at II-13-16, PR at II-7-8.

[169] CR/PR at Table I-1; CR at I-35.

[170] CR/PR at Table I-1; CR at I-35.

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

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

[173] CR at I-36, PR at I-27.

[174] CR/PR at Table I-9.

[175] CR at I-36, I-39, PR at I-29.

[176] CR/PR at Table II-1, 4.

*** percent of the total domestic industry cost of goods sold in 2004.[177] Because of the high and volatile cost of raw materials, domestic producers and many importers report that they typically charge surcharges for specific raw materials.[178]

The record indicates that global production of stainless steel has grown markedly in recent years. On a liquid steel basis, global annual production grew from 17.9 million metric tons in 1999 to 22.1 million metric tons in 2003.[179] On an ingot/slab equivalent basis, crude stainless steel production rose from 19.2 million metric tons in 2001 to 24.6 million metric tons in 2004.[180] Moreover, global production of stainless steel is projected to continue to grow. For example, several published sources identify the addition of millions of tons of new capacity, particularly in China, with nearly *** metric tons of planned expansions in meltshop capacity for stainless steel slab between 2004 and 2009 (*** tons in China alone). With respect to global hot-rolled annealing and pickling capacity, one source reported an increase from *** metric tons in 2002 to *** in 2004, largely in ***, with continued growth, largely in *** to ***metric tons by 2008.[181]

Stainless steel consumption world-wide also has grown since 1999. Much of the growth was centered in Asia, largely, but not exclusively, China.[182] There are indications that demand may continue to grow, but at a slower rate.[183] At the same time, China is expected to expand its stainless steel melting and hot-rolling activities with significant new capacities coming on-line within the next few years.[184] As such, China's imports of stainless steel are ***.[185]

C. Likely Volume of Subject Imports

In the original investigations, the Commission found that, based on the large increase in quantity and a substantial increase in market share, and particularly in light of price effects, the volume of subject imports was significant.[186] The volume of subject imports increased from *** tons in 1995 to *** tons in 1996 to *** tons in 1997, and declined slightly to *** tons in 1998, the year the petitions were filed.[187] At the same time, the market share of subject imports increased from *** percent in 1995 to *** percent in 1996, *** percent in 1997, and *** percent in 1998.[188]

During the period examined in these reviews, the volume of subject imports and market share fell dramatically as a result of imposition of the orders. The volume of subject imports was *** tons in 1999, *** tons in 2000, *** tons in 2001, *** tons in 2002, and *** tons in 2003. The volume of subject

[177] CR at V-1, PR at V-1.

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

[179] CR at IV-30 (as revised), PR at IV-14.

[180] CR at IV-30 (as revised), PR at IV-14.

[181] CR at IV-30-31 (as revised), PR at IV14 (citing***).

[182] CR at IV-30-33, PR at IV-14.

[183] CR at IV-30-33, PR at IV-14.

[184] CR at IV-30-31, PR at IV-14, Domestic Producers' Posthearing Brief at 14.

[185] Domestic Producers' Posthearing Brief at Ex. 1.

[186] USITC Pub. 3188 at 15-16.

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

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

imports increased to *** tons in 2004.[189] The market share of subject imports was *** percent in 1999, *** percent in 2000, *** percent in 2001, *** percent in 2002, and *** percent in 2003.[190] The market share of subject imports increased to *** percent in 2004.[191] [192]

In these reviews, several factors have prevented assembling a single consistent and comprehensive set of capacity data for subject foreign producers of stainless steel plate. These factors include the failure of certain subject foreign producers to provide requested data and the need for subject foreign producers to allocate capacity among multiple stainless steel flat-rolled products produced on the same line, including sheet and strip.

Because the Belgian and Korean producers reported their data in a comparable way, we consider these data on a cumulated basis. According to the record, the Belgian and the Korean producers' production capacity has increased significantly since the original investigations, from *** tons in 1998 to *** tons in 2004.[193] The Belgian and Korean production capacity alone in 2004 is equivalent to more than *** apparent U.S. consumption and U.S. production for the same year.[194] Both the Belgian producer and the Korean producer reported relatively high capacity utilization rates throughout the period examined in these reviews. U&A's capacity utilization rates ranged between *** percent (in 2002) to *** percent (in 2004).[195] POSCO's capacity utilization rates from 1998 to 2004 were reported to be over ***,[196] as it based its capacity on actual production amounts. TKAST provided allocated capacity for hot-rolled stainless steel plate but *** stainless steel plate.[197] TKAST, however, indicated that the "'only meaningful measure'" of its ability to produce the subject product is its overall capacity (which includes melting, hot-rolling and cold-rolling operations for nonsubject product).[198] TKAST's reported total melt capacity increased from *** tons in 1998 to *** tons in 2004.[199] TKAST's raw stainless melt capacity, as well as its hot-rolling, and cold-rolling operations, have expanded throughout the period examined, by *** percent, and *** percent, and *** percent respectively.[200] TKAST reported melting, hot-rolling, and

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

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

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

[192] Commissioner Miller's affirmative decision excluded subject imports from Canada, which she found are likely to have no discernible adverse impact on the domestic industry. Without Canada, subject import volume and market share were *** tons in 1999 (*** percent market share), falling steadily in the next few years, to *** tons in 2000 (*** percent market share), *** tons in 2001 (*** percent market share), and *** tons in 2002 (*** percent market share). Subject imports then increased in 2003 and 2004, to *** tons (*** percent market share) and *** tons (*** percent market share), respectively. Calculated from CR/PR Table I-1.

[193] CR/PR at Tables IV-IV-7, IV-9.

[194] CR/PR at Tables IV-5

[195] CR/PR at Table IV-7.

[196] CR/PR at Table IV-9.

[197] CR at IV-20, PR at IV-10.

[198] CR at IV-20, PR at IV-10.

[199] CR/PR at Table F-5. TKAST reported hot-rolling capacity of *** tons and cold-rolling capacity of *** tons in 2004. CR/PR at Table F-5.

[200] CR/PR at Table F-5.

cold-rolling capacity utilization rates that were approximately *** percent or greater from 1998 to 2004.[201]

Columbus, the South African producer, did not provide capacity for its production of the subject merchandise.[202] However, it reported that its melt capacity (which includes nonsubject products) was *** tons in 2004.[203] Columbus also reported melting capacity utilization rates approximately *** percent or greater from 2000 to 2004.[204]

With respect to Taiwan, which did not participate in these reviews, public data indicates that stainless steel production for at least one Taiwan producer grew between 1999 and 2003 from less than 1.2 million tons to more than 1.5 million tons.[205] Moreover, data collected in the original investigations indicate that Taiwan's capacity utilization fell from *** percent in 1995 to *** percent in 1996 and then increased to *** percent in 1997.[206]

We note that the reported capacity utilization rates in the subject countries are relatively high but show some unused capacity. However, even without increasing production of stainless steel plate vis-a-vis unused capacity, subject foreign producers likely will be able to increase their shipments significantly within the foreseeable future. The industries in the subject countries are export-oriented, and have a demonstrated ability to shift exports with relative ease from their home markets to export markets and among export markets. In 2004, these exports totaled *** tons, accounting for *** percent of the reporting subject foreign producers' total shipments.[207] Indeed, respondents indicated that stainless steel producers are export-oriented, given the specialized nature of the market.[208] The attractiveness of the U.S. market would provide an incentive to shift exports to the United States in the event of revocation of the orders.

As we described above, the subject countries increased their exports to China during the review period when demand in China exceeded supply. Indeed the record shows that exports of stainless steel plate from Belgium, Italy, Korea, and South Africa to China increased by *** percent from 2001 to 2004.[209] However, as detailed in our discussion of the conditions of competition, China has expanded its stainless steel plate industry and will continue to do so within the foreseeable future. As such, subject producers' exports likely will be displaced in the Chinese market as they compete not only with each other but with Chinese producers as well. It is thus reasonable to conclude that producers in the subject countries will have to find markets other than China for their stainless steel plate exports, and the United States would likely be an attractive market if the orders were revoked.

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[201] CR at IV-13, PR at IV-7.

[202] CR at IV-27, PR at IV-12.

[203] CR at IV-14, PR at IV-12.

[204] CR at IV-13, PR at IV-7.

[205] CR at IV-29, PR at IV-13.

[206] Original Staff Report at Table VII-12. With respect to the sole Canadian producer, there are no data on its operations for 1998-2004. In 1997, Canadian production capacity was reported to be ***. Original Staff Report at Table VII-4. Chairman Koplan and Commissioner Lane cumulated subject imports from Canada with other subject imports for purposes of their material injury analysis. They note that even if subject imports from Canada were not cumulated with other subject imports, their material injury determination would not be altered.

[207] CR/PR at Tables IV-7-IV-10. Subject producers' exports were equivalent to *** percent of U.S. apparent consumption and *** percent of U.S. production in 2004. Calculated from CR/PR Table I-1and at CR-III-8, PR at III-3.

[208] See Tr. at 225-26.

[209] Data for Canada and Taiwan were not available and are not included in these figures.

There are also impediments to the importation of the subject merchandise into certain third-country markets. Stainless steel plate from Belgium is currently the subject of an antidumping investigation in Russia.[210] Subject merchandise from Italy is subject to duties in Thailand and India and to an ongoing antidumping investigation in Russia.[211]

Significantly, the United States is one of the most attractive markets because of its large size, steady demand, and high prices. Indeed, the record indicates that prices in the United States were often higher than in the subject countries or the world's other major markets in 2004.[212] While in late 2004 and early 2005 the gap in price has narrowed between the U.S. market and certain other markets, such as the EU and Korea, the gap remains significant in comparison with other important world markets.[213]

In response to respondents' arguments, we have also considered exchange rate movements, which they contend impacts the attractiveness of the U.S. market relative to other markets. However, we note that depreciation of the dollar has not deterred nonsubject imports from entering the U.S. market. Indeed, nonsubject imports' market share increased as the dollar itself declined, particularly in 2004.[214] Accordingly, we conclude that the likely volume of imports of the subject merchandise, both in absolute terms and relative to consumption and production in the United States, would be significant, absent the restraining effects of the orders.[215] [216]

D. Likely Price Effects of Subject Imports

In the original investigations, the Commission found that price was an important factor in purchasing decisions and that stainless steel plate, when certified to required specifications, is a commodity product that sells on the basis of price regardless of the country of origin. It also observed that the declines in domestic and subject import prices paralleled the increase in subject imports' market share. In light of these factors, as well as the evidence of underselling and lost sales and revenues, the perceived role of subject imports as downward price leaders, and the price depressive effects of the steady build-up in subject merchandise inventories, the Commission determined that subject imports depressed domestic prices for stainless steel plate to a significant degree.[217]

Prices for domestic stainless steel fluctuated over the period examined in these reviews, ending sharply higher. Prices for domestic stainless steel declined slightly from the first quarter of 1998 to the second quarter of 1999.[218] Prices then increased, reaching an apex in the second quarter of 2000, but then

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[210] CR at IV-18, PR at IV-8.

[211] CR at IV-23, PR at IV-10.

[212] CR/ PR at Table IV-13.

[213] CR/ PR at Table IV-13.

[214] CR at Table IV-1.

[215] We note that while there may be some limited potential for product shifting by subject producers, we do not view this potential to product shift is not dispositive in our affirmative determination.

[216] We also note that the Italian and Korean producers reported that ***. CR at IV-26-27, PR at IV-13, CR/PR at Tables IV-8 and IV-9. The Belgian producer's inventories, while not ***, declined throughout the period examined. CR/PR at Table IV-7. U.S. importers' inventories increased from *** tons in 1998 to *** tons in 2000, and decreased thereafter. CR/PR at Table IV-4. As such, we do not view existing inventories or likely increases in inventories as dispositive in reaching our determination.

[217] USITC Pub. 3188 at 19-20.

[218] CR/PR at Tables V-2-10.

decreased through late 2001.[219] Prices increased slightly until the third quarter of 2003, and have increased dramatically since then.[220] Domestic producers attribute the sharp spike in prices toward the end of the period to a rise in surcharges associated with increased raw material costs.[221]

The price comparison data in these reviews are limited, owing to the substantial reduction in the volume of subject imports after the imposition of the orders. However, even with the orders in place, subject imports demonstrated significant underselling of the U.S. product. In 40 percent of price comparisons, the imported product was priced below the domestic product.[222] The margins of underselling ranged from 0.2 to 31.8 percent. This level of underselling is similar to the levels of underselling that was found in the original investigations to be significant.[223]

The record indicates that stainless steel plate remains an interchangeable commodity product that is sold largely on the basis of price.[224] Moreover, as in the original investigations, price is an important factor in purchasing decisions.[225] It follows, therefore, that if the orders were revoked, subject imports will enter the U.S. market at highly competitive prices in order to obtain sales and increase market share. In such circumstances, particularly when demand is anticipated to be stable, domestic producers will be forced to respond to imports' prices or lose market share.

As explained in the section discussing likely volume, there is an incentive for low-priced, subject imports to return to the U.S. market since subject producers would receive a higher price for the product in the U.S. market relative to third country markets, even as they undersold the U.S. product to increase sales. In light of the importance of price in the market, the commodity nature of stainless steel plate, the negative price effects of low-priced imports in the original investigations, the underselling by subject imports during the original period of investigation, and the incentive to enter the high-priced, large, open, and stable U.S. stainless steel plate market, we find a likelihood of negative price effects from the subject imports. We determine that, if the orders were revoked, significant volumes of subject imports likely would significantly undersell the domestic like product to gain market share and likely would have significant depressing or suppressing effects on the prices of the domestic like product within a reasonably foreseeable time.

E. Likely Impact of Subject Imports

In the original investigations, the Commission found that imports greatly increased their market share, from 8.7 percent in 1995 to 17.7 percent in 1997 and January-September 1998.[226] Despite rising U.S. apparent consumption, the Commission further found that domestic producers' net sales values

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[219] CR/PR at Tables V-2-10.

[220] CR/PR at Tables V-2-10.

[221] Domestic Producers' Prehearing Brief at 87.

[222] CR/PR at Tables V-2-10.

[223] CR at V-28 n. 13, PR at V-14 n. 13.

[224] For six of nine responding purchasers, price is the most important factor is selecting a supplier after quality and availability. CR/PR at Table II-1. Three purchasers rated price as the second or third-leading factor in selecting the supplier. CR/PR at Table II-1. Most purchasers, however, indicated that stainless steel plate produced in the United States was "always" or "frequently" interchangeable with subject imports from each of the subject countries. CR/PR at Table II-4

[225] CR at II-2, PR at II-1.

[226] USITC Pub. 3188 at 21 and Table C-1.

declined, due to large price declines.[227] The Commission noted that despite increasing shipments, production, and employment, domestic prices and profitability declined.[228] Finally, it found that domestic producers' deteriorating profitability negatively affected the domestic industry's ability to invest in "process improvements and expanded product lines."[229]

Following imposition of the orders, the domestic industry showed signs of improvement. In 1999, domestic producers' U.S. shipments rose 8.0 percent and employment increased by 7.6 percent from the previous year.[230] Although domestic consumption decreased by 2.3 percent from 1998 to 1999,[231] net sales, in terms of quantity, increased by 22.4 percent.[232] At the same time, the domestic industry's operating margin improved from a loss of 1.1 percent in 1998 to a positive 3.9 percent in 1999.[233] The domestic industry continued to improve through 2000, with further increases in employment and operating profits in tandem with a rise in U.S. prices.

During the period examined in these reviews, the industry made great strides in improving its efficiency and productivity through consolidation and restructuring. Despite these improvements and the orders in effect on the subject countries, the domestic industry's condition began to deteriorate after 2000. The domestic industry generally experienced declines in shipments and employment from 2000 to 2003, although these indicators improved somewhat in 2004.[234] The unit values of U.S. shipments of stainless steel plate fluctuated throughout the period examined, with an upturn in 2004.[235] The domestic industry experienced operating losses of $10.7 million in 2001, $35 million in 2002, and *** in 2003.[236] In 2004, the domestic industry's operating income increased to ***.[237] The domestic industry's operating margins were a negative 7.9 percent in 2001, a negative 22.7 percent in 2002, and a negative *** percent in 2003.[238] In 2004, the domestic industry became profitable and its operating income increased to *** percent.[239] The domestic industry's capital expenditures fluctuated throughout the period, with expenditures reported in 2004 being the second lowest reported during 1998-2004.[240] [241] Research and development expenses increased from 1998 to 2000, and generally declined from 2001 to 2004.[242]

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[227] USITC Pub. 3188 at 22.

[228] USITC Pub. 3188 at 22.

[229] USITC Pub. 3188 at 22.

[230] CR/PR at Tables III-2, III-3.

[231] CR/PR at Table I-1, III-9.

[232] CR/PR at Table III-5.

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

[234] CR/PR at Tables III-5.

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

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

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

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

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

[240] CR/PR at Table III-11.

[241] CR/PR at Table III-11.

[242] CR/PR at Table III-11.

Thus, the domestic industry has experienced three years of poor financial performance, in 2001 to 2003, followed by stronger performance in 2004.[243] The stronger performance in 2004 was due to a sharp rise in prices.[244] While 2004 prices exceeded prices during the original investigation period and the beginning of the period examined in these reviews, it must be recognized that raw material costs were very high at the end of this review period and are forecast to remain at elevated levels for the reasonably foreseeable future. Consequently, the industry requires prices that are higher than historical averages in order to maintain profitability and make necessary capital expenditures. As we found in the conditions of competition, U.S. demand is likely to remain steady. As such, the domestic industry's ability to continue to increase its prices commensurate with increases in raw material costs is made more difficult. Moreover, profits attained in 2004 do not begin to offset the losses sustained in the previous three years, which in turn has impacted capital expenditures, which declined from 2003 to 2004.[245] Thus, we consider the domestic industry to be currently vulnerable to the continuation or recurrence of material injury.

For the reasons discussed above, we find that revocation of the antidumping and countervailing duty orders would likely lead to significant increases in the volume of cumulated subject imports at prices that would undersell the domestic like product and significantly suppress or depress U.S. prices. In addition, the volume and price effects of the cumulated subject imports would have a significant adverse impact on the domestic industry and would likely cause the domestic industry to lose market share.

The price and volume declines likely would have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the orders will result in employment declines for domestic firms.

In light of the foregoing, we conclude that if the antidumping and countervailing duty orders are revoked, cumulated subject imports from Belgium, Canada, Italy, Korea, South Africa, and Taiwan would enter the U.S. market in such increased quantities and at price levels so as to cause price suppression or depression, thus causing significant adverse impact on the domestic industry within a reasonably foreseeable time.[246]

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[243] The industry had operating losses of $10.7 million in 2001, $35.0 million in 2002, and $*** in 2003, and operating income of $*** in 2004. CR/PR at Table III-9.

[244] Respondents argue that the domestic industry's operating profit margin in 2004 would appear to suggest that it would not be susceptible to the impact of likely subject imports if the orders were revoked. However, in the original investigations, the domestic industry's operating profit margin rapidly evaporated as the volume of low-priced subject imports increased. The domestic industry's operating margin fell from 19.0 percent in 1995 to 3.6 percent in 1996 to an operating loss of 0.6 percent in 1997, as the volume of low-priced imports increased. USITC Pub. 3318 at 21.

[245] CR/PR at Table III-11. The record also shows that the domestic industry's research and development expenses declined from 2000 to 2004. CR/PR at Table III-11.

[246] Commissioner Miller dissenting with respect to Canada.

V. REVOCATION OF THE ANTIDUMPING DUTY ORDER ON STAINLESS STEEL PLATE FROM CANADA IS NOT LIKELY TO LEAD TO THE CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME[247]

As discussed above, we find that imports from Canada are likely to have no discernible adverse impact on the domestic industry if the antidumping duty order is revoked. Therefore the statute precludes cumulation of subject imports from Canada with those from other subject countries. We note that the only stainless steel production facility in Canada ceased production in 2004, that Canadian exports largely ceased in 2004, following a sell-off of inventory, and that there is at most speculative evidence that production would resume in the foreseeable future. Nor is there any information indicating that subject imports from Canada would be likely to have significant price effects or a significant adverse impact on the domestic industry within the foreseeable future. Thus, we determine that revocation of the antidumping duty order on Canada would not be likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonablely foreseeable time.

CONCLUSION

For the foregoing reasons, we find that the antidumping duty orders on certain stainless steel plate from Belgium, Italy, Korea, South Africa and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[248] We also determine that revocation of the countervailing duty orders on certain stainless steel plate from Belgium, Italy, and South Africa would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[249] We further determine revocation of the antidumping duty order on subject imports from Canada 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.[250]

[247] Chairman Koplan and Commissioner Lane dissenting.

[248] Vice Chairman Okun and Commissioners Hillman and Pearson dissenting.

[249] Vice Chairman Okun and Commissioners Hillman and Pearson dissenting.

[250] Chairman Koplan and Commissioner Lane dissenting.

DISSENTING VIEWS WITH RESPECT TO CANADA OF CHAIRMAN STEPHEN KOPLAN AND COMMISSIONER CHARLOTTE R. LANE

Based on the record in these five-year reviews, we do not find that imports of certain stainless steel plate from Canada likely would have no discernible adverse impact on the domestic industry if the order is revoked. As noted in the Views of the Commission, we joined with Commissioner Miller in making an affirmative determination with respect to each of the subject countries except Canada; we exercised our discretion to cumulate subject imports from Canada with subject imports from Belgium, Italy, Korea, South Africa, and Taiwan.[1]

In the original Canada determination, the Commission found that shipments of imports of certain stainless steel plate from Canada decreased from *** short tons in 1995 to *** short tons in 1996, then increased to *** short tons in 1997, the last full year of the period examined. These shipments equaled *** percent of U.S. market share and *** percent of U.S. imports in 1997.[2] The United States was the *** export market for Canadian subject merchandise during the original investigation, with exports to the United States comprising *** percent of total Canadian shipments in 1997.[3]

Imports of stainless steel plate from Canada declined sharply after the antidumping order went into effect. In 1998, subject imports totaled 2,123 short tons. In 1999, the year the order went into effect, imports had fallen to 374 short tons. But imports from Canada continued to enter the United States during each year of the period examined in these reviews, rising to *** short tons in 2004.[4]

The parent company of the sole Canadian producer of subject merchandise, Atlas Stainless Steels (Tracy, Quebec), announced in early 2004 that it would no longer attempt to restructure the Atlas facility but would begin to close operations and continue to seek buyers.[5] But domestic interested parties have argued that "there is no indication that the Atlas facility has been disassembled" and presented an affidavit stating that on ***, was "*** a group of investors that are looking into restarting the Atlas Stainless facility at Tracy, Quebec."[6] Thus, the record indicates that the Atlas plant would likely be restarted to produce subject merchandise for the U.S. market, if the order were revoked.

In the original determination, with respect to Canada, the Commission found significant underselling and price depression.[7] Price data for the sole Canadian producer were unavailable for the period examined in these reviews, as no Canadian interested party participated in the reviews. But the questionnaire responses of purchasers indicate that price remains an important factor affecting purchasing decisions.[8] In addition, most purchasers noted that buying a product manufactured in the United States was not an important factor in their purchases of the stainless steel plate,[9] and subject imports are generally used interchangeably with domestically produced stainless steel plate, except in the purchase of

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[1] *See* Section III of the Views of the Commission for more information on our cumulation finding.

[2] Original CR and PR at Tables IV-4 and IV-5.

[3] Original CR and PR at Table VII-4.

[4] CR and PR at Table IV-1.

[5] CR at IV-19; PR at IV-9; and Prehearing Brief of Domestic Interested Parties at p. 24.

[6] Prehearing Brief of Domestic Interested Parties at Exhibit 2, "Declaration of David A. Hartquist," dated March 18, 2005. *See also* Posthearing Brief of Domestic Interested Parties, Exhibit 2, "Declaration of Ed Blot," dated April 4, 2005, which relates similar conversations that he had with ***.

[7] Original Canada Determination at 28 and 30.

[8] CR at II-20 and II-21; PR at II-11 and II-12.

[9] CR at II-27; PR at II-16.

certain wide-width coil plate (greater than 60 inches).[10] Lastly, information on the record from MEPS International and *** indicates that ***.[11]

In sum, the record indicates that subject imports from Canada initially declined after imposition of the order but then increased thereafter. The U.S. market has traditionally served as the *** export market for stainless steel plate from Canada. Given these factors, the continued ability of the Atlas facility (Tracy, Quebec) to produce subject merchandise, and the vulnerability of the domestic industry discussed in section IV of the Views of the Commission, we do not find that subject imports from Canada likely will have no discernible adverse impact on the domestic industry if the order were revoked.

[10] CR at II-20; PR at II-11 and II-12.

[11] CR at IV-33 to IV-36; PR at IV-16 to IV-17; and Posthearing Brief of Domestic Interested Parties at Exhibit 1, p. 19 and Exhibit 14.

SEPARATE AND DISSENTING VIEWS OF VICE CHAIRMAN DEANNA TANNER OKUN AND COMMISSIONERS JENNIFER A. HILLMAN AND DANIEL R. PEARSON

I. INTRODUCTION

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

We join our colleagues' discussion regarding domestic like product, domestic industry, and the likelihood of no discernible adverse impact concerning Canada. We write separately to discuss the legal standard governing five-year reviews, conditions of competition, cumulation, and to provide our analysis of the statutory factors.

II. SUMMARY

The Commission's original determinations focused on the evidence that the domestic stainless steel plate industry's profitability deteriorated significantly despite rising demand and falling costs. The Commission found that the substantially increased volumes of subject imports at declining prices lowered market prices to such an extent as to contribute materially to the industry's deteriorating performance.

At the time of the Commission's original investigations, imports of subject merchandise entered the United States in increasing levels due in part to capacity expansions in the subject countries other than Canada. Moreover, the end of the period of investigation also saw the initial effects of the Asian financial crisis, which increased imports from Asia at even lower prices. At the same time, demand for stainless steel plate in the United States was increasing, and consequently, the U.S. market served as a destination for steel imports from the subject countries.

Since the original determinations the domestic stainless steel plate industry has undergone a significant transformation. One producer, North American Stainless (NAS), has emerged as the pre-eminent domestic supplier of stainless steel plate, accounting for nearly *** of every *** tons manufactured in the United States in 2004. NAS is a globally competitive player and is *** for the United States becoming a *** of stainless steel plate in 2003 and 2004.

Consolidation and rationalization with respect to the industry as a whole reduced the number of producers from six in 1997 to three in 2004. While the industry suffered operating losses in several years since the orders were issued, these were due both to the effects of the industry's restructuring (e.g., the write-offs of underperforming assets and the increased capacity and production of NAS), and to a drop in demand caused by a recession in the United States. The industry, however, has emerged from this period stronger and fundamentally changed.

The global stainless steel plate market also has changed significantly since the original investigations. Since 1997, worldwide steel consumption increased substantially, with much of that growth occurring in Asia. Most notably, China has risen as a significant consumer of stainless steel

[1] 19 U.S.C. § 1675(d)(2).

during this time period. The rapid growth in global demand has contributed to higher worldwide stainless steel prices; pricing in major foreign markets is approaching parity with the U.S. market. Global stainless steel plate prices reached high levels during the latter part of the period of review, pushed upward by high demand and high raw material costs. The restructured U.S. stainless steel plate industry has benefitted from the changed market conditions and consequently reported a healthy performance during the last year of the period of review.

Global capacity to produce stainless steel plate, including capacity in the countries subject to these reviews, also grew substantially since the original investigations. While this growth in capacity increases the ability of the subject countries to supply more product to the U.S. market, strong global market conditions have allowed producers in the subject countries generally to operate at high capacity utilization rates, leaving limited excess capacity. Moreover, improved conditions in other markets have reduced the incentive of foreign producers to focus their sales on the U.S. market.

The evidence on the record suggests that market conditions in the United States will remain favorable in the reasonably foreseeable future. Thus, while we would expect revocation of the orders to lead to some increase in subject imports into the United States, such an increase will not lead to any significant price effects or have a significant impact on the restructured domestic industry.

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

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

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order or terminate a suspended investigation unless: (1) it makes a determination that dumping or a countervailable subsidy is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order or termination of a suspended investigation would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.[2] The Statement of Administrative Action (SAA) states that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[3] Thus, the likelihood standard is prospective in nature.[4] 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

[2] 19 U.S.C. § 1675a(a).

[3] 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.

[4] 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.

longer period of time."[5] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' time frame applicable in a threat of injury analysis in antidumping and countervailing duty investigations."[6]

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated."[7] It directs the Commission to take into account its prior injury determinations, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[8]

The legal standard the Commission is to apply is whether revocation of an order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[9] 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.[10] [11] [12] [13]

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[5] 19 U.S.C. § 1675a(a)(5).

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

[7] 19 U.S.C. § 1675a(a)(1).

[8] 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886. We note that no duty absorption findings have been made by Commerce. Confidential Staff Report (INV-CC-058, April 27, 2005) at I-13 n.24 (hereinafter "CR"), Public Staff Report at I-10 n. 24 (hereinafter "PR").

[9] 19 U.S.C. § 1675a(a).

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

[11] The Court has interpreted the word likely to mean probable or "more likely than not." The Court's "likely" standard means that the continuation or recurrence of material injury must be "more likely than not," otherwise the order must be revoked. Accordingly, Vice Chairman Okun applies this standard. See Additional Views of Vice Chairman Deanna Tanner Okun Concerning the "Likely" Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Invs. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Remand).

[12] Commissioner Hillman interprets the statute as setting out a standard of whether it is "more likely than not" that material injury would continue or recur upon revocation. She assumes that this is the type of meaning of "probable" that the Court intended when the Court concluded that "likely" means "probable." See Separate Views of Vice Chairman Jennifer A. Hillman Regarding the Interpretation of the Term "Likely", in Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (Views on Remand), Invs. Nos. AA1921-197 (Review), (continued...)

In evaluating the likely volume of imports of subject merchandise if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[14] 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.[15]

In evaluating the likely price effects of subject imports if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the 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.[16]

In evaluating the likely impact of imports of subject merchandise if an order is revoked or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[17] 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.[18] As instructed by the statute, we have considered the extent to which any improvement in the

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(...continued)
701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review) (Remand), USITC Pub. 3526 (July 2002) at 30-31.

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

[14] 19 U.S.C. § 1675a(a)(2).

[15] 19 U.S.C. § 1675a(a)(2)(A-D).

[16] 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.

[17] 19 U.S.C. § 1675a(a)(4).

[18] 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In its final results of sunset reviews, with respect to the antidumping duty orders on Belgium, Canada, Italy, Korea, South Africa and Taiwan, Commerce determined the following likely dumping margins: Belgium: 9.86 percent; Canada: Atlas 15.35 percent, all others 11.10 percent; Italy, TKAST 45.09 percent, all others 39.69 percent; Korea: 6.08 percent; South
(continued...)

state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.[19] [20]

B. Cumulation

1. Framework

Section 752(a) of the Act provides that:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[21]

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[22] We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[23] 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.

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[18] (...continued)
Africa: 41.63 percent; Taiwan: YUSCO, 8.02 percent, YUSCO/Ta Chen 10.20 percent, all others 7.39 percent. CR at I-13, PR at I-11.

In its final results of sunset reviews, with respect to countervailing duty orders on Belgium, Italy, and South Africa, Commerce found the following likely countervailing duty levels: Belgium, 1.13 percent; Italy, 0.72 percent; and South Africa, 3.95 percent. CR at I-14, PR at I-11 – I-12. In addition, the statute provides that "if a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement. 19 U.S.C. § 1675a(6). Commerce has made no findings relating to nature of the countervailable subsidy in the reviews with respect to Belgium, Italy, and South Africa.

[19] 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.

[20] 19 U.S.C. § 1675a(6).

[21] 19 U.S.C. § 1675a(a)(7).

[22] 19 U.S.C. § 1675a(a)(7).

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

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as Commerce initiated all the reviews on April 1, 2004.[24]

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.[25] Only a "reasonable overlap" of competition is required.[26] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders are revoked and the suspended investigation is terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.[27]

2. The Likelihood of No Discernible Adverse Impact

As discussed in the majority views, we find that it is likely that subject imports from Canada would have no discernible adverse impact in the event of revocation. Of the remaining countries, respondent interested parties have argued that subject imports from Belgium, Italy, and Korea individually would have no discernible adverse impact.[28] We do not agree.[29] The facts suggest that likely

[24] 69 Fed. Reg. 17235 (April 1, 2004).

[25] The four factors generally considered by the Commission in assessing whether subject 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).

[26] 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-Cattleman 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).

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

[28] Joint Respondents' Prehearing Brief at 6-18.

[29] Commissioner Pearson finds that subject imports from Belgium *would* be likely to have no discernible adverse impact in the event of revocation. Thus he does not cumulate subject imports from Belgium with other subject imports. He does not join the remainder of the cumulation discussion as it pertains to Belgium. See Additional Views of Commissioner Daniel R. Pearson Regarding Cumulation.

imports from each of these countries, while limited, would be sufficient to have an adverse impact on the domestic industry that is discernible.[30]

Production capacity in Belgium, Italy, and Korea has increased since the period of the original investigations. The Belgian producer U&A's capacity grew from *** tons in 1998 to *** tons in 2004.[31] Italian producer TKAST did not report a *** separate capacity for stainless steel plate, but its stainless steel melting capacity grew from *** tons in 1998 to *** tons in 2004, and its hot-rolling capacity grew from *** tons in 1998 to *** tons in 2004.[32] Korean producer POSCO reported a stainless steel plate capacity increase from *** tons in 1998 to *** tons in 2004.[33] Each producer reported high capacity utilization rates for 2004: ***.[34] Moreover, each had no or limited inventories of stainless steel plate available for export.[35]

Each of the three producers has exported a substantial share of its production between 1998 and 2004: ***.[36] Each has shown the ability to shift substantial quantities of stainless steel plate between various markets from year to year. As discussed below, relative stainless steel plate prices in the United States versus third country markets are not likely to produce a substantial diversion of these companies' exports from third country markets to the United States in the event of revocation. Nevertheless, we find that the U.S. market is sufficiently attractive vis-à-vis other markets, and the overall export quantities of each subject producer sufficiently high, such that each producer would be likely to shift a quantity of exports to the United States that would have a detectable effect.

*** of U&A's stainless steel plate exports to the United States both before and after imposition of the orders have been in widths above 60 inches, which the domestic industry largely does not produce.[37] This limits the interchangeability of U&A's product with domestic product to some degree. Nevertheless, U&A makes stainless steel plate in standard widths for shipment to a number of markets. All responding purchasers considered stainless steel plate from Belgium and Italy always to be interchangeable with the domestic like product, as did nearly all purchasers of stainless steel plate from Korea.[38] Stainless steel plate generally is a commodity product, with purchasers rating price as the most important factor in choosing a supplier.[39] Accordingly, even a relatively small increase in supply would be likely to have a discernible impact.

Thus, we do not find that subject imports from Belgium, Italy, and Korea are likely to have no discernible adverse impact on the U.S. industry in the event the orders on imports from those countries were revoked. Nor, as noted, do we see a basis for such a finding with respect to South Africa or Taiwan. Accordingly, we proceed to discuss the remaining issues concerning cumulation as they pertain to subject imports from Belgium, Italy, Korea, South Africa, and Taiwan.

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[30] No party argues, and we see no basis to find, that subject imports from South Africa or Taiwan would be likely to have no discernible adverse impact.

[31] CR/PR at Table IV-7.

[32] CR/PR at Tables IV-8, F-5.

[33] CR/PR at Table IV-9.

[34] CR/PR at Tables IV-7 to IV-9, Table F-5.

[35] CR/PR at Tables IV-7 to IV-9. See also CR at II-9 n.12 (as revised), PR at II-5 n.12.

[36] CR/PR at Tables IV-7 through IV-9.

[37] CR/PR at Table I-5.

[38] CR/PR at Table II-4.

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

3. Reasonable Overlap of Competition

The domestic like product and subject imports from each country appear to be largely fungible. Stainless steel plate is a commodity-type product made in standard grades according to standardized specifications such as those developed by AISI or ASME.[40] Most responding purchasers indicated that subject imports from each country were always interchangeable with each other and with the domestic like product.[41]

As noted, most subject imports from Belgium during the original period of investigation (approximately ***) and most subject imports from Belgium during the current review (approximately ***) are in widths greater than 60 inches, which the domestic industry does not have the capability to produce.[42] The wider product is somewhat higher priced than its narrower counterpart. For some applications a wider product is advantageous to purchasers. U&A makes product above and below 60 inches wide in ***. We do not find that the difference in product width is sufficient to find an absence of an overlap of competition. Moreover, we find it likely that U&A will increase the share of its exports to the United States that are in widths 60 inches or below as compared to the share of exports less than 60 inches wide while the orders have been in place. We note that the majority of its exports to Asian markets are in narrower widths.[43]

With respect to channels of distribution, the *** of domestic stainless steel plate and stainless steel plate imported from Belgium, Italy, and Korea is sold to distributors.[44] While there are no recent data on distribution channels for imports from South Africa and Taiwan, during the original investigation period these imports were sold nearly exclusively through distributors.[45]

The remaining factors – geographic overlap and simultaneous market presence – are less easy to evaluate given that subject imports from Italy, Korea, and Taiwan have been made in very small quantities since the orders were imposed. Nevertheless, in the original investigations the Commission found these criteria to be satisfied, and we see no basis for a different conclusion here.

Accordingly, we find it likely that there would be a reasonable overlap of competition between subject imports from Belgium, Italy, Korea, South Africa, and Taiwan, and the domestic like product, in the event the orders were revoked.

4. Exercise of Discretion

We note that there are some differences in conditions of competition with respect to Belgium as compared to the other subject countries. Belgian producer U&A was the only subject producer to export stainless steel plate in widths above 60 inches to the United States. Unlike other subject countries, stainless steel plate from Belgium maintained a meaningful presence in the U.S. market in each year since the orders were imposed, never falling below a *** percent market share.[46] Unlike subject imports from Italy and Korea, which mostly undersold domestic prices during the period of review (albeit based on

[40] CR at V-1, PR at V-1.

[41] CR/PR at Table II-4.

[42] CR at I-25 n.40, PR at I-20 n.40; CR/PR at Table I-5.

[43] Respondents' Posthearing Brief at Appendix 3-D.

[44] CR/PR at Table I-8.

[45] Memorandum INV-W-064 (Confidential Staff Report, original determinations) at Table II-1 ("Original Staff Report").

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

limited import data), subject imports from Belgium generally were sold at prices somewhat above domestic prices.[47]

Despite these differences, given the commodity nature of stainless steel plate and the similarities in facts pertaining to Belgium, Italy and Korea described above in the section on *No Discernible Adverse Impact*, we have chosen to exercise our discretion to cumulate subject imports from Belgium with the other subject imports.

In conclusion, we have determined to cumulate subject imports from Belgium, Italy, Korea, South Africa, and Taiwan, but not Canada.

C. Conditions of Competition

In evaluating the impact of subject imports on the domestic industry if the orders are revoked, the statute directs the Commission to evaluate all the relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[48] Discussed below are the conditions of competition that weigh significantly in our determinations.

1. The Domestic Industry

During the original period of investigation, the domestic industry consisted of six firms.[49] Measured by production, the three leading firms were ***, in that order; together, those three firms accounted for *** percent of production in 1997.[50] In 1995, when subject imports from Belgium, Canada, Italy, Korea, South Africa and Taiwan accounted for 8.7 percent of the total market, the domestic industry's operating income was equivalent to 19.0 percent of sales. In 1996, when subject imports had grown to 17.1 percent of the market, the industry's operating income was 3.6 percent of sales, and half of the industry was operating at a loss.[51] In 1997, when subject imports had grown to *** percent of the market, the industry's operating income declined to a negative 0.6 percent of sales. By November of 1998, Avesta and Washington Steel had discontinued domestic manufacturing operations; Avesta closed its operations and most of the Washington Steel stainless steel assets had been acquired by Allegheny Ludlum.[52] Combined, Avesta and Washington Steel had accounted for about *** of domestic production in 1997.[53] The Commission reached an affirmative determination in these investigations in the spring of 1999.

After issuance of the orders on the subject countries, the industry experienced a brief recovery in 2000 when its operating income improved to 11.4 percent of sales. The industry's fortunes changed again in 2001 with the economic recession and the addition of significant domestic capacity.[54] The industry's operating income fell to a negative 7.9 percent of sales in 2001. In 2002, when subject imports' market share had declined to below *** percent, the industry's operating losses were equivalent to negative 22.7

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[47] CR/PR at Tables V-2 to V-10.

[48] 19 U.S.C. § 1675a(a)(4).

[49] Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-376, 377, and 379 (Final) and 731-TA-788-793 (Final), USITC Publication 3188, May 1999, Table III-1.

[50] Original Staff Report at Table III-1.

[51] USITC Pub. 3188 at Tables VI-1 and C-1.

[52] CR at I-34 – I-37, PR at I-27 – I-28.

[53] CR/PR at Table I-9.

[54] CR/PR at Table III-1 (NAS capacity increased by *** percent in 2001).

percent of sales.[55] The losses suffered by the domestic industry during the period when the orders were in effect were due both to the effects of restructuring (e.g., the write-offs of underperforming assets) and to a drop in demand due to a recession in the United States.

The restructuring of the domestic stainless steel plate industry began before the orders were issued and thus before the industry began to benefit from the existence of the orders. The main development was that NAS emerged as the primary domestic producer of stainless steel plate. NAS grew from accounting for *** percent of domestic production in 1997 to *** percent in 2004.[56] NAS began production operations in 1992 without a hot-rolling mill. It completed the installation of a new Steckel hot-rolling mill in late 1998. In 2002, NAS began operation of its new melt shop thereby completing its reverse expansion process from the cold-end to the hot-end.[57]

The other original domestic producers also experienced closure, consolidation or expansion. As noted above, Avesta closed in 1998. Allegheny Ludlum (owned by Allegheny Technologies) acquired most of the Washington Steel stainless steel assets in 1998 and closed certain facilities in 2001 and 2002. Allegheny also purchased certain assets of J&L in 2004, thus allowing it to modernize its productive capabilities with a state-of-the-art melt shop.[58] AK acquired Armco in 1999, opened a Rockport, IN facility in that year, and ***.

As a result of these consolidations, the six firms present during the original period of investigation had become three in 2004. *** largest producers in 1997, ***, no longer existed as independent companies in 2004. *** was able to enter into a new labor agreement, which was designed to improve productivity, reduce fixed costs, and promote flexibility, by reducing the number of job classifications, management layers, and health care expenses.[59]

The benefits of these changes could be seen in 2004. The industry's productivity in 2004 was *** percent higher than in 1998. Unit labor costs were down *** percent from 1998, even though hourly wages were up *** percent. The industry's return on investment improved from a negative 1.0 percent in 1998 to a *** percent in 2004. The domestic industry also entered the world market as a global player by significantly increasing its level of exports. From 1998 to 2001, the industry exported roughly *** percent of its total shipments. This share grew to *** percent in 2002. Industry exports surged more than ***-fold in 2003, when the industry exported *** percent of its total shipments. Exports remained a substantial *** percent of shipments in 2004.[60] The United States was a net exporter of stainless steel plate in 2003 and 2004.

In summary, the condition of the domestic industry is much changed, and much improved, from the period of the original investigations.

2. The World Market for Stainless Steel Plate

The world market for stainless steel plate also has changed significantly since the original investigations. While subject imports increased during the original period of investigation due in part to

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

[56] CR/PR at Table I-9.

[57] CR at I-36 – I-39, PR at I-27 – I-29. CR at III-3, PR at III-3.

[58] Hearing Transcript at 95.

[59] CR at ***, PR at ***. See Domestic Producers' Prehearing Brief at ***.

[60] CR at III-9, PR at III-5.

capacity expansions in the subject countries,[61] the end of that period also saw the initial effects of the Asian financial crisis, which increased imports from Asia at significantly lower prices.[62] [63] As such, global apparent consumption grew slowly in 1999 and 2000 before increasing more rapidly thereafter.[64] Subject producers report that the EU has grown as a market since 2000 and remains a substantial non-U.S. market for exports.[65] Exports to the EU by subject producers continued to climb through 2004, when the EU enlarged through the addition of 10 new member states.[66]

Much of the recent growth in consumption of stainless steel in general and plate in particular has occurred in Asia, and since 2000 in China in particular, as it has become a significant consumer of stainless steel.[67] Subject producers in Belgium, Italy, Korea, and South Africa enjoyed strong exports to China and to Asia in general; their exports to China increased irregularly to reach a level in 2004 that was more than twice the level in 2000.[68] Several subject producers reported that their exports to China have increased or will increase in 2005.[69] The growth in exports to China has been spurred in part by the fact that some subject producers have opened joint ventures in China, to which they supply stainless steel plate for further processing. Korean producer POSCO has two joint ventures in China.[70] Italian producer TKAST also has an affiliate in China to which it *** hot-rolled feedstock.[71] Finally, the U.S. industry also has been participating in the growth of worldwide demand as it has substantially increased its exports since 2002.[72]

The strong demand in the EU and the rapid growth of demand in China boosted global consumption and put upward pressure on prices for both raw materials and finished steel. Pricing in major foreign markets is approaching parity with the U.S. market. According to published data, prices in

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[61] While data are incomplete, most subject producers increased capacity from 1995 to 1996. See, e.g., Original Staff Report at VII-15 (Korea) and Tables VII-1 (Belgium), VII-7 (Italy), VII-11 (South Africa), and VII-12 (Taiwan).

[62] CR/PR at Table I-1 (growth in U.S. shipments of subject imports and subject import market share); Original Report at Tables V-2 through V-14 (declining U.S. and import prices).

[63] During the original Commission proceedings, counsel and economist for petitioners testified that the price declines were unusually steep and severe in the latter part of 1997 following the beginning of the Asian financial crisis. Hearing Transcript from original determination at 91-92. The crisis began in July 1997 with a severe devaluation of the Thai baht; subsequently other Asian currencies, including those of Indonesia and Korea, also experienced sharp devaluations. These currency disruptions choked off demand for steel in what had been expanding markets.

[64] CR at IV-32 – IV-33, PR at IV-15 – IV-16. These data are somewhat overbroad because they include cut-to-length plate and plate mill plate, in addition to subject coiled plate. Nevertheless, they approximate trends for coiled plate.

[65] CR at IV-37-38, PR at IV-17.

[66] CR at IV-37-38 and n.95, PR at IV-17 and n.95.

[67] CR at IV-31, PR at IV-14 – IV-15; CR at IV-38-39, PR at IV-18.

[68] CR at IV-38-39, PR at IV-18. Data for Taiwan are not available.

[69] For example, Korean exports to China were *** tons in the first quarter of 2005 compared to *** tons in the first quarter of 2004. Exports by Italian producer TKAST to China in fiscal year 2005 have already exceeded its FY 2004 exports. CR at II-19 and IV-39, PR at II-10 and IV-18; Joint Respondent's Posthearing Brief at Exh. 4, Exh. 5 at 2.

[70] CR at IV-26, PR at IV-12.

[71] CR at IV-22, PR at IV-10.

[72] Compare CR/PR at Table III-2 with CR/PR at Table I-1.

the United States and other major world markets *** during 2004, and currently are *** in the early months of 2005 than during the comparable months in 2004.[73] Generally, the data show EU prices for several commodity grades to be *** than U.S. prices.[74] The data are *** on relative U.S. and Asian market prices, with some data showing ***.[75] Even assuming prices in Asia may be somewhat *** than U.S. prices, the growth in exports from subject producers and from *** and the joint ventures established by several subject producers indicate that the Asian market is attractive and one in which many producers are committed to supply in the future.

Moreover, increases in demand are anticipated to continue for several years. While slowing from the recent rate of increases, global apparent consumption is expected to increase steadily by approximately *** percent each year through 2009.[76] Even domestic interested parties agree that worldwide demand will continue to be strong for several years. It is not until near the end of the decade (2008-2009) that increased Chinese capacity to produce stainless steel flat products is projected to

[73] CR/PR at Tables IV-11 and IV-12.

[74] CR/PR at Tables IV-11 and IV-12. EU prices for grade 304 were *** than U.S. prices in early 2005.

[75] CR/PR at Tables IV-11 and IV-12.

[76] CR at IV-33, PR at IV-15. These data are somewhat overbroad because they include cut-to-length plate and plate mill plate, in addition to subject coiled plate. Nevertheless, they approximate trends for coiled plate.

overtake Chinese consumption.[77] [78] Therefore, the improved global market is not expected to reverse itself in the reasonably foreseeable future.[79]

Thus, the record indicates that global markets have changed and improved since the original investigations, and the most recent conditions in the world market are likely to continue for the reasonably foreseeable future.

3. Demand

Demand for stainless steel plate depends on demand for downstream products using stainless steel plate. Stainless steel plate is used in a number of industries including pulp and paper, chemical and petrochemical, food and beverage, mining, power generation, railcar manufacturing, textile, and automotive.[80] U.S. demand, as measured by apparent U.S. consumption, increased irregularly by *** percent from 1998 to 2004. Apparent U.S. consumption initially decreased through 2001, increased in

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[77] Domestic Producers' Posthearing Brief at Exh. 1, pg. 39. *** in Joint Respondents' Submission data April 17, 2005. This source also projects that: (1) consumption of hot-rolled stainless steel flat products (presumably mostly plate) in China will *** shipments of hot-rolled stainless steel flat products by mills in China through 2009; and (2) growth in Chinese consumption and mill shipments will be *** between 2004 and 2007. Id. at Tables 3 and 10.

[78] Vice Chairman Okun notes that the domestic industry argues that subject producers who currently are exporting a significant portion of their production to China will divert those exports to the United States in the reasonably foreseeable future. See Domestic Producers' Posthearing Brief at 40 (answers to questions). The domestic industry argues that the evidence supporting this diversion is not speculative. Id. Moreover, the domestic industry argues that "as a matter of law, the Commission's sunset analysis necessarily involves a certain amount of speculation and projection as to what will happen in the future, given its counterfactual nature." As support, it cites the SAA, which states

> The determination called for in these types of reviews is inherently predictive and speculative. There may be more than one likely outcome following revocation or termination. The possibility of other likely outcomes does not mean that a determination that revocation or termination is likely to lead to continuation or recurrence of dumping or countervailable subsidies, or injury, is erroneous, as long as the determination is reasonable in light of the facts of the case. In such situations, the order or suspended investigation will be continued.

H.R. Rep. No. 103-316, Vol. I at 883-84 (1994). While Vice Chairman Okun agrees that Congress envisioned that more than one likely outcome may be present in an individual case, the U.S. Court of International Trade has rejected such a reading. Instead the Court has interpreted the word likely to mean probable or "more likely than not." The Court's "likely" standard means that the continuation or recurrence of material injury must be "more likely than not," otherwise the order must be revoked. 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, Invs. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Remand). Congress' recognition of the possibility of "more than one likely outcome" runs counter to the notion that likely means "probable" or "more likely than not." Thus, while Vice Chairman Okun agrees that the standard set by Congress is that there could be "more than one likely outcome," based on a given set of facts, this is not the standard that she now must apply.

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

[80] CR at II-12, PR at II-6.

2002, and declined again in 2003 before rising to *** in 2004. All responding domestic producers and importers reported that these trends are either long-term in nature or will continue for several years.[81]

The record suggests demand in the U.S. market for the reasonably foreseeable future will be, at worst, slightly down from 2004 levels in 2005, with demand then again increasing thereafter.[82] Other forecasts are more optimistic: domestic producer *** anticipates *** in 2005 and *** percent market growth in 2006 and 2007.[83]

As noted above, the record also suggests that worldwide demand, including demand in China, will continue to be strong in the foreseeable future. *** projects that global stainless steel plate consumption will increase by *** percent or more annually in the reasonably foreseeable future.[84]

4. Supply

The U.S. market is supplied by domestic producers, subject country producers, and producers in nonsubject countries. During the period examined in these reviews, U.S. producers held shares of the U.S. market in terms of quantity ranging from a low of *** percent in 2004 to a high of *** percent in 2001.[85] U.S. producers' market share rose by 8.5 percentage points from 1998 to 1999, and then remained relatively stable for the next three years before falling, in 2003 and 2004, to a share that was *** less than that reported for 1998.[86]

Subject imports declined significantly following the original investigations and remained well below the levels of those investigations during most of the period of review. Subject imports declined from *** percent of total U.S. consumption in 1998 to *** percent in 1999, declining further to *** percent in 2002 and 2003 before rising slightly to *** percent in 2004.[87]

Traditionally, nonsubject imports played an important role in the U.S. market for stainless steel plate, having about a *** percent market share in 1995 before subject imports began to increase.[88] Nonsubject imports fell to *** percent of the market in 1997, losing share to subject imports, then increased irregularly until 2002, when they captured *** percent of the market. Nonsubject imports rose significantly in 2003 before reaching their *** in 2004 (*** percent), a year of strong U.S. apparent consumption growth.[89]

Concurrent with growth in global consumption, as noted above, worldwide stainless steel plate capacity and production, including capacity and production in the countries subject to these reviews, also

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[81] CR at II-13, PR at II-7.

[82] CR at II-14, PR at II-8. Domestic Producers' Posthearing Brief at Exh. 1, p. 10. At the hearing, a market analyst testifying on behalf of the domestic industry forecast a slight decline in consumption in 2005, followed by a return to the 2004 consumption level in 2006. The 2005 decline in consumption was attributed to a drawdown in inventories, not to a decline in end user demand. Hearing Transcript at 37.

[83] CR at II-14, PR at II-8. Domestic Producers' Posthearing Brief at Exh. 1, p. 10.

[84] CR at IV-33, PR at IV-15.

[85] CR/PR at Table I-1; CR at I-49, PR at I-35.

[86] CR/PR at Table I-1; CR at I-49, PR at I-35.

[87] CR/PR at Table C-1; USITC Pub. 3188 at Table C-1.

[88] USITC Pub. 3188 at Table C-1.

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

grew substantially since the original investigations.[90] Strong global market conditions have allowed producers in the subject countries generally to operate at high capacity utilization rates, leaving limited excess capacity.[91] Global capacity of stainless steel is projected to continue to grow. According to estimates, expansion in meltshop capacity for stainless steel slab is projected to increase by nearly *** metric tons between 2004 and 2009 (China represents *** tons of this amount). With respect to global hot-rolled annealing and pickling capacity, one source estimated an increase from *** metric tons in 2004 to *** metric tons by 2008.[92]

5. Other Conditions

The record indicates a high degree of substitutability between subject imports, nonsubject imports, and the domestic like product.[93] As noted above, stainless steel plate is a commodity-type product made in standard grades according to standardized specifications such as those developed by AISI or ASME. While price is the most important factor to purchasers, quality and availability remain important factors to purchasers.[94] Although purchasers reported that U.S. product either is comparable or inferior to other countries on price, purchasers ranked the U.S. product as superior or comparable to other countries on availability and quality.[95]

D. Revocation of the Antidumping and Countervailing Duty Orders on Imports from Belgium, Italy, Korea, South Africa, and Taiwan Is Not Likely to Lead to a Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

1. Likely Volume of Subject Imports

In the original investigations, the Commission cumulated imports from Belgium, Canada, Italy, Korea, South Africa, and Taiwan. As noted in our separate views on Canada, we find that subject imports covered by the order on Canada would be likely to have no discernible adverse impact in the reasonably foreseeable future upon revocation.[96] We exercise our discretion to cumulate imports from all of the remaining subject countries. As Canada's market penetration during the original investigations ***

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[90] One source estimates that production of stainless steel on a slab/ingot basis grew 28 percent from 2001 to 2004. (Citing data from the International Stainless Steel Forum). Another source, ***, estimates that hot-rolled stainless steel plate capacity *** from 2002 to 2004. CR at IV-30 – IV-31, PR at IV-13 – IV-14.

[91] CR/PR at Tables IV-7 (Belgium) and IV-9 (Korea); CR at IV-13, PR at IV-6 – IV-7 (tabulation) (Belgium, Italy, Korea, and South Africa).

[92] CR at IV-30-31, PR at IV-13-14.

[93] CR/PR at Table II-4.

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

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

[96] Commissioner Pearson joins in the following discussion. He did not cumulate subject imports from Belgium with other subject imports, as he finds subject imports from Belgium would likely have no discernible adverse impact upon revocation. See Additional Views of Commissioner Daniel R. Pearson Regarding Cumulation. However, he concurs that, even if all subject imports, including those from Belgium, are considered cumulatively, material injury to the U.S. stainless steel plate industry would not likely continue or recur upon revocation. Therefore, he joins the following discussion and does not address separately the issue of cumulated subject imports from Italy, Korea, South Africa, and Taiwan, or the issue of subject imports from Belgium alone.

percent of apparent U.S. consumption, we have taken into account the Commission's previous volume findings, recognizing the difference represented by imports from Canada.

In the original investigations, the Commission found the volume of subject imports to be significant based on the large increase in quantity and a substantial increase in market share, and particularly in light of price effects.[97] On a quantity basis, the volume of subject imports increased from *** short tons in 1995 to *** short tons in 1996, and increased again to *** short tons in 1997. Subject imports were *** short tons in interim (January to September) 1997 and *** short tons in interim 1998.[98] The share of apparent U.S. consumption accounted for by subject imports increased from *** percent in 1995, to *** percent in 1996, and *** percent in 1997. This share increased from *** percent in interim 1997 to *** percent in interim 1998.[99]

During the current period in these reviews (1998 to 2004), import levels from the subject countries declined significantly from 1998 to 1999, continued to decline in 2000 and 2001, remained fairly stable in 2002 and 2003, and then rose somewhat in 2004.[100] Market share of subject imports showed a similar pattern but remained fairly stable from 2001 to 2004 because of the growth in apparent U.S. consumption.[101]

Given that the conditions of competition worldwide for stainless steel plate have changed significantly since the original investigations, we conclude that while imports may increase somewhat upon revocation, no substantial increases are likely to occur that would cause material injury. The worldwide demand characteristics for stainless steel plate are different than they were at the time of the original investigations; 2004 saw high levels of worldwide stainless steel plate consumption. U.S. demand fluctuated during the period of review, with 2004 consumption levels exceeding 1998 levels. While global apparent consumption grew slowly in 1999 and 2000, it increased substantially thereafter.[102] Domestic producers, importers, purchases and foreign producers nearly universally reported that there has been an increase in demand for stainless steel plate outside of the United States during the period 1998-2004.[103] Much of that growth occurred in Asia, and in China in particular.[104] Moreover, the EU remains a

[97] USITC Pub. 3188 at 15-16.

[98] USITC Pub. 3188 at Table C-1. These figures do not include the volume for Canada.

[99] USITC Pub. 3188 at Table C-1. These figures do not include the volume for Canada.

[100] The volume of cumulated *shipments* of subject imports was *** short tons in 1999, *** short tons in 2000, *** short tons in 2001, *** short tons in 2002, *** short tons in 2003, and *** short tons in 2004. CR/PR at Table C-1 (shipments of imports). The volume of cumulated subject *imports* was *** short tons in 1999, *** short tons in 2000, *** short tons in 2001, *** short tons in 2002, *** short tons in 2003, and *** short tons in 2004. CR/PR at Table IV-1 (imports). As the figures and trends are similar, we refer to shipments of imports throughout the remainder of this opinion wherever we use the term "imports."

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

[102] CR at IV-32 – IV-33, PR at IV-15 – IV-16. These data are somewhat overbroad because they include cut-to-length plate and plate mill plate, in addition to subject coiled plate. Nevertheless, they approximate trends for coiled plate.

[103] CR at II-18, PR at II-10.

[104] CR at IV-31, PR at IV-14 – IV-15; CR at IV-38, PR at IV-18.

substantial non-U.S. market for exports,[105] and grew in 2004 when the EU added 10 new member states.[106] The U.S. industry has substantially increased its exports since 2002.[107]

Global capacity to produce stainless steel plate, including capacity in the countries subject to these reviews, has grown since the original investigations. Such enlarged capacity augments the ability of the subject countries to supply more product to the U.S. market. However, strong global market conditions have allowed producers in the subject countries generally to operate at high capacity utilization rates, leaving limited excess capacity at present.[108] According to the record in these reviews, Belgian producer, U&A's capacity utilization rate increased from *** percent in 2002 to *** percent in 2004.[109] Korean producer POSCO reported capacity utilization rates of *** above *** percent throughout the period.[110] In South Africa, Columbus reported only its melting capacity utilization rate of *** percent in 2004.[111] Likewise, the Italian producer TKAST reported a melting capacity utilization rate of *** percent in 2004.[112] These high utilization rates mean that, as a practical matter, the ability of subject producers to increase exports to the United States simply by producing more is somewhat limited. These four subject countries (Belgium, Italy, Korea, and South Africa) were responsible for more than *** percent of subject imports (excluding Canada) in 1997, the year of the original investigations in which subject import volume and market share were greatest.[113] *** is planning a significant increase in capacity for 2005 or 2006.[114]

With respect to Taiwan, which did not participate in these reviews, public data indicate that overall stainless steel production has grown from under 1.2 million metric tons in 1999 to more than 1.5 million metric tons in 2003.[115] Given the much larger size of the global market for stainless steel sheet

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[105] CR at IV-37-38, PR at IV-17 – IV-18.

[106] CR at IV-37-38 and n.95, PR at IV-17 – IV-18 and n.95.

[107] The United States was a *** in 2003 and 2004. Compare CR/PR at Table III-2 with CR/PR at Table I-1.

[108] In these reviews, several factors have prevented assembling a comprehensive and consistent set of capacity data for subject producers of stainless steel plate. These factors include: (1) differences between theoretical and practical capacity depending on the lengths and number of shifts, scheduled and unscheduled down time, and other factors; (2) the need for producers to allocate capacity among multiple stainless steel flat-rolled products, including sheet and strip, produced on the same line; and (3) the incomplete record, particularly with regard to Taiwan.

[109] CR/PR at Table IV-7. In 2004, U&A's melting capacity utilization rate was *** percent. Its subject hot-rolling capacity utilization rate was *** percent. CR at IV-17 n.26, PR at IV-7 n.26.

[110] CR/PR at Table IV-9. In 2004, POSCO's melting capacity utilization rate was *** percent. Its hot-rolling capacity utilization rate was *** percent. CR at IV-13, PR at IV-6 – IV-7 (tabulation).

[111] CR at IV-13, PR at IV-6 – IV-7 (tabulation).

[112] CR at IV-13, PR at IV-6 – IV-7 (tabulation). As TKAST could not provide an accurate total allocated capacity for subject merchandise, it indicated that the only meaningful measure of its ability to produce the subject product is its overall capacity (which includes melt, hot-rolling and cold-rolling operations). CR at IV-20, PR at IV-10. In 2004, TKAST's overall hot-rolling capacity utilization rate was *** percent. CR at IV-13, PR at IV-6 – IV-7 (tabulation).

[113] Original Staff Report at Table C-1.

[114] CR at IV-10, PR at IV-5.

[115] CR at IV-29, PR at IV-13. According to one source, Taiwan producer "YUSCO intends to halt billet production at its 400,000 tpy combined billet and slab caster. This caster, as well as another 400,000 tpy one-strand machine, will be dedicated solely to production of slab, most of which will then be exported to mainland China." Domestic Producers' Prehearing Brief at Exh. 12 ("Global Industry Capacity Developments," Metal Bulletin

(continued...)

and strip as compared to plate, it is reasonable to assume that most of this capacity is employed in the production of sheet and strip, a non-subject product. We have no current capacity utilization figures for Taiwan producers. While data from the original investigations showed Taiwan industry's low capacity utilization rates,[116] improved market conditions, particularly in Asia, suggest that Taiwan's current utilization rate would be higher. Even assuming available capacity in Taiwan, given conditions in the other four cumulated countries, we do not find significant excess capacity in the subject countries overall.

While subject producers are export orientated, the export trends in the cumulated countries have changed considerably since the original investigations. Specifically, subject producers have increased their exports to markets that are closer in proximity to their production facilities or to markets in which they have invested in production facilities (most notably in China). The European market accounted for *** percent of Belgium producer U&A's shipments in 2004.[117] For the Italian producer TKAST, shipments within Europe and to its joint venture producer in China represent almost *** percent of its shipments in 2004.[118] Korean producer POSCO's combined shipments to its home market, to the Asian market, and China, in which it has two joint ventures, never fell below *** percent since 1999, and have increased recently to more than *** percent.[119] While the distances are greater for South Africa, it too concentrates its shipments to markets closer in proximity than the United States (i.e., the EU and Asia).[120] [121] [122]

(...continued)
Research, October 11, 2004).

[116] Original Staff Report at Table VII-12 (*** percent utilization rate in 1997).

[117] CR at Table IV-7.

[118] CR/PR at Table IV-8.

[119] CR/PR at Table IV-9. Domestic producers argue that subject producers' shipments to China in general or to their joint ventures in China in particular are likely to fall as China brings more melting and hot-rolling capacity on line. While a decline may eventually occur, we do not find it to be likely in the reasonably foreseeable future. Exports to China by subject producers in Belgium, Italy, Korea, and South Africa reached a level in 2004 that was almost *** times the level in 2000. CR at IV-38-39, PR at IV-18. (Data for Canada and Taiwan are not available.) As noted above, the early 2005 data for some subject producers show further increases in shipments to China. CR at IV-39, PR at II-18; Joint Respondent's Posthearing Brief at Exh. 4, Exh. 5 at 2.

[120] CR/PR at Table IV-10. In addition, we note that Columbus and NAS are owned by Acerinox, S.A. and, as such, NAS opposes continuation of the orders on South Africa. CR/PR at Table I-9. NAS' pre-eminent position in the U.S. market leaves relatively little room for Columbus to significantly expand its U.S. presence without overlapping with (and potentially displacing) NAS sales.

[121] Domestic producers argue that, as a result of the orders, subject producers shifted their exports to the United States from subject coiled plate to non-subject cut plate. They argue that, because these two products generally are made on the same equipment, subject producers would shift back to coiled plate exports if the orders were revoked. Domestic Producers' Prehearing Brief at 78-79. The record indicates that U.S. imports of cut plate from subject countries had been increasing in the years prior to imposition of the orders, and fluctuated during the period of review. In 2004, imports from subject countries of cut plate were 21,735 short tons, somewhat higher than the level in 1998 (14,446 short tons) but lower than the level in 1999 (25,427 short tons), the year in which the orders were imposed. Domestic Producers' Posthearing Brief at exh. 17. Moreover, the domestic producers submitted information indicating higher domestic production of cut plate in 2004 as compared to 1998 or 1999. Id. at exh. 18. Thus, higher imports of cut plate from subject countries appears to be consistent with increased demand for the cut product. While some switching by subject producers to greater production of coiled plate versus cut plate may occur following revocation, we do not find that any resulting increase in the volume of coiled product would be significant.

[122] Domestic producers also argue that subject producers have the ability to shift from stainless steel sheet and strip into plate if the orders are revoked because these two products generally are made on the same equipment.
(continued...)

As detailed above, generally favorable trends in worldwide supply and demand are likely to continue in the foreseeable future. At worst, U.S. demand will fall slightly in 2005 and rise thereafter.[123] Global apparent consumption is expected to increase steadily through 2009.[124]

Global stainless steel plate prices reached high levels during the latter part of the period of review pushed upward by high demand and high raw material costs. Price levels in a number of major foreign markets generally have been comparable to U.S. market price levels, particularly for grade ***.[125]

While subject producers face some impediments to their exports of subject merchandise into certain third-country markets, these do not suggest a likely significant diversion of stainless steel plate to the U.S. market. Cold-rolled stainless steel plate from Italy is subject to duties in Thailand and minimum import prices in India, but these have not been important markets for TKAST.[126] Some stainless steel plate from Belgium and Italy are subject to an ongoing antidumping investigation in Russia; however, any prediction of the outcome of the Russian proceedings would be speculative.[127] Subject merchandise from Korea may have been placed on a "watch-list" in China; however, the effect of any such action is not apparent, as exports from Korea to China have grown substantially in recent years, including in early 2005.[128]

Reported inventory levels of all subject producers are low as all producers ***. Three producers reported either no inventories or that they produced to order, and a fourth reported very modest levels in 2004.[129]

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[122] (...continued)
Domestic Producers' Prehearing Brief at 79-80. While such product shifting might be possible, a review of the record data suggests that subject producers have engaged in little product shifting. With the exception of the South African producer, the other subject producers concentrate their production on products ***. See CR/PR at Tables F-4, F-5, F-6 and F-7. These concentrations remained relatively steady over the entire period of review. Although production levels varied, product distribution did not (as a comparison of subject product production to melt capacity). Product shifting may be possible for each of these producers, but the data on the record suggest that these producers have optimum product distributions and do not deviate much from those positions. In addition, we note that most stainless steel plate is hot-rolled, whereas most stainless steel sheet and strip is cold-rolled. Cold-rolling operations normally add significant value to the production process. Accordingly, while there may be some potential for product shifting by subject producers, we conclude that subject producers are not likely to shift a significant amount of production from their value-added products (i.e., cold-rolled sheet and strip) to plate.

[123] CR at II-14, PR at II-8. Domestic Producers' Posthearing Brief at Exh. 1, p. 10. Hearing Transcript at 37.

[124] CR at IV-33, PR at IV-16.

[125] According to published data for several commodity grades, prices in the United States and other major world markets *** during 2004, and currently are *** in the early months of 2005 than during the comparable months in 2004. CR/PR at Tables IV-11 and IV-12. Generally, the data show EU prices to be *** than U.S. prices during 2004. CR/PR at Tables IV-11 and IV-12. The data are *** on relative U.S. and Asian market prices, with some data showing ***. CR/PR at Tables IV-11 and IV-12.

[126] CR at IV-23, PR at IV-10 and n.52. Cold-rolled product accounts for a very small share of TKAST's production of stainless steel plate. CR at Tables G-3, G-4.

[127] CR at IV-18 and IV-23, PR at IV-8 and IV-11.

[128] Domestic Producers' Prehearing Brief at 83, exh. 22; CR at II-19 and IV-39 (tabulation), PR at II-11 and IV-18 (tabulation). Korean exports to China were *** tons in the first quarter of 2005 compared to *** tons in the first quarter of 2004. Id.

[129] CR at IV-18 (Belgium), IV-22 (Italy), IV-26-27 (Korea), IV-28 (South Africa), PR at IV-8, IV-10, IV-12, IV-13. Data for Taiwan are not available. In the original investigations, Taiwan producers reported modest inventory amounts. Original Staff Report at Table VII-12.

Overall, given the worldwide changes in demand and the other facts described above, we cannot conclude that it is more likely than not that subject imports will increase to significant levels in the reasonably foreseeable future if the antidumping and countervailing duty orders were revoked.

2. Likely Price Effects of Subject Imports

In performing our analysis, we have taken into account the Commission's price findings in the original investigations. The Commission found price to be an important factor in purchasing decisions and that stainless steel plate, once certified to required specifications, is a commodity product. The Commission also observed parallel declines in domestic and subject import prices that began as subject import volumes gained market share at the expense of nonsubject imports. Moreover, based on the mixed evidence of underselling and lost sales and revenues, the perceived role of subject imports as downward price leaders, and the price depressive effects of the steady build-up in U.S. inventories of subject merchandise, the Commission determined that subject imports depressed domestic prices for stainless steel plate.[130] In the original investigations, imports from Canada showed the greatest amount of underselling; the sole Canadian producer Atlas is no longer in operation.

In the current reviews, prices for U.S.-produced stainless steel plate fluctuated, ending sharply higher. Prices for U.S. stainless steel plate declined modestly in 1998 through mid-1999 before increasing sharply through the second quarter of 2000.[131] With declining demand and the recession prices again decreased through late 2001. Prices then increased slightly until the third quarter of 2003, and have increased dramatically since then. The highest price reached since 1998 occurred in the fourth quarter of 2004 for eight of the nine pricing products.[132] Domestic producers have been able to pass along raw material costs through the increasing use of surcharges.[133]

The price comparison data in these reviews are severely limited owing to the substantial reduction in the volume of subject imports.[134] While subject imports demonstrated greater amounts of underselling of the U.S. product early in the period of review, there have been only five instances of underselling out of a possible 41 comparisons since the third quarter of 2000 (i.e., underselling occurred only in 12.2 percent of possible comparisons).[135] World wide demand for stainless steel plate has grown substantially since 2000. Prices of stainless steel plate from Belgium, which constitute the bulk of the subject imports, generally have been higher than domestic prices.[136]

There has not been any evidence presented that would indicate that prices will decline to an injurious level. We note that the domestic industry was able to continue to raise prices even with an increase in nonsubject imports in 2003 and 2004.[137] In addition, domestic producers have been able to increase prices in order to pass on increases in raw materials costs. As described above, we would anticipate only modest increases in subject imports in the event of revocation. We do not expect these imports to place significant downward pressure on U.S. prices. Consequently, we find that the likely

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[130] USITC Pub. 3188 at 25-30.

[131] CR/PR at Tables V-2-10.

[132] CR/PR at Tables V-2-10. The only pricing product that did not follow this pattern was product 8, which had the lowest reported volumes of any of the pricing products. CR/PR at Tables V-2-10.

[133] CR at V-2, PR at V-1 – V-2; Domestic Producers' Prehearing Brief at 87.

[134] While we lack pricing data for imports from Taiwan, the Commission in the original investigations also lacked pricing data for imports from Taiwan. USITC Pub. 3188 at 28.

[135] CR/PR at Tables V-2-10.

[136] CR/PR at Tables V-2-10.

[137] CR/PR at Tables V-2-10.

increases in volume are not likely to lead to significant price depression or suppression within a reasonably foreseeable time. Therefore, we conclude that revocation of the orders is not likely to lead to any significant price effects.

3. Likely Impact of Subject Imports

In the original investigations, the Commission found that the cumulated subject imports (including Canada) significantly increased their market share, from 8.7 percent in 1995 to 17.7 percent in 1997, but primarily at the expense of non-subject imports.[138] The Commission found increasing U.S. producer shipments, production, and employment, but observed that domestic prices and profitability declined.[139] The ratio of operating income to sales during the original period fell, from 19.0 percent in 1995; to 3.6 percent in 1996; and to negative 0.6 percent in 1997.[140] The Commission also found that the domestic industry's deteriorating financial performance negatively affect the industry's ability to make necessary capital improvements.[141]

As described above, after issuance of the orders on the subject countries and a decline in subject import levels, the industry experienced a brief recovery in 2000. The industry's fortunes, however, changed again in 2001 with the economic recession and the addition of significant domestic capacity. Despite substantially reduced subject import levels, the industry posted operating losses in 2001 through 2003.[142]

As discussed above, the domestic industry's losses during the period of review stemmed from its restructuring efforts (e.g., the write-offs of underperforming assets and increased intra-industry competition brought on by capacity expansions) and the U.S. recession. As a result of these consolidations, however, the number of industry firms was cut in half (to three), and the industry emerged stronger and fundamentally changed. The benefits of these changes could be seen in 2004, with much higher industry productivity compared to 1998, a solid return on investment, and a significant share of industry shipments being exported to other markets. In 2004, the domestic industry had returned to high levels of production, shipments and operating profits.[143]

The domestic industry has argued that one year of profitability (2004) does not overcome the weak overall performance of the industry during the period of review. However, as discussed above, the industry has undergone significant restructuring that included modernization of facilities, the emergence of a pre-eminent supplier in NAS, and one-time write-offs of underperforming assets. While we do not discount the costs associated with the asset write-offs, which significantly contributed to the recent losses, they now are completed and the industry has improved because of these decisions.[144] In light of the fundamental changes that have occurred in the industry, including restructuring, modernization, asset write-offs, and increased profitability by the end of the period of review, we do not find the domestic

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[138] USITC Pub. 3188 at 21 and C-1.

[139] USITC Pub. 3188 at 22.

[140] USITC Pub. 3188 at 22.

[141] USITC Pub. 3188 at 22.

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

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

[144] We find that the restructuring of the domestic stainless steel plate industry began before the orders were issued and thus before the industry began to benefit from the existence of the orders. The domestic industry did benefit to some degree from the orders as they allowed the industry time to restructure and to emerge from this period of restructuring and rationalization as more efficient and cost effective industry. As noted above, the industry emerged from this period of restructuring by 2004.

stainless steel plate industry to be vulnerable. Indeed, the industry's restructuring and productivity improvements have made it more likely that the industry could operate profitably even if prices were to decline somewhat.

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

IV. CONCLUSION

For the foregoing reasons, we find that revocation of the antidumping duty orders on certain stainless steel plate from Belgium, Italy, Korea, South Africa, and Taiwan would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We also determine that revocation of the countervailing duty orders on certain stainless steel plate from Belgium, Italy, and South Africa 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 COMMISSIONER DANIEL R. PEARSON 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 an 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 and the U.S. International Trade Commission ("Commission") determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.[1] I concur with Vice Chairman Okun and Commissioner Hillman in determining that, based on the record in these five-year reviews, material injury is not likely to continue or recur within a reasonably foreseeable time if the antidumping orders on certain stainless steel plate ("SSPC") from Belgium, Canada, Japan, Korea, South Africa, and Taiwan and the countervailing duty orders on SSPC from Belgium, Italy, and South Africa are revoked. I write separately because, in making my negative determinations in these reviews, I do not cumulate imports from Belgium with other subject imports. I decline to cumulate imports from Belgium with other subject imports because I conclude that, in the event the antidumping and countervailing duty orders on imports of SSPC from Belgium are revoked, imports of SSPC from Belgium are likely to have no discernible adverse impact on the domestic industry producing SSPC.

A. Legal Standard

In five-year reviews, unlike in original investigations, cumulation is within the discretion of the Commission, as long as the reviews in question were initiated on the same day and as long as the imports both compete with each other and with domestic like products in the U.S. market. In addition, section 751(a)(7) of the Tariff Act of 1930 provides, in relevant part, that:

> 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.[2]

This clause effectively prevents the Commission from exercising its discretion to cumulate in situations where it determines that subject imports will no discernible effect on the condition of the industry after the order in question is revoked. I interpret this clause as directing the Commission to concentrate its analysis on the effect of subject imports on the domestic industry post-revocation, not merely on whether there will be a significant volume of imports. In other words, the "no discernible adverse impact" analysis should focus on evaluating likely impact, not simply volume.

Indeed, Congress has cautioned the Commission against focusing simply on volume. The Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act (URAA) does not indicate that the Commission, in evaluating "no discernible adverse impact," should equate its analysis with the type of "negligibility analysis" that is conducted under Section 771(24) of the Act, in which the focus is on import volume.[3] In addition, our reviewing courts have gone further and have

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[1] 19 U.S.C. § 1675(d)(2).

[2] 19 U.S.C. §1675a(a)(7).

[3] The Senate report on the URAA (but not the House report) does allow the Commission to adopt a "negligibility" analysis as one aspect of its "no discernible adverse impact" analysis, but goes on to comment that it would not be "appropriate to adopt a strict numerical test for determining negligibility because of the extraordinary difficulty in

(continued...)

stated that the "no discernible adverse impact" test cannot be equated to a requirement that there be substantial evidence to prove, on an individual country basis, that significant import volume is likely that would support an overall affirmative injury determination:

> "Presumably, if {Congress} had intended that the ITC consider only import volume in deciding whether cumulation was precluded, it would have so restricted its enactment. It did not. Congress chose "no discernible adverse impact," and impact in the context of U.S. unfair trade law, by any definition, encompasses more than volume of imports."[4] (emphasis in original)

Under this standard, therefore, a modest volume of subject imports, which could be deemed negligible under other provisions of the Act, might have a discernible adverse impact on the domestic industry, while a larger volume of imports might not lead to a discernible adverse impact. Accordingly, in line with these constraints, I have focused my analysis of subject imports from Belgium not on whether the volume of imports from Belgium would be significant if the orders were revoked, but on whether imports from Belgium would have a discernible adverse impact on the domestic industry in the event of revocation.[5]

B. Analysis

I find that, in the event the countervailing duty order and antidumping duty order on subject imports from Belgium are revoked, such imports will have no discernible adverse impact on the domestic industry producing SSPC. One of the factors the Commission traditionally examines when assessing the issue of "no discernible adverse impact" is the degree of competition between the imported product and the domestic like product.[6] In these reviews, record evidence indicates that there would be little, if any, competition between imports from Belgium and the domestic like product if the orders were revoked.

The Belgian respondent currently concentrates its shipments to the United States in coil widths that, for the most part, exceed 60 inches. In particular, in 2004, of a total of *** shipped to the United States by the Belgian respondent, *** were in widths greater than 60 inches.[7] This is significant, because the record indicates that shipments of these widths represents a *** part of total domestic SSPC shipments. In 2004, of a total of *** tons shipped by the domestic industry, only *** were in widths

[3] (...continued)
projecting import volumes into the future with precision." S. Rep. 103-412 at 51. This suggests that the Commission should be extremely cautious in basing any "no discernible adverse impact" determination solely on predictions of likely import volume.

[4] Neenah Foundry v. United States, 155 F. Supp.2d 766, 776 (CIT 2001).

[5] In applying this standard, I am mindful of the distinction between the no discernible adverse impact test and that required for a material injury determination. Usinor Industeel, S.A. v. United States, 27 CIT __, Slip Op. 03-118 at 6 (Sept., 8, 2003) (citations omitted)

[6] See, *e.g.*, Top-of-Stove Stainless Cooking Ware from Korea and Taiwan, Inv. No. 731-TA-267 and 258 (Review), USITC Pub. 3286 (March 2000); Chefline Corp. v. United States, 219 F. Supp.2d 1303 (CIT 2002).

[7] CR/PR at table I-5.

greater than 60 inches.[8] Hence, there is very little current overlap between subject imports from Belgium and U.S. production.[9]

Petitioners argue that the Belgian respondent has the ability to produce narrower-width coils, and did so during the original investigation. While this is true, I find it significant that, even during the original investigation, approximately *** percent of the Belgian respondent's shipments to the United States were of the wide-width coils that the domestic industry could not effectively supply.[10] Thus, even if we were to assume that, if the orders were lifted, Belgium would return to shipping narrower-width coils to the United States in comparable volumes to those it shipped during the original investigation, only roughly *** percent of what was a small volume of imports to begin with would compete with products of the domestic industry.[11] In my view, that would still represent a lack of discernible impact.

Another factor suggesting that, in the event of revocation, imports from Belgium would have no discernible adverse impact on the U.S. industry is that, unlike imports from other subject sources, imports from Belgium maintained a relatively stable market share during the period of review. Belgium's market share, which stood at *** percent during the last year of the original period of investigation (1997), actually increased to *** percent by 1999, and then fluctuated between *** and *** percent during the remainder of the period of review.[12] By contrast, market shares of other subject imports (except for ***) declined to *** in *** and stayed there for the remainder of the period.[13] This divergent pattern suggests that lifting the orders on Belgium would effect little change in Belgium's activity in the U.S. market.

C. Conclusion

Accordingly, I conclude that, in the event the antidumping and countervailing duty orders on imports of SSPC from Belgium are revoked, imports of SSPC from Belgium are likely to have no discernible adverse impact on the domestic industry producing SSPC. Because I join Vice Chairman Okun and Commissioner Hillman in concluding that, even if imports from Belgium are cumulated with other subject imports, material injury to the U.S. SSPC industry would not continue or recur if the orders on Belgium, Canada, Japan, Korea, South Africa, and Taiwan are revoked, it is unnecessary for me to address the issue of whether, when imports from Belgium are viewed in isolation, material injury to the U.S. SSPC industry would continue or recur if the antidumping and countervailing duty orders on imports from Belgium were revoked.

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[8] Id.

[9] Petitioners argue nevertheless that their narrower-width products do compete with the wide widths offered by the Belgian respondent. Petitioners' posthearing brief, exhibit 1, at 4-10. I do not find this argument compelling. Petitioners could document no specific instances of competition between these products. Moreover, respondents noted that simply welding narrower widths together to simulate a wide-width coil would require a waiver from the customer, which seems impractical given the price competitiveness of the SSPC industry. Respondents' posthearing brief at exhibit 3, pp. 3-4; hearing transcript at 210 (Mr. Matera).

[10] Petitioners' posthearing brief, exhibit 1 at 8 (citing to the staff report in the original investigations). This ratio also suggests that the Belgian respondent's strategy of concentrating on shipping wide widths to the United States was not adopted as a result of the orders, but was a pre-existing strategy that was further developed during the time the orders were in effect.

[11] This would not be a reasonable assumption, given the lucrative market that the Belgian respondent has established in the United States for its wide-width product offerings. It is illogical to assume that the Belgian respondent would abandon this niche, in which it operates as a virtual monopolist in the U.S. market, to focus on the more commodity-like narrower widths, in which it would have to compete, not only with the U.S. industry, but also with other imports.

[12] CR/PR at table I-1.

[13] Id.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On April 1, 2004, the U.S. International Trade Commission (Commission or USITC) gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on certain stainless steel plate (stainless steel plate)[1] from Belgium, Canada, Italy, Korea, South Africa, and Taiwan would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective July 6, 2004, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Information relating to the background and schedule of the reviews is provided in the following tabulation.[2]

Effective date	Action
May 11, 1999	Commerce's countervailing duty orders for Belgium, Italy, and South Africa (64 FR 25288)
May 21, 1999	Commerce's antidumping duty orders for Belgium, Canada, Italy, Korea, South Africa, and Taiwan (64 FR 27756)
March 11, 2003	Commerce's amended countervailing duty orders for Belgium, Italy, and South Africa (68 FR 11524)[1]
March 11, 2003	Commerce's amended antidumping duty orders for Belgium, Canada, Italy, Korea, South Africa, and Taiwan (68 FR 11520)[1]
April 1, 2004	Commission's institution of reviews (69 FR 17235)
July 6, 2004	Commission's decision to conduct full reviews (69 FR 45076, July 28, 2004)
August 5, 2004	Commerce's final results of expedited reviews of the antidumping orders for Canada, South Africa, and Taiwan (69 FR 47416)
August 5, 2004	Commerce's final results of expedited review of the countervailing duty order for South Africa (69 FR 47418)

Tabulation continued on next page.

[1] For purposes of these reviews, stainless steel is an 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. The subject merchandise, certain stainless steel plate, consists of stainless steel flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat-treated and pickled or otherwise descaled. The subject plate may also be further processed (e.g., cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of these reviews are the following: (1) plate not in coils, (2) plate that is not annealed or otherwise heat-treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars. The subject plate products, if imported, are classified in subheadings 7219.11.00, 7219.12.00, 7219.31.00, 7219.90.00, 7220.11.00, 7220.20.10, 7220.20.60, and 7220.90.00 of the Harmonized Tariff Schedule of the United States (HTS).

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

Effective date	Action
August 26, 2004	Commission's scheduling of the reviews (69 FR 53946, September 3, 2004)
October 21, 2004	Commerce's final results of expedited reviews of the antidumping duty orders for Belgium, Italy, and Korea (69 FR 61798)
November 4, 2004	Commerce's final results of expedited review of the countervailing duty order for Belgium (69 FR 64277)
March 3, 2005	Commerce's final results of full review of the countervailing duty order for Italy (70 FR 10357)
March 30, 2005	Commission's hearing[2]
June 7, 2005	Commission's vote
June 27, 2005	Commission's determinations sent to Commerce

[1] Scope of the orders amended to remove the original language that excluded cold-rolled stainless steel plate in coils.
[2] A list of witnesses appearing at the hearing is presented in app. B.

The Original Investigations

On March 31, 1998, petitions were filed with Commerce and the Commission alleging that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value (LTFV) imports of certain stainless steel plate in coils from Belgium, Canada, Italy, Korea, South Africa, and Taiwan and by reason of subsidized imports of such merchandise from Belgium, Italy, Korea, and South Africa.[3] On March 31, 1999, Commerce made final affirmative dumping determinations with respect to Belgium, Canada, Italy, Korea, South Africa, and Taiwan and affirmative subsidy determinations for Belgium, Italy, and South Africa.[4] The Commission made its final affirmative injury determinations on May 3, 1999, for certain stainless steel plate in coils excluding certain cold-rolled stainless steel plate in coils.[5] Accordingly, Commerce issued antidumping duty orders

[3] The petitions were filed by Armco, Inc., Pittsburgh, PA; J&L Specialty Steel, Inc. (J&L), Pittsburgh, PA; Lukens, Inc., Coatesville, PA; North American Stainless (NAS), Ghent, KY; and the United Steelworkers of America, AFL-CIO/CLC. J&L, however, was not a petitioner in either of the investigations involving Belgium; NAS was not a petitioner in the antidumping investigation involving Italy or in any of the subsidy investigations; and the United Steelworkers was not a petitioner in the antidumping investigation involving Canada. Allegheny Ludlum Corp., Brackenridge, PA, and Washington Steel, Washington, PA, joined as petitioners on August 20, 1998.

[4] Commerce made a negative final countervailing duty determination with respect to stainless steel plate in coils from Korea. 64 FR 15530, March 31, 1999.

[5] The Commission, by majority vote, found two domestic like products during its original investigations, i.e., certain hot-rolled stainless steel plate in coils and certain cold-rolled stainless steel plate in coils. The Commission made affirmative determinations with respect to dumped imports of certain hot-rolled stainless steel plate in coils from Belgium, Canada, Italy, Korea, South Africa, and Taiwan and with respect to subsidized imports of such merchandise from Belgium, Italy, and South Africa. It made negative determinations with respect to dumped imports of certain cold-rolled stainless steel plate in coils from Belgium and Canada and with respect to subsidized imports of such merchandise from Belgium. It further found imports of dumped and subsidized certain cold-rolled stainless steel plate in coils from Italy, Korea, South Africa, and Taiwan to be negligible and terminated those investigations. 64 FR 25515, May 12, 1999.

(continued...)

for Belgium, Canada, Italy, Korea, South Africa, and Taiwan and countervailing duty orders for Belgium, Italy, and South Africa on May 21, 1999 and May 11, 1999, respectively, that excluded the cold-rolled product.[6] [7] On February 26, 2003, the Commission gave notice of a final court decision affirming its final affirmative material injury determinations, made pursuant to court remand, in the antidumping and countervailing duty investigations of certain stainless steel plate from the subject countries[8] and, on March 11, 2003, Commerce issued notices amending the scope of its antidumping and countervailing duty orders to remove the original language that excluded cold-rolled stainless steel plate in coils.[9]

Table I-1 presents a summary of data from the original investigations[10] and from these reviews;[11] figure I-1 shows U.S. imports of certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan since 1995.

Previous and Related Investigations and Reviews

In May 1973, the Commission determined that an industry in the United States was being injured by reason of imports of stainless steel plate (including but not limited to hot-rolled and cold-rolled plate in coils) from Sweden sold at less than fair value. On June 8, 1973, the U.S. Department of the Treasury issued an antidumping finding on stainless steel plate from Sweden. Following several requests for a

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[5] (...continued)

The domestic industry subsequently appealed the Commission's negative determinations with respect to imports of cold-rolled stainless steel plate in coils from Belgium and Canada. (No party challenged the Commission's negligibility findings regarding imports of cold-rolled stainless steel plate in coils from Italy, Korea, South Africa, and Taiwan. The appeal, however, included a challenge to the Commission's domestic like product definition, upon which its negligibility findings were based.) On August 28, 2000, the U.S. Court of International Trade (CIT) affirmed the Commission's determinations but, on April 19, 2002, the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) vacated the lower court ruling, finding that the Commission's volume and impact findings with respect to cold-rolled stainless steel plate were not in accordance with law and that its pricing finding for cold-rolled plate was unsupported by substantial evidence. On June 18, 2002, in accordance with the Federal Circuit's decision, the CIT vacated its earlier decision and remanded to the Commission its final negative determinations with respect to cold-rolled stainless steel plate. 67 FR 45147, July 8, 2002 and 67 FR 50897, August 6, 2002.

On September 27, 2002, the Commission filed its remand determination with the CIT in which the Commission majority defined a single domestic like product, certain stainless steel plate in coils, and determined that an industry in the United States was materially injured by reason of imports of dumped and/or subsidized imports of certain stainless steel plate in coils from Belgium, Canada, Italy, Korea, South Africa, and Taiwan.

[6] The excluded cold-rolled product was defined as merchandise that meets the physical characteristics for certain stainless steel plate in coils but that has undergone a cold-reduction process reducing the thickness of the steel by 25 percent or more, and has been annealed and pickled following cold reduction.

[7] *See* the section of this report entitled *Commerce's Orders and Administrative Reviews* for a listing of the antidumping and countervailing duty margins, by source and company, calculated by Commerce.

[8] 68 FR 8925, February 26, 2003.

[9] 68 FR 11520, March 11, 2003, and 68 FR 11524, March 11, 2003, respectively.

[10] U.S. industry data for 1995-97 are based on questionnaire responses of six firms that accounted for 100 percent of U.S. production of certain stainless steel plate during 1997. U.S. imports for 1995-97 are based on responses to Commission importers' questionnaires (for Belgium, Canada, South Africa, and Taiwan), on responses to foreign producers' questionnaires (for Italy and Korea), and on data from petitioners (for nonsubject sources).

[11] *See* the section entitled "Organization of the Report" for a discussion of the data collected during these reviews. All references to "tons" within this report should be understood to be to "short tons," unless otherwise noted.

Table I-1
Certain stainless steel plate: Comparative data of the U.S. market and industry from the original investigations and current reviews, 1995-2004

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

Item	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
U.S. consumption quantity:										
Amount	127,569	119,654	142,405	123,209	120,328	109,457	101,037	118,633	***	***
U.S. producers' share	81.2	74.8	80.8	80.5	89.0	88.9	93.3	89.3	***	***
U.S. importers' share:										
Belgium	***	***	***	***	***	***	***	***	***	***
Canada	***	***	***	1.7	0.3	0.5	***	***	***	***
Italy	***	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***	***
South Africa	***	***	***	***	0.3	0.0	0.0	0.0	***	***
Taiwan	***	***	***	4.1	0.3	0.1	0.2	0.1	***	***
Subtotal, subject imports	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***
Total imports	18.8	25.2	19.2	19.5	11.0	11.1	6.7	10.7	***	***
U.S. shipments of imports from:										
Belgium:										
Quantity	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***
Unit value	$***	$***	$***	$***	$***	$***	$***	$***	$***	$***
Canada:										
Quantity	***	***	***	2,123	374	595	***	***	***	***
Value	***	***	***	3,049	522	1,271	***	***	***	***
Unit value	$***	$***	$***	$1,437	$1,397	$2,137	$***	$***	$***	$***
Italy:										
Quantity	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***
Unit value	$***	$***	$***	$***	$***	$***	$***	***	***	***
Korea:										
Quantity	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***
Unit value	$***	$***	$***	$***	$***	$***	***	***	***	***

Table continued on next page.

Table I-1
Certain stainless steel plate: Comparative data of the U.S. market and industry from the original investigations and current reviews, 1995-2004

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

Item	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
South Africa:										
Quantity	***	***	***	***	341	22	46	31	***	***
Value	***	***	***	***	354	32	84	30	***	***
Unit value	$***	$***	$***	$***	$1,038	$1,484	$1,816	$976	$***	$***
Taiwan:										
Quantity	***	***	***	5,004	307	84	210	103	***	***
Value	***	***	***	6,292	413	135	274	152	***	***
Unit value	$***	$***	$***	$1,257	$1,345	$1,597	$1,304	$1,471	$***	$***
Subtotal, subject imports:										
Quantity	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***
Unit value	$***	$***	$***	$***	$***	$***	$***	$***	$***	$***
All other sources:										
Quantity	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***
Unit value	$***	$***	$***	$***	$***	$***	$***	$***	$***	$***
Total imports:										
Quantity	24,041	30,121	27,402	24,035	13,268	12,134	6,818	12,686	***	***
Value	53,142	63,442	47,196	35,628	18,142	24,145	10,987	20,301	***	***
Unit value	$2,210	$2,106	$1,722	$1,482	$1,367	$1,990	$1,611	$1,600	$***	$***
U.S. producers:										
Capacity quantity[1]	183,637	204,851	237,704	223,917	213,000	213,222	277,609	270,404	***	***
Production quantity	107,922	91,879	129,526	83,208	110,406	98,229	96,316	115,707	***	***
Capacity utilization	58.8	44.9	54.5	34.2	51.8	46.1	34.7	42.8	***	***
U.S. shipments: Quantity	103,528	89,533	115,003	99,174	107,060	97,323	94,219	105,947	***	***
Value	246,543	176,449	199,474	149,244	152,867	185,409	131,828	145,979	***	***
Unit value	$2,383	$1,971	$1,735	$1,505	$1,428	$1,905	$1,399	$1,378	$***	$***
EOP inventory quantity	25,813	30,082	38,411	***	***	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table I-1
Certain stainless steel plate: Comparative data of the U.S. market and industry from the original investigations and current reviews, 1995-2004

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

Item	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Production workers	218	198	236	211	227	258	229	221	***	***
Hours worked (*1,000 hours*)	450	406	490	417	490	541	470	463	***	***
Wages paid (*1,000 dollars*)	8,986	8,260	10,142	10,219	12,835	14,390	12,777	12,876	***	***
Hourly wages	$19.97	$20.34	$20.70	$24.53	$26.19	$26.59	$27.20	$27.82	$***	$***
Productivity (*short tons per hour*)	239.8	226.3	264.3	199.7	225.3	181.5	205.0	250.0	***	***
Net sales: Quantity	104,831	94,591	117,509	89,954	110,083	99,247	96,289	113,050	***	***
Value	249,726	185,684	203,203	133,149	156,868	188,749	134,518	154,313	***	***
Unit value	$2,382	$1,963	$1,729	$1,480	$1,425	$1,902	$1,397	$1,365	$***	$***
Cost of goods sold	193,460	171,087	194,843	127,291	141,825	158,585	133,063	148,118	***	***
Gross profit or (loss)	56,266	14,597	8,360	5,858	15,043	30,164	(2,367)	(28,205)	***	***
Operating income or (loss)	47,383	6,633	(1,114)	(1,417)	6,054	21,464	(10,664)	(34,955)	***	***
Unit cost of goods sold	$1,845	$1,809	$1,658	$1,415	$1,288	$1,598	$1,382	$1,310	$***	$***
Unit operating income or (loss)	$452	$70	$(10)	$(16)	$55	$216	$(111)	$(309)	$***	$***
Cost of goods sold/ sales	77.5	92.1	95.9	95.6	90.4	84.0	99.0	96.0	***	***
Operating income or (loss)/sales	19.0	3.6	(0.6)	(1.1)	3.9	11.4	(7.9)	(22.7)	***	***

[1] Hot-rolled stainless steel plate capacity.

Note 1. Original investigations.--Import quantities and values for Belgium, Canada, South Africa, and Taiwan were compiled from data submitted in response to the Commission's importers' questionnaires. Quantities for imports from Italy and Korea were compiled from exports to the United States as reported in foreign producer questionnaires; corresponding values were estimated using average unit values of U.S. importers' reported U.S. imports. Import quantities and values for all other countries are petitioners' estimates.

Note 2. Remand investigations.--Import quantities and values were compiled from data submitted in response to the Commission's producers' and importers' questionnaires. The data compiled during the remand investigations are, in theory, comparable to data compiled during the original investigations (*as presented in* table C-1 of the confidential staff report for the original investigations (memorandum INV-W-064, April 9, 1999)). However, the import volumes of cold-rolled stainless steel plate from Belgium reported to the Commission during the original investigations included cold-rolled stainless steel plate outside of the specified dimensions for the subject product and were, accordingly, overstated. Corrected data for the aggregate category of stainless steel plate were, therefore, compiled during the remand investigations and are presented above. U.S. producers' data were accorded business proprietary treatment during the remand investigations but most indicators were made public during the original investigations. Reported data on the U.S. stainless steel plate industry were, however, substantially the same for both the original and remand investigations and, accordingly, such data are marked public in this table.

Notes continued on next page.

Continuation.

Source: Data for 1995-97 are compiled from the confidential staff report for the remand investigations (memorandum INV-Z-131, August 16, 2002) in *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan* (Invs. Nos. 701-TA 376, 377, and 379 and 731-TA-788-793 (Remand)). Specifically, the data are derived from table II-2. Data on the domestic industry for 1998-2004 are compiled from responses to the Commission questionnaires in the current reviews. Data for Belgium, Italy, Korea and all other sources are U.S. shipments of imports and are compiled from data submitted in response to Commission questionnaires, except for all other sources in 1998 (which is from data submitted in response to Commission questionnaires during the original investigations). Data for South Africa and Taiwan are U.S. imports compiled from official Commerce statistics, except for South Africa in 1998 (which are January-September 1998 data submitted in response to Commission questionnaires during the original investigations). Data for Canada are U.S. imports compiled from official Commerce statistics but adjusted to subtract out ***.

Figure I-1
Certain stainless steel plate: U.S. shipments of imports from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, 1995-2004

* * * * * * *

changed circumstance review,[12] in August 1998, the Commission instituted a five-year review concerning the antidumping finding on stainless steel plate from Sweden. Following a full review, in July 1999 the Commission determined that revocation of the finding would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.[13]

In June 1983, the Commission determined that an industry in the United States was being materially injured by reason of imports of stainless steel plate (including but not limited to stainless steel plate in coils) from the United Kingdom found by Commerce to be subsidized by the Government of the United Kingdom.[14] On June 23, 1983, Commerce issued a countervailing duty order on stainless steel plate from the United Kingdom.[15] On August 14, 1986, however, Commerce revoked the countervailing duty order, having determined that domestic interested parties were no longer interested in continuation of the order.[16]

The Commission has also conducted two safeguard investigations with respect to stainless steel and alloy tool steel, as follows: inv. No. TA-201-5 in 1976 (USITC Publication 756) and inv. No. TA-201-48 in 1983 (USITC Publication 1377).[17]

[12] The Commission denied two requests, then instituted, but subsequently suspended, a changed circumstance review. 50 FR 43613, October 28, 1995; 52 FR 24541, July 1, 1987; and 58 FR 35044, June 30, 1993.

[13] *Stainless Steel Plate from Sweden, Inv. No. AA1921-114 (Review),* USITC Publication 3204, July 1999.

[14] *Stainless Steel Sheet and Strip from the Federal Republic of Germany and France and Stainless Steel Sheet and Strip and Plate from the United Kingdom, Invs. Nos. 701-TA-195-196 and 731-TA-92 and 95,* USITC Publication 1391, June 1983.

[15] 48 FR 28690, June 23, 1983.

[16] 51 FR 29144, August 14, 1986.

[17] The 1976 investigation resulted in a 3-year VRA (June 14, 1976 - June 13, 1979) and the 1983 investigation resulted in a 4-year relief period of quotas and tariffs. In addition, the Commission conducted a probable economic effects study in 1977 with respect to stainless steel and alloy tool steel (inv. No. TA-203-3; USITC Publication 838).

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. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

Organization of the Report

Information obtained during the course of the reviews that relates to the above factors is presented throughout this report. As noted earlier, the Commission in its most recent determinations (i.e., its remand determinations of September 27, 2002) defined a single domestic like product, certain stainless steel plate in coils. The body of this report, accordingly, presents data for the combined stainless steel plate industry.[18] A summary of the data collected, which are for the 1998-2004 period,[19] is presented in appendix C. Specifically, table C-1 presents combined (i.e., hot-rolled and cold-rolled) stainless steel plate data, table C-2 presents data for hot-rolled stainless steel plate, and table C-3 presents data for cold-rolled stainless steel plate. U.S. industry data are based on questionnaire responses of four firms that accounted for 100 percent of U.S. production of certain stainless steel plate during 2004.[20] U.S.

[18] U.S. production and imports of cold-rolled stainless steel plate were and remain small compared to U.S. production and imports of hot-rolled stainless steel plate. U.S. firms produced *** tons of hot-rolled stainless steel plate in 1997 but only *** tons of cold-rolled stainless steel plate. U.S. importers shipped *** tons of hot-rolled stainless steel plate in 1997 compared to *** tons of the cold-rolled product (most of which was from Belgium). Table II-1 and table C-2, confidential staff report for the remand investigations (memorandum INV-Z-131, August 16, 2002). In 2004, U.S. firms produced *** tons of hot-rolled stainless steel plate but only *** tons of the cold-rolled product. Reporting (i.e., in response to questionnaires) U.S. importers imported *** tons of hot-rolled stainless steel plate and *** tons of cold-rolled stainless steel plate in 2004 (*** from Belgium).

[19] The Commission examined data for the 1995-97 and January-September 1997 and January-September 1998 interim periods during the original investigations and then issued its staff report to parties on April 9, 1999. As indicated earlier, Commerce imposed antidumping and countervailing duty orders in May 1999.

[20] Data for two firms that exited the U.S. industry prior to 2004 are also, unless noted otherwise, included in the U.S. industry data. Data for one of the exiting firms (Washington Steel) are only available for January-September 1998 (the firm ceased operations in November 1998).

import data are based on responses to Commission importers' questionnaires (for Belgium, Italy, Korea, and nonsubject sources)[21] and on official Commerce statistics (for Canada, South Africa, and Taiwan).[22]

The complete and abbreviated names for industry participants are provided in appendix D. Responses by U.S. producers and importers of certain stainless steel plate and producers of the subject merchandise in Belgium, Italy, Korea, and South Africa 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 E.[23]

RESULTS OF COMMERCE'S EXPEDITED AND FULL REVIEWS

Antidumping Duty Orders

On August 5, 2004, Commerce found that revocation of the antidumping duty orders on certain stainless steel plate from Canada, South Africa, and Taiwan would likely lead to continuation or recurrence of dumping; on October 21, 2004, it further found that revocation of the antidumping duty orders on certain stainless steel plate from Belgium, Italy, and Korea would likewise likely lead to continuation or recurrence of dumping.[24] The weighted-average margins found for each review are shown, by company, in the following tabulation:

[21] Importers' questionnaire responses accounted for virtually all imports of stainless steel plate from Belgium, Italy, and Korea during the period for which data were collected (i.e., 1998-2004).

[22] Only minimal, if any, quantities of stainless steel plate are being imported into the United States from South Africa and Taiwan at the present time. In addition, the only subject manufacturer in Canada has now closed its operations.

[23] The domestic interested parties additionally indicated in their response to the notice of institution that the orders "greatly assisted the U.S. industry in weathering the recession year of 2001" and had "such a salutary impact that the domestic {stainless steel plate in coil} industry was one of the few in the steel sector not to seek extraordinary relief under the Administration's self-initiated 201 investigation in 2001." *Response to the Commission's Notice of Institution* by domestic interested parties, p. 12.

[24] Commerce has not issued a duty absorption determination with respect to these orders.

Country	Federal Register cite	Company	Weighted-average margin (*percent*)
Antidumping duty orders			
Belgium[1]	69 FR 61798, Oct. 21, 2004	U&A Belgium All others	9.86 9.86
Canada[1]	69 FR 47416, Aug. 5, 2004	Atlas Stainless All others	15.35 11.10
Italy[1]	69 FR 61798, Oct. 21, 2004	TKAST All others	45.09 39.69
Korea[1]	69 FR 61798, Oct. 21, 2004	POSCO All others	6.08 6.08
South Africa[1]	69 FR 47416, Aug. 5, 2004	Columbus All others	41.63 41.63
Taiwan[1]	69 FR 47416, Aug. 5, 2004	YUSCO YUSCO/Ta Chen All others	8.02 10.20 7.39

[1] Expedited review.

Source: Cited *Federal Register* notices; the *Federal Register* notices are presented in app. A.

Countervailing Duty Orders

With respect to the countervailing duty orders, Commerce found on August 5, 2004, November 4, 2004, and March 3, 2005, that the revocation of the orders on certain stainless steel plate from South Africa, Belgium, and Italy, respectively, would likely lead to the continuation or recurrence of subsidies. Subsidy levels for each review are presented, by company, in the following tabulation:[25]

Country	*Federal Register* cite	Company	Weighted-average margin (*percent*)
Countervailing duty orders			
Belgium[1] [2]	69 FR 64277, Nov. 4, 2004	U&A Belgium All others	1.13 1.13
Italy[2] [3]	70 FR 10357, Mar. 3, 2005	TKAST All others	0.73 0.73
South Africa[1]	69 FR 47418, Aug. 5, 2004	Columbus All others	3.95 3.95

Notes on next page.

[25] Commerce has not issued a duty absorption determination with respect to these orders.

Continuation.

[1] Expedited review.
[2] The scope of the orders was described in these reviews as excluding certain cold-rolled stainless steel plate in coils. Commerce, however, previously amended these orders (as well as that for South Africa and for each of the antidumping duty orders) to remove the original language that excluded cold-rolled stainless steel plate in coils. Commission staff has brought this apparent discrepancy to the attention of Commerce.
[3] Full review.

Source: Cited *Federal Register* notices; the *Federal Register* notices are presented in app. A.

COMMERCE'S ORDERS AND ADMINISTRATIVE REVIEWS

Commerce has conducted a number of administrative reviews of the antidumping and countervailing duty orders on certain stainless steel plate for the subject countries. Information on the administrative reviews of the antidumping duty orders is shown in table I-2 while information on the administrative reviews of the countervailing duty orders is presented in table I-3.

Table I-2
Certain stainless steel plate: Commerce's determinations and administrative reviews of the antidumping duty orders

Action	Period of review	*Federal Register* cite	Company	Margin (*percent*)
Belgium				
Final determination	1/1/97 - 12/31/97	64 FR 15476, Mar. 31, 1999	ALZ Belgium All others	9.86 9.86
Order (A-423-808)	--	64 FR 27756, May 21, 1999	*See* above	*See* above
Administrative review	11/4/98 - 4/30/00	66 FR 56272, Nov. 7, 2001	ALZ Belgium	24.43
Administrative review	5/1/00 - 4/30/01	67 FR 64352, Oct. 18, 2002	ALZ Belgium	3.84
Amended order[1]	--	68 FR 11520, Mar. 11, 2003	ALZ Belgium All others	3.84 9.86
Administrative review	5/1/02 - 4/30/03	69 FR 74495, Dec. 14, 2004 70 FR 2999, Jan. 19, 2005[4]	U&A Belgium[2]	2.71[3]

[1] Scope of antidumping duty order amended to remove the original language that excluded cold-rolled stainless steel plate in coils.
[2] ALZ Belgium's parent company, Arbed, was acquired by Arcelor. As a result of the merger, the Arcelor Group created a new unit that combined Ugine S.A., N.V., a French stainless steel producer, and ALZ Belgium. The former company ALZ Belgium changed its name to U&A Belgium on December 31, 2001. Furthermore, effective February 2002, Arcelor also merged with Usinor S.A. and Aceralia Corporacion Siderurgica S.A.
[3] Corrected margin.
[4] Amended administrative review.

Table continued on next page.

Table I-2--*Continued*
Certain stainless steel plate: Commerce's determinations and administrative reviews of the antidumping duty orders

Canada				
Final determination	1/1/97 - 12/31/97	64 FR 15457, Mar. 31, 1999	Sammi Atlas[1] All others	15.35 11.10
Order (A-122-830)	--	64 FR 27756, May 21, 1999	*See* above	*See* above
Amended order[2]	--	68 FR 11520, Mar. 11, 2003	Sammi Atlas All others	15.35 11.10
[1] Atlas Stainless (Sammi Atlas). [2] Scope of antidumping duty order amended to remove the original language that excluded cold-rolled stainless steel plate in coils.				
Italy				
Final determination	1/1/97 - 12/31/97	64 FR 15458, Mar. 31, 1999	AST All others	45.09 39.69
Order (A-475-822)	--	64 FR 27756, May 21, 1999	*See* above	*See* above
Administrative review	5/1/00 - 4/30/01	67 FR 63618, Oct. 15, 2002 67 FR 76381, Dec. 12, 2002[1]	TKAST All others	0.00 39.69[2]
Amended order[3]	--	68 FR 11520, Mar. 11, 2003	TKAST All others	0.00 39.69
[1] Amended administrative review. [2] Corrected margin. [3] Scope of antidumping duty order amended to remove the original language that excluded cold-rolled stainless steel plate in coils.				
Korea				
Final determination	1/1/97 - 12/31/97	64 FR 15444, Mar. 31, 1999	POSCO All others	16.26 16.26
Order (A-580-831)	--	64 FR 27756, May 21, 1999	*See* above	*See* above
Amended final determination	--	66 FR 45279, Aug. 28, 2001	POSCO All others	6.08 6.08
Administrative review	11/4/98 - 4/30/00	66 FR 64017, Dec. 11, 2001 67 FR 19734, Apr. 23, 2002[1]	POSCO All others	1.19 6.08[2]
Amended order[3]	--	68 FR 11520, Mar. 11, 2003	POSCO	1.19 6.08
[1] Amended administrative review. [2] Corrected margin. [3] Scope of antidumping duty order amended to remove the original language that excluded cold-rolled stainless steel plate in coils.				

Table continued on next page.

Table I-2--*Continued*
Certain stainless steel plate: Commerce's determinations and administrative reviews of the antidumping duty orders

South Africa				
Final determination	1/1/97 - 12/31/97	64 FR 15459, Mar. 31, 1999	Columbus All others	41.63[1] 41.63[1]
Order (A-791-805)	--	64 FR 27756, May 21, 1999 68 FR 11520, Mar. 11, 2003[2]	Columbus All others	37.77[2] 37.771[2]
Amended order[3]	--	68 FR 11520, Mar. 11, 2003 68 FR 20114, Apr. 24, 2003[4]	Columbus All others	37.77 37.771
[1] The bonding/cash deposit rate was equal to 37.79 percent. [2] In accordance with section 772(c)(1)(C) of the Tariff Act, the cash deposit rate for South Africa has been reduced by 3.86 percent to account for export subsidies found in the concurrent countervailing duty investigation. [3] Scope of antidumping duty order amended to remove the original language that excluded cold-rolled stainless steel plate in coils. [4] Correction to amended order.				
Taiwan				
Final determination	1/1/97 - 12/31/97	64 FR 15493, Mar. 31, 1999	YUSCO YUSCO/Ta Chen All others	8.02[1] 10.20[1] 7.39[1]
Order (A-583-830)	--	64 FR 27756, May 21, 1999	*See* above	*See* above
Administrative review	5/1/00 - 4/30/01	67 FR 40914, June 14, 2002	YUSCO	8.02
Amended order[2]	--	68 FR 11520, Mar. 11, 2003	YUSCO YUSCO/Ta Chen All others	8.02 10.20 7.39
[1] Because Commerce determined that middleman dumping occurred during its period of investigation, it assigned rates as follows: (1) a company-specific rate of 8.02 percent for YUSCO, the Taiwan manufacturer; (2) a cash deposit rate of 10.20 percent to sales produced by YUSCO and sold to the United States through the Taiwan trading company Ta Chen; and (3) an "all other" rate of 7.39 percent. [2] Scope of antidumping duty order amended to remove the original language that excluded cold-rolled stainless steel plate in coils.				
Source: Cited *Federal Register* notices.				

Table I-3
Certain stainless steel plate: Commerce's determinations and administrative reviews of the countervailing duty orders

Action	Period of review	*Federal Register* cite	Company	Margin (*percent*)
Belgium				
Final determination	Calendar year 1997	64 FR 15567, Mar. 31, 1999 64 FR 25288, May 11, 1999[1]	ALZ Belgium All others ALZ Belgium All others	1.82 1.82 2.00[2] 2.00[2]
Order (C-423-809)	--	64 FR 25288, May 11, 1999	*See* above	*See* above
Administrative review	9/4/98 - 12/31/98 1/1/99 - 5/11/99[3]	66 FR 45007, Aug. 27, 2001	ALZ Belgium ALZ Belgium	3.25 1.78
Amended order[4]	--	68 FR 11524, Mar. 11, 2003	ALZ Belgium All others	1.78 2.00
Suspension of liquidation	--	69 FR 26075, May 11, 2004	ALZ Belgium	(5)
Revised administrative review	9/4/98 - 5/11/99	70 FR 18374, Apr. 11, 2005	ALZ N.V. ALV N.V.	1.36 (1998) 0.97 (1999)
[1] Amended final determination. [2] Corrected margin. [3] In accordance with section 703(d) of the Tariff Act, suspension of liquidation was lifted for entries made between Jan. 2, 1999 and May 11, 1999, the date of publication of the countervailing duty order. [4] Scope of countervailing duty order amended to remove the original language which excluded cold-rolled stainless steel plate in coils. [5] On July 11, 2003, the CIT remanded to Commerce its determination in the first administrative review. Commerce issued its redetermination pursuant to the remand on December 10, 2003 and, on April 22, 2004, the CIT issued an order affirming Commerce's final results. Commerce will continue to order the suspension of liquidation of the subject merchandise until there is a "conclusive" decision (i.e., expiration of the period to appeal the CIT's April 22, 2004 decision or, if that decision is appealed, pending a final decision by the Federal Circuit).				
Italy				
Final determination	Calendar year 1997	64 FR 15508, Mar. 31, 1999	AST All others	15.16 15.16
Order (C-475-823)	--	64 FR 25288, May 11, 1999	*See* above	*See* above
Amended order[1]	--	68 FR 11524, Mar. 11, 2003 68 FR 20115, Apr. 24, 2003[2]	TKAST All others	15.16 15.16
Implementation under section 129	--	68 FR 64858, Nov. 17, 2003	AST All others	1.62 1.62
[1] Scope of countervailing duty order amended to remove the original language which excluded cold-rolled stainless steel plate in coils. [2] Correction to the amendment (no change in rates).				
South Africa				
Final determination	Calendar year 1997	64 FR 15553, Mar. 31, 1999 64 FR 25288, May 11, 1999[1]	CJV All others CJV All others	3.93 3.93 3.95[2] 3.95[2]
Order (C-791-806)	--	64 FR 25288, May 11, 1999	*See* above	*See* above
Amended order[3]	--	68 FR 11524, Mar. 11, 2003	CJV All others	3.95 3.95

Notes on next page.

Continuation.

[1] Amended final determination.
[2] Corrected rate.
[3] Scope of countervailing duty order amended to remove the original language which excluded cold-rolled stainless steel plate in coils.

Source: Cited *Federal Register* notices.

THE SUBJECT MERCHANDISE

Description and Uses

The imported product subject to these reviews is stainless steel plate. The subject plate products are flat-rolled stainless steel[26] products, 254 mm (10 inches) or greater in width and 4.75 mm (0.1875 inch) or greater in thickness, in coils, and annealed or otherwise heat-treated and pickled or otherwise descaled. The subject plate may also be further processed (e.g., cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing.[27] Excluded from the scope of the reviews are the following: (1) plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip,[28] and (4) flat bars.[29] [30]

Plate normally is sold either in coil form or as flat, rectangular shapes. While the capabilities of each producing mill are unique, plate can be manufactured in coils as wide as 96 inches and as thick as 0.5 inch, and is also sold in rectangular shapes flattened and cut-to-length from coils in the same range of thicknesses and widths as in coils. Flat plate is also available wider than 96 inches and/or thicker than 0.5 inch as product produced on a plate mill and never coiled. Neither the product cut from coils (sometimes called cut-to-length (CTL) plate) nor the product of plate mills (sometimes called plate mill plate (PMP) or discrete plate) is subject to these reviews.

Plate can be sold in any of several "conditions" and "finishes." Coiled plate is initially produced by a hot-strip mill and has a dark heavy surface oxide that is formed while the steel is at high temperature. The product is called hot-rolled black (HRB) and is often referred to as black band. Plate imported in this condition is not subject to these reviews. Before the plate can be used for any corrosion-resistant application, it must be annealed and be descaled or pickled. Following the pickling operation the plate has a white appearance and is often referred to as white band or white plate. Plate sold in this condition is referred to as hot-rolled, annealed and pickled (HRAP) or, for the purposes of this report, hot-rolled

[26] *See* the discussion of the various stainless steel grades in the section of this report entitled "Comparison of Domestically Produced and Imported Product."

[27] The HTS distinguishes between products that are or are not "further worked" than hot-rolled or cold-rolled. "Further worked," in the HTS, refers to products subjected to any of the following surface treatments: polishing and burnishing; artificial oxidation; chemical surface treatments such as phosphatizing, oxalating, and borating; coating with metal; coating with nonmetallic substances (e.g., enameling, varnishing, lacquering, painting, coating with plastics materials); or cladding.

[28] Sheet and strip are other flat-rolled products that are produced by similar methods as plate and share many characteristics of plate. Sheet is such product that is under 4.75 mm in thickness and 600 mm (24 inches) and greater in width. Strip is product that is under 4.75 mm in thickness and under 600 mm in width.

[29] Flat bars also share some characteristics with plate in that they equal or exceed 4.75 mm (0.1875 inch) in thickness and may equal or exceed 254 mm (10 inches) in width. Unlike plate, flat bars are not a flat-rolled product but rather are rolled with grooved rolls on a bar mill with, accordingly, edges that do not need trimming.

[30] *See* app. A for a description of Commerce's scope as defined in its results of expedited and full reviews.

stainless steel plate. All plate imported in this condition or after further processing is subject to these reviews so long as it is not further reduced below 4.75 mm in thickness.

Stainless steel plate is used for the fabrication of storage tanks, process vessels, and equipment in the chemical, dairy, restaurant, pulp and paper, pharmaceutical, and other industries where the corrosion resistance, heat resistance, or ease of maintenance of stainless steel is needed. For these applications, the subject (or coiled) product would normally be distributed through a service center or warehouse having the necessary equipment to uncoil, flatten, and cut to length. The availability of the product in coil form offers the service center and the ultimate customer more utility because the product can be cut to the exact length required, rather than cut from a standard length, potentially reducing the cost to the ultimate user and allowing the service center to operate with less inventory and to keep the inventory cleaner.[31]

Another major market for the product is for the production of stainless steel tubing for use in the same industries mentioned above. Tubing manufacturers would normally have the ability to feed the material directly into a tube-making machine where it would be formed into a round tube, welded, and cut to length as a tube. For smaller diameter tubes, the subject product would first be slit into a number of individual coils of the required width. This slitting might be done by the tubing manufacturer or by a warehouse or service center.

Substitution of materials other than stainless steel plates for these applications normally is not possible, because other materials do not have the necessary combination of corrosion resistance, heat resistance, and ease of maintenance of stainless steel. Direct substitutions are not possible because design specifications call specifically for a particular grade of stainless steel. Over time, new designs might be developed for some applications through the use of plastics or higher cost materials, but these are not considered to be an immediate threat to the use of stainless steel.

Manufacturing Process[32]

The process of manufacturing stainless steel plate begins with the melting and casting operation. Melting takes place in an electric arc furnace, followed by refining of the molten metal in a secondary refining unit and casting into a continuous slab. Steelmaking raw materials include stainless steel and carbon steel scrap, ferroalloys and alloying elements, and recycled process materials from the plant operations. The refining unit is usually an argon-oxygen decarburization (AOD) unit although there are other similar processes that also serve the function of removing carbon, silicon, and other elements from the molten metal while minimizing the loss of valuable chromium. Samples of the molten metal are chemically analyzed at several points in the process, and the results are used to calculate the exact amount of ferroalloys to be added to meet the ordered specification. Care is taken at this stage to assure that only the least costly raw materials are used, and in the minimum quantity necessary to meet the specification. This is particularly important in the production of stainless steel because the alloying elements nickel, molybdenum, and chromium represent the largest cost of the product.

The molten steel is poured into a reservoir dam (tundish) to control the flow into the continuous casting machine, which has a mold at the top with an open bottom. A solid slab slowly descends by gravity from the bottom of the mold and through the caster. The slabs are 5 to 8 inches thick and up to 100 inches wide. The steel manufacturer has no opportunity to alter the chemical analysis of the steel or

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[31] *See*, for example, testimony of Judy Tangen during the original investigations (conference transcript, p. 155), as cited in *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, p. I-5.

[32] The information in this section of the report is derived from the original investigations. *See Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, pp. I-5 and I-6.

to change the width of the product significantly once the casting has taken place. The continuous slabs are cut into lengths of up to about 35 feet for further processing. The length is limited by the mill's reheating and/or rolling capability.

After casting, the slabs are inspected and conditioned,[33] then reheated to rolling temperature, usually in a gas-fired, continuous furnace. Next, the heated slabs are rolled on a hot-strip mill consisting of a roughing and a finishing mill. For a mill designed primarily to produce stainless steel, the roughing mill is generally a reversing mill in which the slabs are rolled to a thickness of about 1 inch in a succession of rolling passes. The finishing mill could be a reversing mill of the Steckel type, which is equipped to coil the bands after each pass in order to conserve space and temperature, or a continuous mill made up of five or six individual rolling stands, located about 18 feet apart, and with the bands passing continuously through the stands in one direction only. Finally, the bands continue on to a coiler, where they are wrapped into coils. At this point the product would be called a black band (or a hot band), and if it was ordered as a hot-rolled product it would be at its final ordered thickness, even though additional processing might be required.

Annealing and pickling usually takes place on a single continuous process line, although the processes sometimes are performed on separate units. The black band first passes through a continuous furnace in which it is heated to annealing temperature and then quickly cooled. It next passes through a grit-blasting machine in which the scale from the hot mill and the annealing furnace is removed using small particles of steel grit thrown at high speed by centrifugal wheels. The band then passes through tanks containing acid, followed by a water rinse, and finally is recoiled at the end of the line. Some companies include edge-trimming of the product in the anneal and pickle line, and some use a separate machine for edge-trimming, if required. After this processing the band is ready for shipping as HRAP plate, in coil.

A very small proportion of stainless steel plate is produced and sold as cold-rolled. To produce such plate, a hot-rolled and pickled or descaled coil is cold-reduced to the final ordered thickness. The amount of cold reduction is 25 percent or more. Following cold reduction, annealing and pickling is required for cold-rolled plate. Either HRAP plate or cold-rolled annealed and pickled plate may be further finished in a temper mill or cold-rolling mill with a very light cold-rolling pass, known as a temper pass or skin pass.[34] The purpose of the temper or skin pass is to provide a required surface finish and/or to improve the flatness of the coiled product. Such a temper or skin pass does not create the need for another annealing step and does not change the classification of hot-rolled plate to cold-rolled plate. Cold-rolled plate has a smoother finish with greater freedom from surface imperfections than hot-rolled plate and is used for a limited number of specialized applications such as containers and tanks for food processing, beer brewing, and dairies where smooth surfaces that can be easily cleaned are essential. Cold-rolled stainless steel plate also falls within the definition of the subject merchandise.

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[33] Conditioning is done by grinding, and may be all-over grinding, or spot grinding of individual defects, or no grinding at all.

[34] The explanatory Notes to the HS (Harmonized System) state that: "The very light cold-rolling process (known as a skin pass or pinch pass) which is applied to certain hot-rolled flat products without significant reduction of their thickness does not change their character of finished hot-rolled products. This cold pass under low pressure acts essentially on the surface of the products only, whereas cold-rolling in the true sense (also known as cold-reduction) changes the crystalline structure of the work piece by considerably reducing its cross-section." Harmonized Commodity Description and Coding System, Explanatory Notes, Third Edition (2002), General Explanatory Note to Chapter 72 Iron and Steel, (IV) (B).

Comparison of Domestically Produced and Imported Product

Table I-4 lists the grades of U.S. shipments of both domestically produced and imported stainless steel plate (all of which was from Belgium); U.S. shipments, by width, are provided in table I-5.

Table I-4
Certain stainless steel plate: U.S. shipments, by source and by grade, 2004

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Table I-5
Certain stainless steel plate: U.S. shipments, by source and by width, 2004

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See also the following discussion of stainless steel grades:

> Stainless steel alloys are designated by the American Iron and Steel Institute (AISI) numbering system, Unified Numbering System (UNS),[35] or proprietary alloy name. Of the two numbering systems, the AISI system is older but more common in the United States.[36] Under this system, stainless steel alloy grades are designated in three-digit numeric series, based on contents of chromium, nickel, and certain other elements. One- or two-letter suffixes indicate variations in the content of certain alloying elements (e.g., "L" for low carbon, or the chemical symbol for the presence of a particular element).[37]
>
> The 200 Series classification includes austenitic stainless steels[38] of chromium-nickel grades containing chromium (16.0-22.0 percent), nickel (1.00-7.0 percent), with manganese (5.5-15.5 percent) substituted for some of the nickel as in 300 Series classification (*see* below). Stainless steel grades within the 200 Series can be hardened by cold working but not by annealing (heat treating), but annealing does impart formability and renders the steel essentially nonmagnetic, although some may become slightly magnetic by cold working. These austenitic steels exhibit high corrosion resistance to atmospheric conditions and presence of many industrial gasses and chemicals, but the degree of resistance varies by grade. Many grades in this series also

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[35] The UNS designation consists of an initial "S" followed by a five-digit number. For stainless steel grades with an AISI designation, the first three digits of the UNS designation generally corresponding to the three-digit AISI numeric designation. The last two UNS digits are "00" for basic AISI three-digit designations, with differences reflecting variations of the basic AISI grade. High-nickel grades are indicated by the initial letter "N" followed by a five-digit number. ASM International, *ASM Specialty Handbook, Stainless Steels*, Materials Park, OH, 1994, p. 5.

[36] ASM International, *ASM Specialty Handbook, Stainless Steels*, Materials Park, OH, 1994, p. 5.

[37] Information about the various stainless steel alloy classifications are compiled from Iron and Steel Society, *Steel Products Manual, Stainless Steels*, Warrendale, PA, March 1999, "Overview of Stainless Steels," pp. 1-2; table 2-1 "Stainless Steels, Cast or Heat Chemical Ranges and Limits," pp. 17-22; and appendix I "Typical Applications of Selected Stainless Steels," pp. 251-255; and from ASM International, *ASM Specialty Handbook, Stainless Steels*, Materials Park, OH, 1994, pp. 5-12 and pp. 13-38.

[38] "Austenitic," "ferritic," and "martenistic" refer to different crystalline structures of steel. For more details, *see* e.g., ASM International, *ASM Specialty Handbook, Stainless Steels*, Materials Park, OH, 1994, pp. 13-38.

retain strength at high temperature and do not become brittle at low temperatures. However, substitution of less-costly manganese for more-costly nickel results in less corrosion resistance and less formability for 200 Series grades than compared to 300 Series grades without manganese additions.

The 300 Series classification includes both austenitic and austenitic-ferritic (duplex) stainless steels of varying chromium-nickel grades with other alloying elements, particularly nitrogen and molybdenum. The austenitic stainless steels contain lower chromium (16.0-26.0 percent) and higher nickel (5.0-34.0 percent) contents than do duplex stainless steels with higher chromium (23.0-28.0 percent) and lower nickel (2.5-5.0 percent) contents. Austenitic stainless steel grades in this series exhibit properties similar to those in the 200 Series classification. By contrast, austenitic-ferritic stainless steels offer several advantages over straight-austenitic grades, particularly higher resistance to pitting and cervice corrosion, and about twice the yield strength.

The 400 Series classification includes both ferritic and martenistic stainless steels of "straight-chrome" grades that contain 10.5-27.0 percent chromium with or without small amounts (0.5-1.00 percent) of nickel for the ferritic stainless steels, and that contain 11.5-18.0 percent chromium with or without small amounts (0.60-2.50 percent) of nickel or other alloying elements for the martenistic stainless steels. Ferritic stainless steel grades in this series cannot be heat hardened and can be only moderately hardened by cold working. They are magnetic, are moderately ductile, and moderately resist corrosion and oxidation. Ferritic grades are also relatively weak at high temperature and may lack durability at low temperatures. Martenistic stainless steel grades are also magnetic but can be heat hardened.

As shown in table I-4, both U.S.-produced stainless steel plate and subject merchandise from Belgium are clustered in grades 304, 304L, and 316L (table I-4). However, stainless steel plate is commonly produced in the United States in widths of 60 inches or less while most subject merchandise from Belgium was in widths greater than 60 inches (table I-5).[39]

The domestic interested parties argue that plate in narrower widths competes with and can be substituted for "wide-width" material and that, further, it is "likely" that narrower width plate would be imported from Belgium should the orders be lifted.[40] Respondents reply that petitioners are "mistaken" in the belief that narrow-width product can compete effectively with the U.S. imports of wide-width plate from Belgium.[41]

In their posthearing brief, the domestic interested parties identify the major end-use product areas for stainless steel plate as (1) welded pipe and tube manufacturing, (2) tank and vessel manufacturing, and (3) stamped or cut stainless steel parts manufacturing. They argue that the yield loss

[39] ***. E-mail from counsel for U&A Belgium, April 25, 2005.

[40] Domestic producers' prehearing brief, p. 33. In 1997, *** percent of U.S. imports of subject merchandise from Belgium were sold in widths of 60 inches or less while *** percent, was sold in widths greater than 60 inches. Confidential staff report for the original investigations (memorandum INV-W-064, April 9, 1999), p. IV-8.

[41] Joint respondent interested parties' posthearing brief, exhibit 3, pp. 3-4. They cite testimony at the hearing (hearing transcript, p. 74) that pipe makers cannot weld smaller plates together to produce large-diameter pipe without obtaining an exception. Respondents also point to the premium that is reportedly paid for wide-width plate. Ibid., citing hearing testimony by Terrence Hartford, Senior Vice President, Commercial, Allegheny Technologies, Inc. (hearing transcript, p. 80).

in cutting plate for the downstream manufacture of tanks and vessels and in fabricating industrial parts must be measured against any premium paid for wider-width plate. They assert that, in some instances, it may be more economical to use narrower width material for downstream fabricating. They state that "{i}n all but a minority of instances, customers make their purchasing decision largely on the basis of price and will readily substitute among width based on the total cost." Further, "the instances in which 72-inch wide coil is required for welded pipe production, one of the few large customer bases to buy directly from {stainless steel plate} producers, are also rare."[42]

DOMESTIC LIKE PRODUCT ISSUES

In its original determinations, the Commission, as discussed earlier, by majority vote found the appropriate domestic like products to be certain hot-rolled stainless steel plate in coils and certain cold-rolled stainless steel plate in coils.[43] On remand, the Commission majority defined a single domestic like product, certain stainless steel plate in coils.[44] In response to a question soliciting comments regarding the appropriate domestic like product in the Commission's notice of institution of these reviews, the domestic interested parties and the Korean interested parties indicated their agreement with the most recent Commission single domestic like product finding encompassing hot-rolled and cold-rolled stainless steel plate. The Belgian interested party did not state a position.[45] [46]

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[42] Domestic interested parties' posthearing brief, exhibit 1, pp. 4-9.

[43] *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, pp. 1-2 and 4-8. Vice Chairman Miller and Commissioners Crawford, Hillman, and Askey found two domestic like products (certain hot-rolled stainless steel plate in coils and certain cold-rolled stainless steel plate in coils) while Chairman Bragg and Commissioner Koplan found one domestic like product encompassing both certain hot-rolled stainless steel plate in coils and certain cold-rolled stainless steel plate in coils. Ibid., pp. 1-2.

[44] *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final) (Remand)*, USITC Publication 3541, September 2002, p. 1. The Commission majority on remand, which included Commissioners Bragg, Koplan, and Okun, adopted the original like product findings of Commissioners Bragg and Koplan. Commissioners Hillman and Miller dissented on remand and again found two domestic like products (hot-rolled stainless steel plate in coils and cold-rolled stainless steel plate in coils).

[45] *See Responses to the Commission's Notice of Institution* by domestic interested parties, p. 18; Korean respondent interested party, p. 9; and Belgian respondent interested party.

[46] *See also* the prehearing brief (pp. 4-17) of the domestic interested parties in which they argue for a single domestic like product covering hot-rolled and cold-rolled stainless steel plate. With respect to physical characteristics, the domestic interested parties state that "{t}he variety of characteristics that an end-user may seek may be attained through various chemistries (grades), heat treatments, and cold-working techniques (cold-rolling, temper passing, grinding and polishing). No bright line exists at cold-rolling." Ibid., p. 10. They argue that there is a broad overlap in applications, with the specialty uses for the cold-rolled plate representing an "exception." There are, according to the domestic interested parties, specialized and niche uses for all stainless steel plate. Ibid., pp. 10-11. In addition, hot-rolled stainless steel plate may meet the tolerance requirements for cold-rolled applications through further grinding and polishing. The domestic interested parties state that "current" gauge controls on hot-rolling mills (along with the use of temper passing or light cold-rolling) allow for general interchangeability between hot-rolled and cold-rolled stainless steel plate but do not further address production process changes within the U.S. industry since the original investigations. With respect to interchangeability, they further argue that whether polishing or cold-rolling is more cost effective "could vary by particular specifications." Ibid., pp. 12-13. The domestic interested parties also state that manufacturing facilities, production processes, and production employees

(continued...)

U.S. producers and U.S. importers were both requested in the Commission's questionnaires for these reviews to compare the physical characteristics/end uses and interchangeability of hot-rolled and cold-rolled stainless steel plate and, for U.S. producers, the differences and similarities in manufacturing processes (tables I-6 and I-7). As shown, domestic manufacturers referred to hot-rolled and cold-rolled stainless steel plate as largely interchangeable while U.S. importers indicated that interchangeability--at least in using the hot-rolled product in applications requiring a cold-rolled finish--was limited at best, although one firm referred to overlapping end uses in chemical processing equipment. Both U.S. producers and U.S. importers commented on the higher strength and tighter (thickness) tolerances of cold-rolled stainless steel plate compared to hot-rolled stainless steel plate. Importers, however, further linked the higher tensile strength and lower breaking point of the cold-rolled product to its ability to be bent into various shapes. U.S. importers also described cold-rolled stainless steel plate as having a smoother surface quality, making it suitable for use in a number of specialized applications that require an easily cleaned surface.

Table I-6
Certain stainless steel plate: Comparison by U.S. producers of the production processes, characteristics and uses, and interchangeability of hot-rolled stainless steel plate vs. cold-rolled stainless steel plate

Firm	Differences and similarities in manufacturing processes
***	Cold-rolled stainless is a hot-rolled product with a few additional operations applied to produce the cold-rolled product. The majority of costs are incurred in the common operations of melting and hot rolling.
***	Hot-rolled and cold-rolled stainless steel plate basically go through the same processes including melting and rolling. Cold-rolled plate undergoes additional processing.

Table continued on next page.

[46] (...continued)
overlap. Ibid., pp. 13-14. Citing the previously addressed criteria of interchangeability and, further, the commonality of ASTM and AISI standards, the domestic interested parties argue that consumers and producers do not perceive hot-rolled and cold-rolled stainless steel plate as different products. While ASTM standards distinguish plates by the type of finish requested, that specification can, according to the domestic industry, be obtained through varying processes subsequent to rolling. Further, "the critical expectations for {stainless steel} plate products are that they are in the specified plate thickness, are in coils, and are made to the identified chemistry and other grade requirements. Finish and tolerance are secondary characteristics that can be obtained by more than one method." Ibid., pp. 14-16. Finally, according the domestic interested parties, there is more variance in price between hot-rolled products of differing grades or dimensions than between hot-rolled and cold-rolled plate of the same specification. Both hot-rolled and cold-rolled stainless steel plate are sold through common channels of distribution. Ibid., p. 17.

Table I-6--*Continued*
Certain stainless steel plate: Comparison by U.S. producers of the production processes, characteristics and uses, and interchangeability of hot-rolled stainless steel plate vs. cold-rolled stainless steel plate

	Differences and similarities in physical characteristics and end uses
***	The materials have the same characteristics and are essentially identical while the cold rolled material will exhibit slightly higher strength and gauge control.
***	The only difference between the two products is that tolerances in cold-rolled plate are closer than the tolerances for hot-rolled plate. Both products have the same end uses.
	Competition (if any) for sales
***	These product forms overlap greatly in the market.
***	The products may be used interchangeably.

Note.–***.

Source: Based on information submitted in response to Commission questionnaires.

Table I-7
Certain stainless steel plate: Comparison by U.S. importers of the characteristics and uses and interchangeability of hot-rolled stainless steel plate vs. cold-rolled stainless steel plate

Source and firm	**Differences and similarities in physical characteristics and end uses**
***	Physical characteristics.–The differences between hot-rolled stainless steel plate and cold-rolled stainless steel plate relate to thickness, surface quality, tensile strength, and price. The surface material is smoother, with fewer pores and fewer skin openings. In addition, it has a higher tensile strength and lower breaking point than the hot-rolled product. As such, it can therefore be manipulated and bent into various shapes without breaking, bursting or splitting. Because of these differences, cold-rolled stainless steel plate is more expensive than hot-rolled stainless steel plate. End uses.–Cold rolled stainless steel plate is used for more specialized end-uses than the hot-rolled product. In particular, cold-rolled stainless steel plate is used to produce products, such as beer barrels and cooking utensils (pots and pans)–i.e., where material must be bent without breaking.
***	Physical characteristics.–Generally speaking the surface finish of hot rolled plate is more coarse than the surface finish of cold rolled plate. Compare, for example, an orange (hot rolled) to a tangerine (cold rolled). End uses.–Hot-rolled stainless steel plate applications include general fabrication of tanks and vessels and machined parts such as valve gates and pipe flanges. Cold-rolled stainless steel plate is used for food preparation surfaces, pharmaceutical vessels, and hospital equipment.

Table continued on next page.

Table I-7--*Continued*
Certain stainless steel plate: Comparison by U.S. importers of the characteristics and uses and interchangeability of hot-rolled stainless steel plate vs. cold-rolled stainless steel plate

***	Physical characteristics.–The chemical composition of cold-rolled plate in coils is generally similar to that of hot-rolled stainless steel plate. Both are corrosion resistant and are available in similar dimensions. The cold-rolled product, however, generally has a smoother finish with greater freedom from surface imperfections than the hot-rolled plate, and can also be produced to tighter tolerances than the hot-rolled product. End uses.–All stainless steel plate is used for tanks and equipment for industries for which the corrosion resistance, heat resistance, and/or ease of maintenance of stainless steel are needed; it is also used for stainless steel tubing for the same industries. Cold-rolled stainless steel plate is used in a limited number of specialized applications such as containers and tanks for food processing, beer making, and dairies, where a smoother surface that can be easily cleaned is essential.
***	Physical characteristics.–Cold-rolled stainless steel plate is rolled on a cold mill receiving about 25 percent cold reduction. The cold-rolled plate has a surface that is slightly reflective, smoother; lower Ra value. Cold-rolled plate thickness tolerances are tighter than the hot-rolled plate tolerances. End uses.–Applications that require further polishing or cleaning (brewery, beverage, pharmaceutical equipment).
	Competition (if any) for sales
***	Although there are some circumstances in which hot-rolled and cold-rolled stainless steel plate can be interchanged, there are many applications for which one or the other product must be used because of cost considerations or the specific requirements for the steel. As such, there is little direct competition between hot-rolled and cold-rolled stainless steel plate.
***	Some interchangeability is possible. However, in most applications requiring the cold rolled finish, the cost of converting hot rolled by further rolling (cold pass) or polishing would be price prohibitive. Hot rolled plate is usually cheaper than cold rolled plate.
***	There is general agreement that cold-rolled stainless steel can be used for hot-rolled applications. Hot-rolled stainless steel plate, however, is generally not interchangeable in applications calling for cold-rolled stainless steel plate, at least without further grinding/polishing processes, and even then it would be substantially more expensive and may not meet required tolerances.
***	No interchangeability. Alternative products include plastic or glass coated carbon steel.
Note.–***. Source: Based on information submitted in response to Commission questionnaires.	

With respect to production, cold-rolled stainless steel plate is, per Commerce's scope definition, a product that meets the physical characteristics for hot-rolled stainless steel plate but that has undergone a cold-reduction process reducing the thickness of the steel by 25 percent or more, and has been annealed

and pickled after this cold-reduction process.[47] Both Allegheny Ludlum and NAS currently produce cold-rolled stainless steel plate in the United States. According to ***, the majority of production costs are incurred in the common operations of melting and hot rolling (table I-6). ***.[48]

Table I-8 presents the shares of shipments to end users and distributors (by source and by product). As shown, the majority of all U.S. shipments of domestically produced stainless steel plate were to distributors (or service centers) as were *** U.S. shipments of imported product. The service centers, in turn, frequently further process the plate for their end-user customers.[49] There was no difference in the distribution patterns between hot-rolled stainless steel plate and the cold-rolled product.

Table I-8
Certain stainless steel plate: Shares of U.S. shipments by product and channels of distribution, 1998-2004

* * * * * * *

Finally, U.S. importers stated that the price of cold-rolled stainless steel plate was higher than that for the hot-rolled product (table I-7). Domestic producers, in their responses to Commission questionnaires, reported a unit value of $*** for cold-rolled stainless steel plate compared to $*** per ton for hot-rolled stainless steel plate in 2004[50] while *** reported a unit value of $*** per ton for cold-rolled stainless steel plate compared to $*** for the hot-rolled product.[51] [52] Additional information on pricing is presented in Part V of this report.

U.S. MARKET PARTICIPANTS

U.S. Producers

The six producers of stainless steel plate identified during the original investigations were: Allegheny Ludlum, Armco, Avesta, J&L, NAS, and Washington Steel (table I-9).[53] All but one of the six firms (i.e., Avesta) were petitioners. The five petitioning firms accounted for *** percent of U.S. stainless steel plate production in 1997.[54] As discussed below, the restructuring of the industry observed

[47] As indicated earlier in the section, Commerce defined cold-rolled stainless steel plate in the antidumping and countervailing duty orders issued in 1999.

[48] Allegheny Ludlum's and NAS's producer questionnaire responses.

[49] Domestic interested parties' posthearing brief, exhibit 1, p. 5.

[50] The volume of domestic production of cold-rolled plate, however, was relatively low and, ***, the reported unit values of the hot-rolled product *** those reported for cold-rolled stainless steel plate. (This could be due, however, to variations in the grades produced.)

[51] ***'s importer questionnaire response. Similarly, the unit value of cold-rolled stainless steel plate from *** was $*** per ton in 2004 compared to $*** per ton for the hot-rolled product. There were no other import sources for cold-rolled stainless steel plate in 2004. ***.

[52] Part III of this report presents a tabulation of the unit values for both hot-rolled and cold-rolled stainless steel plate on an annual basis for U.S. producers and part IV lists comparable data for U.S. importers.

[53] Avesta ***. ***. ***.

[54] Confidential staff report for the original investigations (memorandum INV-W-064, April 9, 1999), p. III-2.

Table I-9
Certain stainless steel plate: U.S. producers, their plant location(s), their shares of production in 1997 and 2004, and their positions on the orders

Firm	Plant location(s)	Percent of production		Position on orders
		1997	2004	
AK[1]	Middletown, OH Butler, PA[2] Rockport, IN	***[3]	***	Supports
Allegheny Ludlum[4]	Brackenridge, PA Massillon, OH[5]	***	***	Supports
Avesta[6]	Baltimore, MD[7]	***	-	***
J&L[8]	Midland, PA[9] Louisville, OH[9]	***	***	***
NAS[10]	Ghent, KY	***	***	Supports each order other than South Africa (which it opposes)
Washington Steel[11]	Houston, PA[12] Washington, PA[13]	***	-	Not applicable
Total	-	100.0	100.0	-

[1] Firm is not owned, in whole or in part, by any other firm. AK acquired Armco in September 1999 and in that same year opened a Rockport, IN, facility that includes a "***" volume of coiled plate production.
[2] ***.
[3] Figure is the share of production accounted for by Armco's Butler, PA, facility.
[4] Firm is ***-percent owned by Allegheny Technologies, Inc. (Pittsburgh, PA). At the time of the original investigations, Allegheny Ludlum was reported to be a wholly owned subsidiary of Allegheny Teledyne. Allegheny Teledyne changed is name to Allegheny Technologies on November 29, 1999.
[5] ***.
[6] Avesta (reporting as AvestaPolarit East) is owned by Outokumpu Stainless, Inc. (Schaumburg, IL). ***. Outokumpu Stainless AB, the parent of Outokumpu Stainless Coil, Inc. and Outokumpu Stainless Pipe, Inc., manufactures stainless steel plate in Sweden. Avesta Polarit East's predecessor firm, Avesta Sheffield NAD, was owned by the Swedish firm Avesta Sheffield AB.
[7] Plant started up early 1996 and shut down in July 1998.
[8] J&L was a subsidiary of the Usinor Group (France) during most of the period examined. In 2003, it became a subsidiary of the Arcelor Group, which includes the subject Belgium producer U&A Belgium. *Response to the Commission's Notice of Institution* by domestic interested parties, p. 9, fn. 7. ***. E-mail from counsel for domestic interested parties, February 25, 2005.
[9] Plants are currently ***. E-mail from counsel for domestic interested parties, February 23, 2005.
[10] Firm is ***-percent owned by Acerinox, S.A. (Madrid, Spain), its primary parent at the time of the original investigations. Acerinox S.A. is the parent of Columbus Stainless (Middelburg, South Africa), a manufacturer of stainless steel plate.
[11] Washington Steel had been owned and controlled by Bethlehem Group prior to the 1998 sell-off of its assets.
[12] ***.
[13] ***.

Note.–The United Steelworkers of America, AFL-CIO/CLC (USWA) does not support continuation of the antidumping duty order against Canada. *Response to the Commission's Notice of Institution* by domestic interested parties, p. 2, fn. 3. The USWA workers are employed at either Allegheny Ludlum or J&L. *Supplemental response* (dated June 1, 2004) by domestic interested parties, p. 1.

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

in the original investigations has continued throughout the period examined in these reviews.[55] In the period after the original petitions were filed (March 1998) but prior to the issuance of the orders (May 1999), two firms, Avesta and Washington Steel, discontinued domestic manufacturing operations. Then, in September 1999, Armco was acquired by AK and, in June 2004, J&L's stainless steel plate manufacturing operations were acquired by wholly-owned subsidiaries of Allegheny Ludlum.

In their prehearing brief, the domestic interested parties described the current structure of the industry as "not fundamentally different from the industry that existed in 1999, the year of the orders. Most industry consolidation had occurred or was under way at the time the orders were published."[56] Respondents disagreed and argue that, in contrast to the original investigations, the U.S. industry is now dominated by producer NAS, which they characterize having been in the process of completing a "greenfield investment" in 1999.[57] In their posthearing brief, the domestic interested parties further describe what they label as the "the evolution of the industry" as the "replacement of older, less efficient capacity with more efficient capacity" rather than "one of massive expansion." They pair the development of NAS with the concurrent exit of Avesta and Washington Steel.[58]

Restructuring of the U.S. Industry

Avesta

In July 1998, Avesta discontinued manufacturing operations at its recently acquired (in 1995) Baltimore, MD facility. The Baltimore plant included a melt shop for producing slab and a new (in 1996) 80-inch wide anneal and pickle line. According to the report for the original investigations, the firm cited the high cost of operating the Baltimore facility relative to domestic competition as the principal reason for the closure.[59] ***.[60]

Washington Steel

Washington Steel, whose stainless operations in Washington, PA, and Houston, PA, had been owned by Lukens Steel (Lukens) during most of the period examined during the original investigations. In May 1998, Lukens, including Washington Steel, was acquired by Bethlehem Steel Corp. (Bethlehem). The report for the original investigations indicated that because of sustained operating losses, and in spite of recent investments that had been made by Lukens, Bethlehem decided to leave the stainless steel sector. In November 1998, Bethlehem and Allegheny Teledyne, Inc. (Allegheny Teledyne) finalized an agreement whereby Allegheny Teledyne would acquire the former Lukens assets that were used only for stainless steel activities (i.e., the Houston, PA, stainless steel melting and hot-rolling facility and the

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[55] The Commission has collected data in these reviews for the 1998-2004 period that are compatible with data obtained during the original investigations.

[56] Domestic interested parties' prehearing brief, p. 2. *See also* pp. 42-44.

[57] Joint respondent interested parties' posthearing brief, p. 27.

[58] Domestic interested parties' posthearing brief, exhibit 1, p. 3.

[59] *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigations Nos. 701-TA-376, 377, and 379 (Final) and Investigations Nos. 731-TA-788-793 (Final),* USITC Publication 3188, May 1999, p. III-3.

[60] ***'s producer questionnaire response and ***.

Massillon, OH, annealing and pickling line).[61] Subsequently, in December 1999, Allegheny Teledyne also acquired the hot-roll anneal and pickle line in Washington, PA, from Bethlehem.[62]

Armco/AK

Armco's main flat-rolling mill, located in Butler, PA, was acquired by AK in September 1999. AK reported that its goal in acquiring Armco was "***."[63] The Rockport, IN, plant opened in 1999; it included ***.[64] In 2003, AK ***.[65]

J&L

J&L was owned by two non-U.S. steel-makers (i.e., the Usinor and Arcelor Groups) during most of the 1998-2004 period. At the time of the original investigations, the firm produced stainless steel slab and could anneal and pickle the subject product but had no hot-rolling facilities.[66] J&L's Midland, PA, facility included a new (in 1997) direct roll and pickle line (DRAP) that represented an innovative approach to the finishing of hot-rolled and cold-rolled stainless steel plate.[67] By combining or even eliminating several production processes, this new technology was cited in the original report as being expected to result in considerable savings in production costs.[68] ***.[69] [70] Allegheny stated that with the J&L purchase it sought to ***.[71]

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[61] *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigations Nos. 701-TA-376, 377, and 379 (Final) and Investigations Nos. 731-TA-788-793 (Final),* USITC Publication 3188, May 1999, pp. III-3-4. The Massillon, OH, anneal and pickle lines had never been owned or operated by Washington Steel but were originally constructed by Lukens and then acquired by Bethlehem. E-mail from counsel for domestic interested parties, February 25, 2005.

[62] E-mail from counsel for domestic interested parties, February 25, 2005.

[63] E-mail from counsel for domestic interested parties, February 25, 2005.

[64] AK's producer questionnaire response.

[65] E-mail from counsel for domestic interested parties, February 25, 2005.

[66] Slabs produced by J&L were rolled by the Weirton Steel Corp. (Weirton, WV) or LTV Steel (Cleveland, OH) and then returned to J&L for finishing either at its Midland, PA mill or one of its other mills in Louisville, OH or Detroit, MI. *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigations Nos. 701-TA-376, 377, and 379 (Final) and Investigations Nos. 731-TA-788-793 (Final),* USITC Publication 3188, May 1999, p. III-3.

[67] The Midland facility did not contain a hot mill. J&L's former parent, Arcelor, was reported to have said that "the lack of a hot-rolling mill was a handicap for J&L." "Arcelor Memo Indicates Plan to Sell-Off J&L," in AMM.com (December 22, 2003) at http://www.amm.com/subscrib/2003/dec/week4/1222tp02.htm, retrieved March 7, 2005.

[68] Ibid.

[69] Some of the former J&L assets from Louisville, KY, and Midland, PA, were sold by a U.S. purchaser (Casey Equipment Co., Pittsburgh, PA) to Nanjing Ganglian Precision Stainless Steel (China). *See* "China Firm Buys Stainless Steel Mill Equipment" in AMM.com (August 2, 2002) at http://www.amm.com/subscrib/2002/aug/week/0809st02.htm, retrieved March 7, 2005.

[70] J&L's producer questionnaire response.

[71] Domestic interested parties' prehearing brief, p. 43. ***. Ibid., p. 44.

Allegheny Ludlum

Allegheny Ludlum, as indicated above, in 1998 and 1999, acquired the former Washington Steel melt shop and hot-rolling facility (in Houston, PA) and anneal and pickle lines (in Washington, PA) in addition to the former Bethlehem anneal and pickle lines (in Massillon, OH). ***[72] with *** but then, in 2004, ***. The firm reports that "***."[73] The firm has ***. It reports that "***."[74]

NAS

As shown in table I-9, NAS is owned by Acerinox S.A. (Madrid, Spain). Acerinox is one of the largest stainless steel producers with manufacturing operations in Algeciras, Spain as well as the NAS plant in Ghent, KY.[75] NAS began production operations in 1992 without a hot-rolling mill in place but completed the installation of a new Steckel hot-rolling mill in late 1998.[76] ***.[77] NAS states that it ***.[78]

Domestic Producers' U.S. Imports and Purchases

Two of the six producers, *** and ***, reported importing subject merchandise during the original investigations.[79] In response to Commission questionnaires issued for these reviews, no producer reported either importing or purchasing stainless steel plate during the period for which data were collected (1998-2004) although, as indicated, ***. ***.[80] ***.[81]

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[72] Allegheny Ludlum states that ***." E-mail from counsel for domestic interested parties, February 25, 2005.

[73] E-mail from counsel for domestic interested parties, February 25, 2005. The domestic interested parties describe Allegheny Ludlum as modernizing its facilities and replacing older melting and related equipment with larger, more efficient furnaces. *Response to the Commission's Notice of Institution* by domestic interested parties, pp. 14-15.

[74] Allegheny Ludlum's producer questionnaire response.

[75] In January 2002, the Acerinox Group acquired a ***-percent shareholding of Columbus, a manufacturer of both flat stainless steel products (including the subject merchandise) and long stainless steel products in South Africa. Columbus' foreign producer questionnaire response.

[76] *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigations Nos. 701-TA-376, 377, and 379 (Final) and Investigations Nos. 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, p. III-4.

[77] E-mail from counsel for domestic interested parties, March 2, 2005. ***. Ibid.

[78] NAS's producer questionnaire response.

[79] During January-September 1998, *** imported hot-rolled stainless steel plate manufactured in South Africa that represented *** percent of the firm's production in the period. *** imported both hot-rolled and cold-rolled stainless steel plate in coils from *** during the period examined in the original investigations. *** explained during the original investigations that it imported the cold-rolled product "***." Much of the firm's imports of the hot-rolled product ***. ***. Confidential staff report for the original investigations (memorandum INV-W-064, April 9, 1999), p. IV-1.

[80] ***. Ibid.

[81] ***'s importer questionnaire response.

Other Operations

Typically, minimal toll production takes place within the domestic industry although there is some downstream processing of "finished" stainless steel plate in polishing, buffing, and slitting operations. Slab produced at Avesta's Baltimore melt shop in 1998 was shipped to Weirton Steel and Lukens Steel (now ISG) for hot-rolling and then returned to Baltimore for annealing and pickling.[82] ***.[83] There is no U.S. production of stainless steel plate in a foreign trade zone and ***. ***.[84]

U.S. Importers

Calculation of U.S. Imports

During the original investigations, 14 firms reported that they imported the subject merchandise and provided usable data to the Commission. As indicated above, two domestic producers also imported subject stainless steel plate.[85] These 16 firms were believed to have accounted for the vast majority of U.S. imports from the countries subject to investigation, i.e., Belgium, Canada, Italy, Korea, South Africa, and Taiwan.[86] The Commission calculated U.S. imports based on questionnaire data from these firms (supplemented, in certain instances, by official Commerce statistics) during both the original and remand investigations.

Official Commerce statistics for the period examined in the original and remand investigations contained nonsubject plate and other products along with the subject imports. This situation still exists although subsequent modifications to the HTS, particularly in 2001, have resulted in a closer concordance between the HTS and the definition of the subject merchandise. In their *Response to the Commisison's Notice of Institution* for the reviews, the domestic interested parties calculated U.S. imports using what will be referred to in this report as the "primary" HTS statistical reporting numbers.[87] The remaining HTS statistical reporting numbers under which the subject merchandise could be currently classifiable but

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[82] *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigations Nos. 701-TA-376, 377, and 379 (Final) and Investigations Nos. 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, p. III-3, fn. 4, and ***.

[83] ***'s producer questionnaire response.

[84] ***'s producer questionnaire response.

[85] ***.

[86] During the original investigations, only two firms reported importing cold-rolled stainless steel plate. In the remand investigations, these two firms along with a third (i.e., Atlas, ***, and TrefilARBED) provided the Commission with data on their U.S. imports of cold-rolled stainless steel plate. Confidential staff report for the remand investigations (memorandum INV-Z-131, August 16, 2002), p. II-1.

[87] The primary HTS statistical reporting numbers (those that contain only subject merchandise or, for most but not all sources, relatively small amounts of plate that is not annealed or otherwise heat-treated) that were identified by the domestic interested parties are as follows: 7219.11.0030, 7219.11.0060, 7219.12.0006, 7219.12.0021, 7219.12.0026, 7219.12.0051, 7219.12.0056, 7219.12.0066, 7219.12.0071, 7219.12.0081, and 7219.31.0010. (U.S. imports were also entered under the following HTS statistical reporting numbers between 1998 and 2000: 7219.12.0005, 7219.12.0020, 7219.12.0025, 7219.12.0050, 7219.12.0055, 7219.12.0065, 7219.12.0070, and 7219.12.0080.) The domestic interested parties also included HTS statistical number 7220.11.0000 in the list of HTS numbers used to calculate the import data they presented in their *Response*. This HTS statistical reporting number, however, is believed to contain substantial amounts of nonsubject merchandise, including nonsubject flat bar.

which are believed to only contain minimal, if any, imports of subject merchandise will be referred to as the "secondary" HTS statistical reporting numbers.[88]

The Commission sent importer questionnaires to those firms importing more than minimal amounts under the primary HTS statistical reporting numbers, although firms importing under the secondary HTS statistical reporting numbers were provided with the opportunity to respond to the stainless plate questionnaire when the Commission sent copies of that questionnaire along with the questionnaires being issued with its concurrent reviews for stainless steel sheet and strip (invs. Nos. 701-TA-381-382 and 731-TA-797-804 (Review), which were instituted on June 1, 2004).[89] Table I-10 identifies the responding importers, their locations, and their reported imports for the period examined. As indicated in the table notes, importer questionnaire data for some of the subject sources (Canada, South Africa, and Taiwan) are incomplete. Consequently, import data for these sources are derived from official Commerce statistics using the primary HTS statistical reporting numbers (excluding 7220.11.0000).[90] Responses to questionnaires issued in these reviews will be used to calculate imports for Belgium,[91] [92] Italy,[93] and Korea.[94]

Description of Importing Firms

As shown, several of the importing firms are related to non-U.S. manufacturers of the subject merchandise. Arcelor USA is related to U&A Belgium, which manufactures stainless steel plate in Belgium. ***. In addition, TKAST USA and POSCO America both imported subject merchandise manufactured by their parent companies in Italy and Korea, respectively.

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[88] The secondary HTS statistical reporting numbers refer primarily to stainless steel sheet and strip products.

[89] Each responding firm that imported under the secondary HTS numbers indicated that it did not, in fact, import the subject stainless steel plate.

[90] A review of official Commerce statistics for U.S. imports from South Africa in 1998 under the primarily HTS statistical reporting numbers suggests that substantial quantities of nonsubject product may be included. In addition, interim (i.e., January-September) questionnaire data from the original investigations are used for U.S. imports from nonsubject sources in 1998. U.S. imports, as reported in responses to questionnaires issued in the reviews, are for nonsubject sources in full-year 1998 less than that reported for January-September 1998 during the original investigations and are thus believed to be incomplete.

[91] Petitioners in the original investigations argued against using data from questionnaire responses for imports from Belgium, which were half of petitioners' estimates in 1997. Then, as now, official import statistics for Belgium were much higher than imports of the subject merchandise reported in response to Commission questionnaires. ***. Confidential staff report for the original investigations (memorandum INV-W-064, April 9, 1999), p. IV-2, fn. 3. ***. Fax from ***, March 3, 2005.

[92] ***. Staff telephone interview with ***, February 11, 2005.

[93] According to proprietary Customs data, ***. Staff telephone interview with ***, January 18, 2005, and e-mail from ***, February 2, 2005. TKAST USA subsequently provided a worksheet to the Commission that showed ***. E-mail from counsel for TKAST, February 5, 2005.

[94] According to proprietary Customs data, only one firm, ***, imported product from Korea under the primary HTS statistical reporting numbers in January-October 2004 (the most recent data available to the Commission). The listed amount was *** tons during January-October 2004. The firm reported that the imports were not, in fact, subject merchandise but consisted of *** that had been misclassified. Staff telephone interview with ***, and fax from ***, February 21, 2005.

Table I-10
Certain stainless steel plate: U.S. importers, their locations, and their subject U.S. imports, by source, 1998-2004

Firm	Location	1998	1999	2000	2001	2002	2003	2004
		Quantity of U.S. imports (*short tons*)						
Belgium								
Arcelor USA:[1] [2] ***	New York, NY	***	***	***	***	***	***	***
***	--	***	***	***	***	***	***	***
Subtotal	--	***	***	***	***	***	***	***
Canada								
***[3]	***	(4)	(4)	(4)	(4)	(4)	(4)	(4)
***[5]	***	(6)	(6)	(6)	(6)	(6)	(6)	(6)
***[7]	***	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Subtotal[9]	--	2,123	374	595	***	***	***	***
Italy								
TKAST USA[10]	Bannockburn, IL	***	***	***	***	***	***	***
Korea								
POSCO America[11]	Fort Lee, NJ	***	***	***	***	***	***	***
South Africa								
***[12]	***	(4)	(4)	(4)	(4)	(4)	(4)	(4)
***[12]	***	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Subtotal[9]	--	***[13]	341	22	46	31	0	19
Taiwan								
***[12]	***	(4)	(4)	(4)	(4)	(4)	(4)	(4)
***[12]	***	(4)	(4)	(4)	(4)	(4)	(4)	(4)
***[12]	***	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Subtotal[9]	--	5,004	307	84	210	103	0	77
Nonsubject sources								
***[14]	*** ***	***	***	***	***	***	***	***
***[15]	***	***	***	***	***	***	***	***
Subtotal	--	***[13]	***	***	***	***	***	***

Table continued on next page.

Table I-10--*Continued*
Certain stainless steel plate: U.S. importers, their locations, and their subject U.S. imports, by source, 1998-2004

Firm	Location	1998	1999	2000	2001	2002	2003	2004
		Quantity of U.S. imports (*short tons*)						
All sources								
Total	--	***	***	***	***	***	***	***

[1] Firm is *** owned by Arcelor, S.A. (Luxembourg), whose wholly owned affiliate U&A Belgium manufactures subject product in Genk, Belgium.
[2] Includes data for TrefilARBED (New York, NY).
[3] ***. ***.
[4] Data not available.
[5] ***.
[6] Figures as reported for ***. These data were subtracted from official Commerce statistics for Canada under the primary HTS statistical reporting numbers.
[7] ***.
[8] *** reported importing very small quantities of stainless steel plate from Canada that were manufactured by Atlas; the firm could not obtain access to the computer files containing these records at this time.
[9] Official Commerce statistics for the primary HTS statistical reporting numbers (not including 7220.11.0000) except (1) where data for Canada were adjusted by subtracting *** and (2) for South Africa and nonsubject sources in 1998.
[10] TKAST USA is the successor in interest to AST USA, the firm that accounted for the *** majority of U.S. imports of certain stainless steel plate from Italy during the original investigation. TKAST USA is owned by TKAST (Terni, Italy), a manufacturer of the subject product. Its ultimate parent is ThyssenKrupp AG, a firm traded on the German stock exchange. TKAST USA is related to ***.
[11] Firm is ***-percent owned by POSCO (Pohang, Korea), a manufacturer of the subject product.
[12] Firm that accounted for more than a minimal quantity of U.S. imports under the primary HTS statistical reporting numbers; none provided a response to Commission importer questionnaires. *** and *** may still maintain some operations but *** was no longer operating at the address it previously listed on Customs documents.
[13] Derived from responses to Commission questionnaires for the original investigations. Data are for January-September 1998 and are, accordingly, understated. Confidential staff report for the original investigations (memorandum INV-W-064, April 9, 1999), table IV-1, for South Africa, and *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, pp. IV-3, for all other.
[14] Firm imports product manufactured in *** by ***. ***.
[15] Firm imports product manufactured in *** by ***. ***.

Note.–In most, but not all, instances the consignee as listed on Customs documents is also the importer of record.

Source: Compiled from data submitted in response to Commission questionnaires, unless otherwise noted.

Arcelor USA and TrefilARBED accounted for all subject imports from Belgium. According to Belgian respondents, TrefilARBED imported subject product from Belgium until mid-2003.[95] From 1998 to November 2002, TrefilARBED was the exclusive sales agent in the United States for stainless steel plate produced in Belgium. It also functioned as the importer of record. Beginning in November 2002, new accounts were handled by Arcelor USA, a steel service center, while U&A Belgium became the importer of record for all new sales. TrefilARBED and Arcelor Stainless USA are both affiliates of

[95] *Response to the Commission's Notice of Institution* by Belgian respondents, p. 4.

Arcelor S.A., a Luxembourg corporation.[96] As shown in table I-10, the data reported by these firms are used to calculate U.S. imports of stainless steel plate from Belgium.

*** was both the importer of record and the consignee for the great majority of U.S. imports under the primary HTS statistical reporting numbers since 1999,[97] except for January-October 2004 when *** was listed as the consignee[98] in proprietary Customs data for virtually all U.S. imports of Canadian-produced stainless steel plate. ***.[99] ***.[100] ***.[101] ***.[102] As shown in the notes to table I-10, *** and records on its U.S. imports were not available to the Commission.

With respect to Italy, *** subject imports appear to be through TKAST USA, which ***. POSCO *** accounted for *** U.S. imports of stainless steel plate from Korea.[103] U.S. imports of stainless steel plate from South Africa, based upon official Commerce statistics, appear to have largely ceased since the imposition of the orders[104] while small quantities of subject merchandise from Taiwan may still be entering the United States.[105] *** was identified as the principal U.S. importer of the subject product from Taiwan during the original investigations.[106] ***. The firm has not returned a questionnaire response to the Commission but indicated during a telephone call that ***.[107] Finally, the most substantial importers, in terms of quantities of imports listed in proprietary Customs data, that import from nonsubject sources either returned questionnaires to the Commission or indicated that they did not, in fact, import plate that met the definition of the subject product.[108]

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[96] *Supplemental Response to the Commission's Notice of Institution* (June 4, 2004) by Belgian respondents, pp. 1-2.

[97] Proprietary Customs data are not available for 1998, the first year of the period examined.

[98] ***.

[99] ***. Letter from ***, February 14, 2004, and proprietary Customs data.

[100] The processed product was reported to remain within the definition of stainless steel plate in coils. Ibid.

[101] ***.

[102] Letters from ***, January 17, 2005 and February 14, 2005, and telephone interview with ***, February 8, 2005.

[103] ***. Staff telephone interview with ***, April 25, 2005.

[104] Columbus, the manufacturer of stainless steel plate in South Africa, indicated in its foreign producer questionnaire that ***. The firm, however, reported ***. Columbus' foreign producer questionnaire response. ***. *See* e-mails from Commission staff, dated March 1, 2005 and April 11, 2005.

[105] As shown in table I-2, Commerce has completed one administrative review with respect to YUSCO, a Taiwan producer/exporter of subject merchandise, and Ta Chen, a Taiwan exporter. Commerce determined YUSCO's antidumping rate based on total adverse facts available since YUSCO did not respond to the Commerce's questionnaire; Ta Chen reported to Commerce that it did not have any U.S. shipments of subject merchandise during the period reviewed (May 1, 2000 through April 30, 2001). 67 FR 40914, June 14, 2002. Commerce subsequently rescinded its next administrative reviews for the May 1, 2001 through April 30, 2002 and May 1, 2002 through April 30, 2003, periods based on evidence that there were no entries into the United States of subject merchandise by either YUSCO or Ta Chen (now identified as a Taiwan producer, a characterization which, according to the domestic interested parties in their prehearing brief (p. 69, n. 28) is incorrect). 68 FR 63067, November 7, 2003 and 69 FR 20859, April 19, 2004. Petitioners alleged during both reviews that Ta Chen and YUSCO are affiliated with other companies that may have shipped merchandise to the United States. Ibid.

[106] Confidential staff report for the original investigations (memorandum INV-W-064, April 9, 1999), p. IV-11. ***. Ibid.

[107] Staff telephone interview with ***, February 14, 2005.

[108] ***.

Operations of U.S. Importers

Of the six U.S. importers that reported data to the Commission, four imported cold-rolled stainless steel plate, in addition to the hot-rolled product, during the period reviewed. As shown in table I-10, *** companies imported cold-rolled stainless steel plate from subject countries: ***.[109]

No firm indicated in its questionnaire response that it anticipated any changes in the character of its operations or organization related to the importation of stainless steel plate in the future.[110] Further, no firm indicated that it anticipated any changes in the character of its operations in the future if the orders were to be revoked.[111] ***.[112]

U.S. Purchasers

Nine purchasers of stainless steel plate during 1998-2004 supplied usable questionnaire responses related to stainless steel plate. Another purchaser responded, but provided no usable data. Six of these firms are distributors, two are *** manufacturers, and one is a manufacturer of ***. *** was the only purchaser that reported buying cold-rolled stainless steel plate, which accounted for about *** percent of its purchases in 1998-2004. Eight reported purchasing stainless steel plate manufactured domestically, whereas six purchased stainless steel plate from Belgium, four from South Africa, and three each from Italy, Korea, and Taiwan between 1998 and 2004. No purchaser reported buying stainless steel plate from Canada. Responding purchasers were geographically diverse: four are located in the southeast, two are located along the east coast, two in the midwest, and one on the Pacific coast.[113]

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Tables I-11 and I-12 present apparent U.S. consumption and market shares, respectively, for 1998-2004. As shown, apparent U.S. consumption, in terms of quantity, fell steadily from 1998 to a period low in 2001 and then rose irregularly to a period high in 2004. The quantity of stainless steel plate consumed in the United States in 2004 was *** percent higher than the amount consumed in 1998. U.S. producers' market share rose by 8.5 percentage points from 1998 to 1999, in terms of quantity, and then remained relatively stable for the next three years before falling, in 2003 and 2004, to a share that in 2004 was *** less than that reported for 1998. The share of quantity comprising subject imports declined steadily from 1998 to 2003 and then rose *** in 2004 to a point that was well below the 1998 figure. The share of quantity accounted for by U.S. stainless steel imports from nonsubject countries remained relatively low throughout the period examined until about 2002 when it began to increase sharply as the share held by U.S. producers declined.

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[109] ***'s importer questionnaire responses.

[110] The following firms provided a negative response: ***.

[111] The following firms provided a negative response: ***. *** did not provide a questionnaire response but in a telephone conversation with Commission staff indicated that it would reconsider importing stainless steel plate if the orders were lifted and that an actual decision to do so would depend upon pricing. As indicated above, *** was the largest importer of subject merchandise from *** during the original investigations. Staff telephone interview with ***, February 14, 2005.

[112] E-mail from ***, February 17, 2005.

[113] One responding purchaser, ***, is owned by another responding purchaser, ***. *** noted that it had related firms engaged in importing stainless steel plate, though *** did not.

Table I-11
Certain stainless steel plate: U.S. shipments of domestic product, U.S. shipments of imports, by sources, and apparent U.S. consumption, 1998-2004

Item	1998	1999	2000	2001	2002	2003	2004
	Quantity (*short tons*)						
U.S. producers' U.S. shipments	99,174	107,060	97,323	94,219	105,947	***	***
U.S. shipments of imports from--							
Belgium	***	***	***	***	***	***	***
Canada	2,123	374	595	***	***	***	***
Italy	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
South Africa	***	341	22	46	31	***	***
Taiwan	5,004	307	84	210	103	***	***
Subtotal, subject imports	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***
Total imports	24,035	13,268	12,134	6,818	12,686	***	***
Apparent U.S. consumption	123,209	120,328	109,457	101,037	118,633	***	***
	Value (*1,000 dollars*)						
U.S. producers' U.S. shipments	149,244	152,867	185,409	131,828	145,979	***	***
U.S. shipments of imports from--							
Belgium	***	***	***	***	***	***	***
Canada	3,049	522	1,271	***	***	***	***
Italy	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
South Africa	***	354	32	84	30	***	***
Taiwan	6,292	413	135	274	152	***	***
Subtotal, subject imports	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***
Total imports	35,628	18,142	24,145	10,887	20,301	***	***
Apparent U.S. consumption	184,872	171,009	209,554	142,815	166,280	***	***

Note.–U.S. producers' shipments are calculated as the total of hot-rolled stainless steel plate shipments (not including the internal consumption of hot-rolled stainless steel plate to produce the cold-rolled product) plus cold-rolled stainless steel plate shipments. Data for Belgium, Italy, Korea, and all other sources are U.S. shipments of imports and are compiled from data submitted in response to Commission questionnaires, except for all other sources in 1998 (which is from data submitted in response to Commission questionnaires during the original investigations). Data for South Africa and Taiwan are U.S. imports compiled from official Commerce statistics, except for South Africa in 1998 (which are January-September 1998 data submitted in response to Commission questionnaires during the original investigations). Data for Canada are U.S. imports compiled from official Commerce statistics but adjusted to deduct ***.

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

Table I-12
Certain stainless steel plate: U.S. market shares, 1998-2004

Item	1998	1999	2000	2001	2002	2003	2004
	Quantity (*short tons*)						
U.S. apparent consumption	123,209	120,328	109,457	101,037	118,633	***	***
	Share of quantity (*percent*)						
U.S. producers' shipments	80.5	89.0	88.9	93.3	89.3	***	***
U.S. shipments of imports from--							
Belgium	***	***	***	***	***	***	***
Canada	1.7	0.3	0.5	***	***	***	***
Italy	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
South Africa	***	0.3	0.0	0.0	0.0	***	***
Taiwan	4.1	0.3	0.1	0.2	0.1	***	***
Subtotal, subject imports	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***
Total imports	19.5	11.0	11.1	6.7	10.7	***	***
	Value (*1,000 dollars*)						
U.S. apparent consumption	184,872	171,009	209,554	142,815	166,280	***	***
	Share of value (*percent*)						
U.S. producers' shipments	80.7	89.4	88.5	92.3	87.8	***	***
U.S. shipments of imports from--							
Belgium	***	***	***	***	***	***	***
Canada	1.6	0.3	0.6	***	***	***	***
Italy	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
South Africa	***	0.2	0.0	0.1	0.0	***	***
Taiwan	3.4	0.2	0.1	0.2	0.1	***	***
Subtotal, subject imports	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***
Total imports	19.3	10.6	11.5	7.7	12.2	***	***

Source: Compiled from table I-11.

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

U.S. MARKET SEGMENTS AND CHANNELS OF DISTRIBUTION

Almost all of the stainless steel plate sold in the United States in 2004 by U.S. producers (*** percent) and by U.S. importers (*** percent of total imports) is hot-rolled stainless steel plate, and is not further processed into cold-rolled stainless steel plate.

The main customers for stainless steel plate for both U.S. producers and importers are service centers/distributors. U.S. producers shipped *** percent of their hot-rolled stainless steel plate and *** percent of their cold-rolled stainless steel plate to service centers/distributors in 2004, whereas importers shipped *** percent of their subject hot-rolled stainless steel plate and *** percent of their subject cold-rolled stainless steel plate to service centers/distributors.[1]

Service centers/distributors uncoil, level, and cut stainless steel plate to length and may also slit and re-edge the product. Of the six responding purchasers that are also distributors, four sell to tank and vessel fabricators, three sell to general fabricators, and one each to rail car manufacturers, machinery manufacturers, and to the transportation, chemical, and pulp/paper industries. Very little stainless steel plate is reportedly sold via the internet.

All three responding U.S. producers reported that they sell stainless steel sheet and strip in addition to plate in coils. Two of three producers and two of five importers also sell cut-to-length stainless steel plate and producer *** also sells stainless steel plate mill plate (discrete plate). One purchaser (***) noted that it purchases domestic stainless steel plate for access to other products and their lower prices; this is true for about 80 percent of its stainless steel plate purchases.

All three responding domestic producers of stainless steel plate market throughout the United States, whereas no importers do. Two importers sell in the each of the northeast, central southwest, and midwest, and one each in the pacific coast and southeast regions–***.

Even though half of the responding producers in the original investigations noted that high freight costs could discourage sales in some regions, presently, most (*** percent) of domestic producers' sales occur between 100 and 1,000 miles from their mill, with *** percent delivered within 100 miles and *** percent greater than 1,000 miles away. Importer responses were more varied: *** ships 80 percent of its *** stainless steel plate over 1,000 miles from its storage facility, importer *** ships 80 percent of its *** stainless steel plate between 100 and 1,000 miles from its storage facility, *** ships 95 percent of its *** stainless steel plate within 100 miles of its storage facility, and *** ships all of its *** imports of stainless steel plate more than 1,000 miles from its storage facility. Delivery is typically arranged by the producer. Four of six responding importers arrange for transportation of the stainless steel plate they sell.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Supply

Based on available information, staff believes that U.S. stainless steel plate producers are likely to respond to changes in demand with moderate to large changes in shipments of U.S.-produced stainless steel plate to the U.S. market. Factors contributing to this degree of responsiveness of supply are discussed below.

[1] Further details regarding shipments of domestically produced stainless steel plate as well as imports from Belgium, Italy, and Korea to different distribution channels between 1998 and 2004 can be found in table I-8.

Industry capacity

U.S. producers' reported capacity utilization for stainless steel plate increased from 37.2 percent in 1998 to *** percent in 2004, despite the addition of *** percent more capacity during that period.[2] The highest level of capacity utilization since 1998 was *** percent, which was achieved in 2003.[3] This level of capacity utilization indicates that U.S. producers of stainless steel plate have available capacity with which they could increase production of stainless steel plate in the event of a price change. Respondent interested parties asserted that the available domestic capacity is extremely inefficient and should not be included in the calculation of capacity utilization since it is not being used in the current, high-price market. Instead, data should indicate that the domestic industry is operating at full capacity.[4] Domestic interested parties stated that this was only only a "gut feeling" of the respondent interested parties and Allegheny could increase its shipments of stainless steel plate if there were a market for it.[5] Allegheny testified, however, that this "incremental capacity" does operate at a slightly higher cost than its "core capacity."[6]

Alternative markets

Domestic producers' exports, as a percentage of total shipments, increased considerably during the period 1998 to 2004; exports accounted for between *** and *** percent of total shipments during 1998-2001, but increased to *** percent in 2002, and *** percent in 2003, before falling to *** percent of total shipments in 2004. A *** of exports were reported by ***, which indicated that its primary export markets are ***. Producer *** noted that its exports to the EU are subject to trade barriers, including tariffs, while ***'s exports to Canada are not. The high level of exports in the last two years indicates that domestic stainless steel plate producers are largely not constrained in their ability to shift shipments between the United States and other markets in response to price changes. In their questionnaire responses, when asked how difficult it is to shift theirshipments to markets outside of the United States, two of three exporting U.S. producers reported that exports are "based on market conditions."

Inventory levels

U.S. producers' end-of-year inventories, as a share of their total shipments, decreased irregularly between 1998 and 2004. The ratio decreased from *** percent in 1998 to *** percent in 2000, increased to *** percent in 2003, based largely on ***, before falling to its lowest level, *** percent, during 2004. Since there are a variety of different grades and dimensions of stainless steel plate, these inventories may not always match market demand for particular varieties of plate. Because of this and the relatively low levels of inventories, U.S. producers are somewhat constrained in their ability to respond to changes in demand with relatively large changes in the quantity shipped.

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[2] Capacity utilization rates for hot-rolled and cold-rolled stainless steel plate are presented in tables C-2 and C-3, respectively.

[3] During 2004, AK operated at *** percent of its hot-rolling capacity, Allegheny operated at *** percent of its hot-rolling capacity, and NAS operated at *** percent of its hot-rolling capacity.

[4] Hearing transcript, pp. 175-77 and 238-39 (Crandall).

[5] Hearing transcript, pp. 48 (Kerwin) and 64-65 (Hartford and Shilling).

[6] Hearing transcript, p. 67 (Hartford).

Production alternatives

Domestic producers were able to manufacture stainless steel sheet and strip, and for some, cut-to-length stainless steel plate using the same workers and equipment. One of three responding producers (***) reported the ability to switch production from stainless steel plate to stainless steel sheet, with only "market conditions" limiting its ability to shift. The other two domestic producers reported that they were not able to switch production to alternative products. However, Allegheny reported using common equipment to manufacture ***, while NAS reported common production of *** on its equipment.

Supply of Subject Imports to the U.S. Market

Based on available information, staff believes that subject stainless steel plate producers are likely to respond to changes in demand with moderate to large changes in shipments of stainless steel plate to the U.S. market. Factors contributing to this degree of responsiveness of supply are discussed below. Three of seven responding purchasers indicated that they would review offerings and mightpurchase from the subject countries in general if the antidumping and countervailing duty orders were lifted. Two further purchasers indicated the impact of duty suspension on specific countries.

Subject Imports from Belgium

Based on available information, the supplier of stainless steel plate from Belgium is likely to respond to changes in demand with moderate changes in the quantity shipped to the U.S. market. U&A Belgium's supply responsiveness to price changes in the U.S. market is constrained by a somewhat limited amount of unused capacity, low inventories and the existence of, and reported commitment to, strong home and non-U.S. export markets. Belgium is one of only two countries that can supply, and in fact is supplying, 72-inch wide stainless steel plate in coils to the U.S. market.

U&A Belgium's reported capacity to produce stainless steel plate dropped from *** tons per year in 1998 to *** tons per year in 2000. Its capacity to produce stainless steel plate has increased each year since 2000, and was *** tons per year in 2004.[7] Despite the increase in capacity, U&A Belgium reported that its capacity utilization has been generally increasing. Reported capacity utilization was at *** percent in 1998, increased to *** percent in 1999, and decreased each year until reaching *** percent in 2002. By 2004, however, U&A Belgium's reported capacity utilization had increased to *** percent.

In 2004, U&A Belgium shipped only *** percent of its total shipments of stainless steel plate to the United States.[8] Purchasers *** indicated that they are purchasing more stainless steel plate from Belgium than they were in 1998 because there is no domestic supplier of 72" wide plate. U&A Belgium's largest market is ***, which was the destination for *** percent of its total shipments in 2004 (*** percent for cold-rolled stainless steel plate). It further noted that it is ***. *** of U&A Belgium's sales to the United States in 2004 were on a long-term contract basis; however, its sales to customers *** which makes shifting sales to other markets easier. Prices in the EU, U&A Belgium further noted, ***.[9] It noted increased demand ***. U&A Belgium's end-of-year inventories, as a percentage of its

[7] Capacity numbers for Belgium are calculated on an allocated basis.

[8] For cold-rolled stainless steel plate, *** percent of U&A Belgium's production was exported to the United States, an increase from the *** percent in 2002, but well below the *** percent exported to the United States in 1998, 1999, and 2000, respectively.

[9] U&A Belgium's foreign producer questionnaire response.

shipments, decreased from *** percent in 1998 to *** percent in 2004. It does not expect any changes in ***. U&A Belgium noted competition in its home market from imports from ***.

Two purchasers (***) indicated specifically that Belgium might be likely to export more stainless steel plate if the antidumping and countervailing duty orders were revoked, with *** adding that Belgium's large product range would be a benefit to the industry and not harm the U.S. market.

Currently, stainless steel plate, along with other stainless steel flat products, from Belgium is subject to an antidumping investigation in Russia.

Subject Imports from Canada

Based on available information, the producer of stainless steel plate in Canada, Atlas Stainless, ceased operations in 2004 and was sold to a new owner. Atlas Stainless is currently owned by a scrap dealer.[10] Domestic interested parties noted that there are at least two entities that are interested in the assets of Atlas Stainless, possibly to reopen the plant, but were waiting for the outcome of these reviewsbefore making a decision.[11] No information regarding its stainless steel plate production capacity or inventory levels was available during these reviews. During the original investigations, Canada had no export markets besides the United States, but home market sales accounted for between *** and *** percent of its sales during 1995-97.

Subject Imports from Italy

Based on available information, TKAST, the supplier of stainless steel plate from Italy is likely to respond to changes in demand with moderate changes in the quantity shipped to the U.S. market. Supply responsiveness is constrained by *** inventories, relatively low levels of excess capacity and the existence of, and reported commitment to, strong home and non-U.S. export markets. Excess capacity is difficult to measure exactly according to TKAST, so it has withdrawn its data, but had noted that it is fairly limited. TKAST reported that ***, thus reducing the ability of TKAST to ship excess production to the United States.

Its largest market for hot-rolled, annealed, and pickled stainless steel plate is ***, which accounted for *** percent of its total shipments in 2004, followed by ***, which purchased *** percent of its stainless steel plate in 2004. The majority of TKAST's shipments of hot-rolled stainless steel plate was shipped to *** between 1998 and 2001, but in 2002 the proportion of its shipments going to *** was slightly higher than ***. In 2003 and 2004 *** was TKAST's largest market for hot-rolled stainless steel plate, accounting for *** and *** percent of its total cold-rolled stainless steel plate shipments, respectively. The majority of TKAST's shipments of cold-rolled stainless steel plate was shipped to *** between 1998 and 2003, but split *** between *** during 2004.

TKAST does not foresee any changes in ***. Further, it noted that it "***." It further pointed to other factors that would limit its ability to ship to the United States: ***. It reported that demand for stainless steel plate has increased *** via ***. It reported that it faces home market competition from *** producers of stainless steel plate, as well as those from "***."

Purchaser *** indicated that Italy would likely export more stainless steel plate to the United States if the antidumping and countervailing duty orders were revoked.

Currently, stainless steel plate, along with other stainless steel flat products, from Italy is subject to an antidumping investigation in Russia. Also, TKAST's exports of cold-rolled stainless steel plate to India are subject to minimum import prices and its exports to Thailand are subject to a tariff of 25.57 percent.

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[10] Hearing transcript, p. 113 (Blot) and domestic interested parties' posthearing brief, exh. 2.

[11] Ibid., p. 51 (Cannon) and domestic interested parties' posthearing brief, exh. 2.

Subject Imports from Korea

Based on available information, the supplier of stainless steel plate from Korea is likely to respond to changes in demand with moderately large changes in the quantity shipped to the U.S. market. Supply responsiveness is increased by somewhat large inventories, but constrained by the existence of, and commitment to strong and growing home and non-U.S. export markets. POSCO's actual capacity is somewhat unknown, as it reported capacity as approximately the amount produced in a year. Between 2002 and 2004, capacity increased by *** tons per year, or *** percent, due to increased production.

In 2004, *** percent of its shipments of stainless steel plate were to China, up *** from earlier in the period for which data were collected. Its home market accounted for *** percent of its purchases in 2004. POSCO has not shipped stainless steel plate to ***. POSCO maintains that it is committed to its long-term customers, reporting that *** percent of its foreign long-standing customers located in ***. In 2004, the ratio of inventories to production for POSCO was *** percent, as compared with a 1998-2004 high of *** percent in 2000 and low of *** percent in 2002.[12] POSCO reported that demand has increased ***, but changed very little *** since 1998. It submitted a forecast from CRU International that demand for stainless steel flat products will continue to increase faster in China and southeast Asia than the United States through 2008. It also noted that its main competitors in its home market are Japan, Taiwan, South Africa, and Finland.

Two of six responding purchasers indicated that they were buying less stainless steel plate imported from Korea.[13] Both purchasers noted buying less because of the antidumping duty order, with one discontinuing its purchases from Korea completely. One purchaser added that it purchased less because of a weak market in March 2002 and the other purchaser noted a lack of offerings from Korea.

Purchaser *** believes that the effect on its purchasing behavior of revocation of the antidumping duty order against Korea would likely be negligible, but could impact the U.S. market as a whole. Though no other country maintains antidumping duty orders on stainless steel from Korea, domestic interested parties noted that stainless steel plate from Korea is on China's international trade "watch list."[14]

Subject Imports from South Africa

Based on available information, suppliers of stainless steel plate from South Africa are likely to respond to changes in demand with moderate changes in the quantity shipped to the U.S. market. Supply responsiveness is increased by a large amount of unused capacity; however, somewhat limited inventories and the existence of, and reported commitment to, a strong home and non-U.S. export markets constrain South Africa's ability to increase exports to the U.S. market.

Since 1998, Columbus has *** levels of capacity to produce stainless steel plate, as high as *** tons per year in 2003, an increase over its reported capacity of *** tons per year in 2000, and higher than its capacity in 2004 of *** tons. In 2004, Columbus exported only *** percent of its total shipments to the United States. Columbus's largest market in 2003 was ***, which accounted for *** percent of its

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[12] POSCO does not maintain separate records with respect to inventories of stainless steel plate and stainless steel sheet. Therefore, the ratios discussed above are derived from POSCO's inventories of stainless plate and sheet to the production of both hot-rolled stainless steel plate and sheet. Therefore, they should only be viewed as a proxy for inventories of subject stainless steel plate.

[13] One purchaser, ***, indicated it was purchasing from Korea *** before the orders were introduced. It also noted that its purchases had increased, but failed to specify the country of origin of its increased purchases of subject stainless steel plate. ***.

[14] Domestic interested parties' posthearing brief, exh. 20, citing *The Korea Herald*, January 20, 2004.

shipments during that year. In 2004, however, ***, which was the destination for *** percent of its shipments, was Columbus's largest market. It further noted that it is ***.

*** of its sales to the United States in 2004 were on a spot basis. Columbus reported that it can ***, but it would likely not sell much to the United States since it ***. It noted increased demand ***, based on a country's economic cycle and investment in manufacturing equipment. Further, it expects demand to increase in its home market due to its promotion of stainless steel plate for public and private investment endeavors. Columbus did not report its end-of-year inventories. It does not expect any changes in ***, and intends to keep high capacity utilization rates by focusing on stainless steel plate produced in the main metric sizes as opposed to imperial sizes favored in the United States. Columbus noted competition in its home market from imports from ***.

After the imposition of the antidumping and countervailing duty orders, two of six responding purchasers ceased buying stainless steel plate from South Africa, and one reduced its purchases from that country. South Africa does look to export its stainless steel, as two of three foreign producers noted competing with stainless steel plate from South Africa in their own home markets. Purchaser *** reported that it was unable to buy stainless steel plate in coils since 1998 from South Africa, but its operations were not affected, as cut-to-length plate is still sold. This purchaser also reported that it believes that if the antidumping and countervailing duty orders were lifted, South Africa would increase its exports of coiled plate. Purchaser *** reported that it might purchase more 60" wide stainless steel plate from South Africa if the duties were revoked.

Subject Imports from Taiwan

Little information was submitted during these reviews regarding the stainless steel plate industry in Taiwan. After the imposition of the antidumping duty order, one of six responding purchasers ceased buying stainless steel plate from Taiwan. Taiwan does compete with other foreign producers of stainless steel in its own home market, as reported by two of three foreign producers. Purchaser *** believes that the effect on its purchasing behavior of revocation of the antidumping duty order against Taiwan would likely be negligible, but could impact the U.S. market as a whole.

U.S. Demand

Based on available information, stainless steel plate consumers are likely to respond to changes in the price of stainless steel plate with small to moderate changes in their purchases of stainless steel plate. The main contributing factors to the low responsiveness of demand is the lack of commercially viable substitute products and the high percentage of raw material costs/surcharges that are paid andpassed on by all producers. One factor that somewhat increases the responsiveness of demand is the high cost share of stainless steel plate in the products which incorporate it.

Demand Characteristics

U.S. demand for stainless steel plate depends on the level of demand for downstream products using stainless steel plate products. Most hot-rolled and cold-rolled stainless steel plate is sold to service centers which may further process the stainless steel plate to customer specifications. Stainless steel plate is used in a number of industries including pulp and paper, chemical and petrochemical, food and beverage, mining, power generation, railcar manufacturing, textile, and automotive. Some products that include stainless steel plate include process tanks, vats, hoppers, other manufacturing equipment, pipes,

tubes, containers, fermenting tanks, barrels, valves, fittings, railcars, and storage tanks.[15] Every responding producer, importer, purchaser, and foreign producer reported that there have been no changes in the end uses of stainless steel plate since 1998, and none anticipate any changes in the future.

In quantity terms, available data indicate that apparent U.S. consumption of stainless steel plate increased irregularly from 123,209 tons to *** tons (by *** percent) from 1998 to 2004. On a quantity basis, apparent consumption decreased from 1998 through 2001, increased in 2002, and declined again in 2003, then rose to *** in 2004.

Producers, importers, and purchasers were asked to discuss if and how demand in the United States changed during the period 1998 to 2004. All three responding U.S. producers reported that demand for stainless steel plate in the United States was unchanged over the period 1998-2004, though *** added that is has fluctuated during the period. At the hearing, domestic interested parties testified that demand fell off in 2001, continued at a low level through 2003 and recovered in 2004, in part due to purchasers' desire to hold more inventory to ensure that their customers would get the lowest price in a period of increasing prices.[16] Four of eight responding purchasers noted increasing their inventories during 2004, with the two largest responding purchasers, ***, noting that they increased their inventories by *** and *** percent, respectively.

Two of three responding importers,[17] as well as five of eight purchasers and one of three responding foreign producers noted that demand for stainless steel plate in the United States has increased since 1998. One purchaser noted that demand for coil plate has increased as a share of plate sales, but demand for plate overall has declined. The remaining two purchasers and one foreign producer noted that demand was unchanged.[18] The other foreign producer reported that demand in the United States has declined since 1998. Of those firms that noted increased U.S. demand, importer *** attributes some of the increase in demand to the desire for wider plates which make manufacturing large vessels easier and less expensive, purchaser *** replied that the reason for the increase in demand was greater capital spending, and purchaser *** stated this increase was due to an increase in construction of petrochemical and liquid natural gas facilities.

All responding domestic producers and importers believe that these changes are long-term in nature. Purchasers *** believe the changes are short-term in nature,[19] however, and purchaser *** believes they are short-term in nature for the United States, but long-term in nature for the rest of the world. Purchaser *** expects an increase in domestic demand through 2008. In addition to the testimony domestic interested parties gave at the hearing about the cyclical nature of the stainless steel plate industry,[20] two of seven responding purchasers noted that stainless steel plate demand is subject to business cycles.

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[15] Cold-rolled stainless steel plate is used in the pharmaceutical industry and other industries where the porosity of the steel is important, as the typical manufactured tank does not require this physical characteristic. It might be used in "clean rooms," though polished hot-rolled stainless steel plate can sometimes be substituted for cold-rolled stainless steel plate in these applications. Staff telephone interview with ***, April 20, 2005. Another use for cold-rolled stainless steel plate is as an ornamental, structural, or architectural metal. Staff telephone interview with ***, April 20, 2005. However, where price is an issue, polished hot-rolled stainless steel plate may be substituted for cold-rolled stainless steel plate. Ibid.

[16] Hearing transcript, pp. 33 (Conway) and 37 (Blot).

[17] *** was the importer that responded that demand in the United States has not changed. However, ***. A fourth importer, ***, also noted that it entered the market during the period for which data were collected, so it could not respond.

[18] Foreign producer *** modified its "unchanged" response to read that there was very little change in demand.

[19] *** defined "short-term" as four to six years.

[20] Hearing transcript, pp. 160-161 (Dr. Shilling).

Both responding domestic producers, two of four responding importers, one of seven responding purchasers, and two of three responding foreign producers reported that they anticipate changes in demand for stainless steel plate in the United States and/or the rest of the world. In its producer questionnaire response, *** noted that it anticipates modest domestic growth.[21] In its posthearing brief, though, ***. In addition, ***.[22] Mr. Blot of Ed Blot and Associates is forecasting decreased consumption of stainless steel plate in 2005, partly due to destocking of purchaser's inventories.[23] Purchasers are undergoing a mixed pattern of inventory restocking/destocking in 2005, however. Five of the smallest responding purchasers noted their inventories remaining the same in 2005 as compared to 2004.[24] Purchasers *** noted destocking their inventories in 2005 as compared to 2004 by *** and *** percent, respectively. ***, however, has increased its stainless steel plate inventories by *** percent in 2005. Importer *** foresees increased demand in the United States based on market reports which project growth in the appliance, automotive, and vessel industries. Purchaser *** believes domestic demand for stainless steel plate will grow as long as the economy remains strong. Mr. Matera, CEO of Bristol Metals LP (Bristol) and Synalloy Corporation, a welded pipe manufacturer, also testified at the hearing that he believes demand will continue to grow for the next couple of years.

In terms of country of origin product mix, purchasers *** and *** indicated they are buying more stainless steel plate from domestic producers than they were in 1998, due to increased sales and demand, and, for *** because NAS has become an industry leader as of 2002.[25] In 2003, *** decided to increase its purchases of stainless steel plate from ***.

Four of nine purchasers indicated that they were refused, declined, or otherwise unable to purchase stainless steel plate since 1998 from either foreign or domestic sources. *** noted that TKAST and Columbus will sell cut-to-length plate, but not coiled plate to ***. *** was unable to purchase some stainless steel plate from *** between December 2003 and May 2004, though it did not have a major impact on its business, as it began to purchase more from ***. Finally, purchaser *** noted having to purchase some types of stainless steel plate from foreign suppliers after the closure of the domestic Lukens plant.

Due to the very small market share of cold-rolled stainless steel plate, one purchaser noted there typically are long lead times, and even occasional shortages of cold-rolled stainless steel plate on the market. Sometimes a producer will impose a minimum run size or require purchasers to buy on a "best effort" basis, as ***. In fact, *** noted only buying from cold-rolled stainless steel plate from *** and believes that *** has stopped production due to its difficulty of production.[26]

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[21] U.S. producer ***, though anticipating increased demand, described that it believes the market will be oversupplied as a result of worldwide overcapacity, as supply continues to grow in subject and nonsubject countries. It believes that this will cause more exports to the United States, since the United States is the "market of choice."

[22] Domestic interested parties' posthearing brief, exh. 1, p. 10.

[23] Hearing transcript, pp. 61-62 (Blot).

[24] *** did not note their annual purchases so their relative size in the stainless steel plate market is unknown.

[25] In fact, eight of nine purchasers noted NAS is a price leader in the market, just ahead of Allegheny, which was noted by six of nine purchasers. Additionally, importers Arcelor Stainless USA, Outokumpu, and Thyssen Krupp were identified as price leaders by one purchaser.

[26] Staff telephone interview with ***, April 20, 2005.

Substitute Products

The closest product that may be substituted for stainless steel plate in coils is stainless steel plate that has been already been cut, since it is the same product but in shorter lengths or narrower widths. Domestic interested parties asserted that cut plate can be substituted for coiled plate in a number of applications, with little cost added.[27] Domestic interested parties submitted U.S. import data from 1995 to 2004 regarding the imports of cut and coiled plate from subject countries.[28] In fact, domestic interested parties alleged that one firm purchased cut plate from Korea after the issuance of the antidumping orders,[29] even though POSCO itself reportedly does not export cut-to-length plate to the United States.[30] POSCO noted that there is ***.[31]

One U.S. producer (***), along with two importers (***), purchasers (***), and foreign producers (***) reported that some substitute products exist for stainless steel plate in coils. This substitution, however, is quite limited. Producer *** reported plate mill plate as a substitute for uses such as platforms on construction jobs, storage tanks, and large fabrications. Importer *** listed three substitutes, but gave reasons why substitution would be limited: specialty carbon steel could be used for storage tanks and vessels, though corrosion and cost are limiting factors; and stainless steel duplex and titanium plate, which are impractical because of a large price differences. Coated steel could be used in unexposed auto parts, according to importer ***. Purchaser *** noted 3CR12, which is a "'utility stainless steel' ... a proprietary modification of Grade 409 chromium stainless steel,"[32] could be substituted for stainless steel plate in rail cars and two other uses. Purchaser *** noted that discrete plate could be a substitute in making welded pipe. Foreign producer *** listed corrosion-resistant carbon steel and aluminum plate as substitutes in the construction of pressure vessels, "but not the majority of applications that require steel possessing physical and chemical characteristics of {stainless steel plate}." Foreign producer *** listed high nickel alloys, specialty carbon steels, and aluminum as possible substitutes for stainless steel plate. However, it noted, substitution is constrained by price considerations as well as which properties are required for the application in which the metal is to be used. Of these five firms, only purchaser *** reported that changes in the price of the substitute product had any effect on the price of stainless steel plate. In this case, surcharges on stainless steel plate have caused order cancellations.

According to one purchaser, the nearest substitute for cold-rolled stainless steel plate is polished hot-rolled stainless steel plate, though "you have to know the use to know the substitutes."[33] However, in applications that demand the decreased porosity embodied in cold-rolled stainless steel plate such as those in the pharmaceutical industry, substitutability between polished hot-rolled and cold-rolled stainless steel plate is constrained.[34]

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[27] Hearing transcript, pp. 40-41 (Blot).

[28] Correlations between imports of cut and coiled stainless steel plate yield correlation coefficients of -0.11 for Belgium, .098 for Canada, -.269 for Italy, .123 for Korea, -.204 for South Africa, and -.526 for Taiwan. A correlation coefficient of -1.00 would mean that every ton of stainless steel plate in coils was replaced with one ton of cut stainless steel plate.

[29] Domestic interested parties' posthearing brief, exh. 2.

[30] Hearing transcript, p. 197 (Cameron).

[31] Joint respondent interested parties' posthearing brief, exh. 4, app. D.

[32] *See, e.g.*, http://www.azom.com/details.asp?ArticleID=968, retrieved February 23, 2005.

[33] Staff telephone interview with ***, April 20, 2005.

[34] Staff telephone interviews with ***, April 20, 2005.

Cost Share

Stainless steel plate accounts for a large percentage of the total cost of the end products in which it is used. Producers and importers were asked to estimate the percentage of the total cost of the end product accounted for by the cost of the stainless steel plate. Producers *** estimated that stainless steel plate accounts for approximately 85 percent of the cost of flat bar, 75 percent of the cost of pipe and tube, 70 percent of the cost of tanks, and 60 percent of general fabrication costs. The only responding importer, ***, estimated that stainless steel plate accounts for approximately 50 percent of general fabrication costs. The only responding purchaser, ***, reported that stainless steel plate accounts for between 65 and 70 percent of the cost of welded stainless pipe.

Demand Outside the United States

Producers, importers, purchasers, and foreign producers were asked if demand for stainless steel plate outside the United States had changed during the period 1998 to 2004. All responding firms except importer *** noted that there has been an increase in demand, with foreign producers noting increases in their home markets and the rest of the world. Demand was noted to be increasing in the EU and especially China. The reasons foreign producer *** reported for increased demand were the use of stainless steel in new applications, an increase in demand for downstream products made from stainless steel, and the adoption and enforcement of stricter environmental laws worldwide governing the transportation of toxic materials that necessitate the use of stainless steel.

Importer *** foresees increased demand in the EU and China, based on market reports projecting growth in the appliance, automotive, and vessel industries. Foreign producer *** reported that, based on market reports, it foresees steady growth in the EU and China. *** echoed a similar sentiment in noting that demand should increase globally in the next few years. Importer *** sees sharply increasing demand in China through 2008.

Domestic interested parties noted, though, that increasing demand in China will be outstripped by increasing capacity to produce stainless steel flat products closer to the end of the decade. Domestic interested parties and joint respondent interested parties submitted forecasts of China's – along with other countries – hot-rolled stainless steel slab and cold-rolled production capacity, as well as hot-rolled and cold-rolled stainless steel flat forecasted apparent consumption and shipments. Selected data for China are presented in the following tabulation:

China	2004 *(metric tons per year)*	2008 (forecasted) *(metric tons per year)*
Stainless steel capacity:[1]		
Slab	***	***
Cold-rolled	***	***
Stainless steel apparent consumption:		
Hot-rolled flat products	***	***
Cold-rolled flat products	***	***
Stainless steel shipments:		
Hot-rolled flat products	***	***
Cold-rolled flat products	***	***

[1] ***.

Source: ***, submitted in domestic interested parties' posthearing brief, exh. 14, and in joint respondent interested parties' posthearing submission, April 7, 2005.

Domestic interested parties direct attention to the declining exports to China from subject countries in 2004 as compared to 2003, showing this as evidence of the trend to come.[35] Korean respondent interested parties noted that shipments to China of stainless steel plate for the first quarter are up *** percent compared to the first quarter of 2004 and *** percent compared to the first quarter of 2003, with a larger share going to POSCO's joint ventures.[36] Italian respondent interested parties noted that, though its shipments of stainless steel plate to China decreased from *** tons in 2003 to *** tons in 2004, it has already shipped *** tons in the first quarter of 2005 and expects to ship *** tons during 2005.[37] Belgian respondent interested party U&A Belgium also stated that its sales to China to date in 2005 are higher than they were in 2004 during the same period.[38]

SUBSTITUTABILITY ISSUES

Factors Affecting Purchasing Decisions

Purchasers were asked to identify the three major factors considered by their firm in deciding from whom to purchase stainless steel plate. Responses are delineated in table II-1. Price was reported by the largest number of purchasers as the number one factor that they consider when choosing a supplier of stainless steel plate. Quality and availability were the next most important factors.

Table II-1
Certain stainless steel plate: Most important factors in selecting a supplier, as reported by purchasers

Factor	First	Second	Third
Price	6	1	2
Quality[1]	2	3	2
Availability	1	4	1
Delivery/service/reliability	0	1	3
Product range	0	0	1

[1] Quality includes factors such as: flatness, surface condition, tolerances, meeting industry standards, grade, thickness, ease of cutting, edge condition, and rejection rate.

Note.– Also reported by three firms were fourth-most-important factors. These were delivery, product range, and traditional supplier.

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

Purchasers were also asked if they specifically ordered stainless steel plate from one country in particular over other sources of supply. Two of nine purchasers replied affirmatively, with *** indicating that it has a small percentage of customers that require domestically produced stainless steel plate, and *** stating that Belgium and Sweden are the only producers of 72" wide coil plate. In addition, when purchasers were asked to discuss whether or not certain grades/types/sizes of stainless steel plate were available from only one source (either domestic or foreign), the five purchasers responding affirmatively indicated that 72" wide coils or coils over 60" wide are only available from Belgium, Sweden, and

[35] Domestic interested parties' posthearing brief, exh. 13.

[36] Joint respondent's posthearing brief, exh. 4.

[37] Ibid., exh. 5.

[38] Ibid., exh. 3.

Finland. Furthermore, one purchaser stated that 60" wide plate is only available from NAS and Thyssen Krupp, and another indicated that long lengths (over 420" long) are only available from Belgium, Italy, and Korea.

Domestic interested parties stated that their production of wide-width coils of up to 60" compete directly with the wide-width coils produced by Belgium, because, for example, purchasers such as fabricators make decisions based on what width would produce the greatest yield. It is simply an economic decision for them.[39] Mr. Matera, CEO of Bristol, noted at the hearing that, in order to make 20" and 24" diameter stainless steel pipe, ASTM specification require the fewest number of welds unless an exception is received from the customer.[40] However, he stated that the number of purchasers that will allow for exceptions in his industry is very limited.[41]

Purchasers were asked if they always, usually, sometimes, or never purchased the lowest priced stainless steel plate. Five responding purchasers indicated that they usually buy the least expensive stainless steel plate on the spot market, while four sometimes do. Firms responding "sometimes" were asked to explain why price is not a controlling factor in those situations. Three replied that availability was the reason (with one adding that quality differences are equally important), and one considers inventory levels as overriding price in these purchasing decisions. For long term contracts, three purchasers noted that they usually can change their purchasing decision based on a lower price, one sometimes can and one never can.

Purchasers were also asked if they purchased stainless steel plate from one source although a comparable product was available at a lower price from another source. Purchasers *** noted that they might buy from a higher-priced source to reduce delivery times, and *** might purchase more expensive stainless steel plate if the supplier had better lead times and/or a lower minimum order size.

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions. Responses can be found in table II-2. The factors listed as most important were price (9 firms), product consistency, overall quality meets industry standards, reliability of supply, and availability (8 firms).

Purchasers were asked for a country-by-country comparison on the same 15 factors, with responses reported in table II-3. The most frequently reported comparison was between the U.S. product and all other countries. The largest differences when comparing the U.S. product compared with all other countries product was a superior availability and delivery time, but inferior prices and discounts offered. Comparing domestic stainless steel plate to imports from Belgium, both purchasers noted superior delivery time, and an inferior product range for the domestic product. One purchaser stated that domestic stainless plate producers have inferior product availability, whereas the other stated the opposite.

Purchasers were asked a number of questions about whether their purchasing patterns for stainless steel plate from subject and nonsubject sources had changed since 1999. Five of the nine purchasers reported that they had purchased stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, or Taiwan before 1998. Of the five firms reporting purchasing from the subject countries before 1998, all reported changing their pattern of purchasing from these countries. Two firms reported that they discontinued purchases from South Africa because of the order, one firm discontinued purchases from Korea and Taiwan. One firm reduced purchases from Belgium, Italy, Korea, and South Africa because of the order. One firm, ***, reported that it increased its demand for stainless steel plate from Belgium because of increased demand due to its own growth and *** reported increased purchases due to availability.

[39] Hearing transcript, p. 27 (Schmitt) and domestic interested parties' posthearing brief, exh. 1, pp. 4-9.

[40] Hearing transcript, p. 185 (Matera).

[41] Ibid., p. 211 (Matera).

Table II-2
Certain stainless steel plate: Importance of purchase factors, as reported by purchasers

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

Note.–Not all purchasers responded for each factor.

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

When asked about purchases from nonsubject countries, four purchasers reported that they did not purchase from nonsubject countries before or after the orders; three reported that their purchases from nonsubject countries were essentially unchanged;[42] two increased their purchases from nonsubject countries because of the orders; and two increased its purchases from nonsubject countries for reasons other than the orders (specifically, because of availability and ***).

Purchasers were also asked if they require their suppliers to become certified or pre-qualified for the stainless steel plate that they purchase. All nine purchasers reported that they have certification or qualification procedures for their suppliers of stainless steel plate, with eight requiring it for all the stainless steel plate it purchases, and one requiring it for 90 percent of its purchases of stainless steel plate. Purchasers were then asked to briefly describe any factors that they consider when qualifying a new supplier. Purchasers reported that they consider such factors as quality, delivery, price, availability, product range, problem response/technical support, ease of doing business, reputation, and capability. The time to qualify a new supplier ranged from a low of 72 hours to a high of up to a year.

[42] This includes two purchasers that did not buy from nonsubject countries originally.

Table II-3
Certain stainless steel plate: Comparisons of product by source country, as reported by purchasers

Factor	U.S. vs all countries			U.S. vs Belgium			U.S. vs Italy			U.S. vs South Africa		
	S	C	I	S	C	I	S	C	I	S	C	I
	Number of firms responding											
Availability	2	1	0	1	0	1	1	0	0	1	0	0
Delivery terms	0	3	0	0	2	0	0	1	0	0	1	0
Delivery time	2	1	0	2	0	0	1	0	0	1	0	0
Discounts offered	1	0	2	0	2	0	0	1	0	0	1	0
Extension of credit	1	2	0	0	2	0	0	1	0	0	1	0
Price[1]	0	1	2	0	2	0	0	1	0	0	1	0
Minimum quantity requirements	0	3	0	0	2	0	0	1	0	0	1	0
Packaging	0	3	0	0	2	0	0	1	0	0	1	0
Product consistency	0	3	0	0	2	0	1	0	0	0	1	0
Quality meets industry standards	1	2	0	0	2	0	0	1	0	0	1	0
Quality exceeds industry standards	1	2	0	0	2	0	0	1	0	0	1	0
Product range	1	2	0	0	0	2	0	1	0	0	1	0
Reliability of supply	0	3	0	0	2	0	1	0	0	1	0	0
Technical support/service	1	2	0	0	2	0	0	1	0	1	0	0
U.S. transportation costs[1]	1	2	0	0	2	0	0	1	0	0	1	0

Table continued on next page.

When purchasers were asked if, since 1998, any domestic or foreign producers failed in their attempts to certify or qualify their stainless steel plate with their firm or if any producers lost their approved status, all replied in the negative.

Table II-3--*Continued*
Certain stainless steel plate: Comparisons of product by source country, as reported by purchasers

Factor	Belgium vs Italy			Belgium vs South Africa			Italy vs South Africa			U.S. vs Germany		
	S	C	I	S	C	I	S	C	I	S	C	I
	Number of firms responding											
Availability	0	1	0	0	1	0	0	1	0	1	1	0
Delivery terms	0	1	0	0	1	0	0	1	0	0	2	0
Delivery time	0	1	0	1	0	0	0	1	0	1	1	0
Discounts offered	0	1	0	0	1	0	0	1	0	0	2	0
Extension of credit	0	1	0	0	1	0	0	1	0	0	2	0
Price[1]	0	1	0	0	1	0	0	1	0	0	2	0
Minimum quantity requirements	0	1	0	0	1	0	0	1	0	0	2	0
Packaging	0	1	0	0	1	0	0	1	0	0	2	0
Product consistency	1	0	0	1	0	0	0	1	0	1	1	0
Quality meets industry standards	0	1	0	0	1	0	0	1	0	0	2	0
Quality exceeds industry standards	0	1	0	0	1	0	0	1	0	0	2	0
Product range	1	0	0	1	0	0	0	1	0	1	1	0
Reliability of supply	1	0	0	1	0	0	0	1	0	1	1	0
Technical support/service	1	0	0	0	1	0	0	1	0	1	1	0
U.S. transportation costs[1]	0	1	0	0	1	0	0	1	0	0	2	0

[1] A rating of "S" on price and U.S. transportation costs indicates that this country has lower prices/costs than the other country.

Note.–S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior.
Note.–Not all companies gave responses for all factors.
Note.–One response was also received comparing the United States and Sweden's stainless steel plate.

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

Purchasers were asked how frequently they and their customers purchased stainless steel plate from specific producers and from specific countries. The following tabulation summarizes the responses:

Purchaser / customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	1	4	3	1
Purchaser's customer makes decision based on producer	0	1	6	2
Purchaser makes decision based on country	0	3	2	4
Purchaser's customer makes decision based on country	0	0	6	2

Based on the available information presented above, purchasers more frequently make purchasing decisions based on the producer of the stainless steel plate product than the country of origin, whereas they believe their customers do not. Of the eight purchasers that at least sometimes make decisions based on producer, four noted price as a determining factor, two noted quality, and one each noted delivery, range, ***, the capabilities of the supplier, the requirements of the customer, and the name of the mill producing the stainless steel plate. All six of the responding purchasers whose customers at least sometimes make decisions based on country of origin noted that their customers sometimes have domestic sourcing requirements as a determinative factor in their purchasing decisions.[43] Five of nine purchasers noted that buying a product manufactured in the United States is not an important factor in their purchases of stainless steel plate. It is important for some of the sales of three firms because of "Buy American" laws, for some of the sales of one firm because its customers request domestic stainless steel plate, and for most of the sales of two firms for other reasons.

Lead Times

U.S. producers and importers were requested to provide information on average lead times. Producers sell mostly on a produce-to-order basis (*** percent of 2004 sales for *** and *** percent for ***), and *** only produces for specific orders. Producers noted the lead time for orders filled out of inventory is one to two weeks, while sales that are made on a produced-to-order basis take 4 to 6 weeks for ***, 6 to 8 weeks for ***, and 8 to 10 weeks for ***. For importers of stainless steel plate, *** reported that it sells only on a produced-to-order basis, *** sells both produced-to-order (55 percent of its sales) and from inventory (45 percent of its sales), and *** sells mostly from inventory (95 percent of its sales). Importers reported lead times of 2 to 4 months for produced-to-order sales and 3 to 7 days for sales from inventory. Two of three producers and all three responding importers noted that lead times have not changed since 1998. Producer *** reported that lead times were steady from 1999-2001, decreased in 2002-03, and increased in 2004. At the hearing, purchaser Bristol noted that, in some cases, lead times have tripled as supplies have become tighter.[44] Domestic interested parties disagree with this assessment, noting that lead times are presently normal for the industry.[45]

[43] When asked about how the country of origin may be determinative, one purchaser noted that its customers may specify where they do not want the steel they purchase to be produced.

[44] Hearing transcript, p. 185 (Matera).

[45] Ibid., p. 279 (Hartquist).

Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports

Producers, importers, and purchasers were asked to report how frequently stainless steel plate from different countries were used in the same applications, as well as information on the degree of interchangeability between stainless steel plate products from the different subject countries. Responses are described in table II-4. With regard to the interchangeability between domestic and subject imported stainless steel plate products, all responding U.S. producers reported that the domestic and imported products are always used in the same applications. Importers were more mixed in their responses, with one reporting that imported stainless steel plate from Canada is never interchangeable with any other stainless steel plate. One importer replied that domestic stainless steel plate is always interchangeable with that imported from Belgium, Canada, Italy, and South Africa. One importer also noted that domestic and imports from Italy are frequently interchangeable, and another importer stated that domestic stainless steel plate and that from Belgium are only sometimes interchangeable. In general, most purchasers stated that stainless steel plate from the United States was always or frequently interchangeable with subject imports from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, with the exception of one purchaser which noted that domestically produced stainless steel plate and that imported from Korea are only sometimes interchangeable.

In addition, producers and importers were asked to assess how often differences other than price were significant in sales of stainless steel plate from the United States, subject countries, or nonsubject countries. Table II-5 contains their responses. Questionnaire data indicate that all responding U.S. producers believe that differences between stainless steel plate produced in the United States and in other countries were never a significant factor in their sales of the products; in all country pairings, every U.S. producers reported "never." The majority of responding importers reported that differences between stainless steel plate produced in the United States and in other countries were sometimes or never a significant factor in their sales of the products. Only when comparing domestically produced stainless steel plate to stainless steel plate imported from Belgium did one importer note that there are frequently differences other than price that are a significant factor in its sales of stainless steel plate.

ELASTICITY ESTIMATES

U.S. Supply Elasticity[46]

The domestic supply elasticity for stainless steel plate measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of stainless steel plate. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to and from production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced stainless steel plate. Earlier analysis of these factors indicates that the U.S. industry has a moderate ability to increase or decrease shipments to the U.S. market; an estimate in the range of 3 to 5 is suggested.

[46] A supply function is not defined in the case of a non-competitive market.

Table II-4
Certain stainless steel plate: U.S. firms' perceived degree of interchangeability of products produced in the United States and other countries[1]

Country comparison	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. Belgium	3	0	0	0	1	0	1	0	7	0	0	0
U.S. vs. Canada	3	0	0	0	1	0	0	1	4	1	0	0
U.S. vs. Italy	3	0	0	0	1	1	0	0	7	0	0	0
U.S. vs. Korea	3	0	0	0	0	0	0	0	5	0	1	0
U.S. vs. South Africa	3	0	0	0	1	0	0	0	6	1	0	0
U.S. vs. Taiwan	3	0	0	0	0	0	0	0	4	2	0	0
U.S. vs. Nonsubject	3	0	0	0	0	0	0	0	4	3	0	0
Belgium vs. Canada	2	0	0	0	0	0	0	1	2	1	0	0
Belgium vs. Italy	2	0	0	0	0	0	0	0	4	0	0	0
Belgium vs. Korea	2	0	0	0	0	0	0	0	3	0	0	0
Belgium vs. S. Africa	2	0	0	0	0	0	0	0	4	0	0	0
Belgium vs. Taiwan	2	0	0	0	0	0	0	0	3	0	0	0
Belgium vs. Nonsubject	2	0	0	0	0	0	0	0	3	0	0	0
Canada vs. Italy	2	0	0	0	0	0	0	1	2	1	0	0
Canada vs. Korea	2	0	0	0	0	0	0	1	2	1	0	0
Canada vs. S. Africa	2	0	0	0	0	0	0	1	2	1	0	0
Canada vs. Taiwan	2	0	0	0	0	0	0	1	2	1	0	0
Canada vs. Nonsubject	2	0	0	0	0	0	0	1	1	1	0	0
Italy vs. Korea	2	0	0	0	0	0	0	0	3	0	0	0
Italy vs. S. Africa	2	0	0	0	0	0	0	0	4	0	0	0
Italy vs. Taiwan	2	0	0	0	0	0	0	0	3	0	0	0
Italy vs. Nonsubject	2	0	0	0	0	0	0	0	2	0	0	0
Korea vs. S. Africa	2	0	0	0	0	0	0	0	3	0	0	0
Korea vs. Taiwan	2	0	0	0	0	0	0	0	3	0	0	0
Korea vs. Nonsubject	2	0	0	0	0	0	0	0	2	0	0	0
S. Africa vs. Taiwan	2	0	0	0	0	0	0	0	3	0	0	0
S. Africa vs. Nonsubject	2	0	0	0	0	0	0	0	3	0	0	0
Taiwan vs. Nonsubject	2	0	0	0	0	0	0	0	2	0	0	0

[1] Producers, importers, and purchasers were asked if stainless steel plate produced in the United States and in other countries is used interchangeably.

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

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

Table II-5
Certain stainless steel plate: U.S. firms' perceived significance of differences other than price between stainless steel plate produced in the United States and stainless steel plate produced in other countries[1]

Country comparison	U.S. producers				U.S. importers			
	A	F	S	N	A	F	S	N
U.S. vs. Belgium	0	0	0	3	0	1	0	0
U.S. vs. Canada	0	0	0	3	0	0	0	1
U.S. vs. Italy	0	0	0	3	0	0	0	1
U.S. vs. Korea	0	0	0	3	0	0	1	0
U.S. vs. South Africa	0	0	0	3	0	0	0	0
U.S. vs. Taiwan	0	0	0	3	0	0	0	0
U.S. vs. Nonsubject	0	0	0	3	0	0	0	0
Belgium vs. Canada	0	0	0	2	0	0	0	1
Belgium vs. Italy	0	0	0	2	0	0	0	0
Belgium vs. Korea	0	0	0	2	0	0	1	0
Belgium vs. S. Africa	0	0	0	2	0	0	0	0
Belgium vs. Taiwan	0	0	0	2	0	0	0	0
Belgium vs. Nonsubject	0	0	0	2	0	0	0	0
Canada vs. Italy	0	0	0	2	0	0	0	1
Canada vs. Korea	0	0	0	2	0	0	1	1
Canada vs. S. Africa	0	0	0	2	0	0	0	1
Canada vs. Taiwan	0	0	0	2	0	0	0	1
Canada vs. Nonsubject	0	0	0	2	0	0	0	1
Italy vs. Korea	0	0	0	2	0	0	1	0
Italy vs. S. Africa	0	0	0	2	0	0	0	0
Italy vs. Taiwan	0	0	0	2	0	0	0	0
Italy vs. Nonsubject	0	0	0	2	0	0	0	0
Korea vs. S. Africa	0	0	0	2	0	0	0	0
Korea vs. Taiwan	0	0	0	2	0	0	0	0
Korea vs. Nonsubject	0	0	0	2	0	0	0	0
S. Africa vs. Taiwan	0	0	0	2	0	0	0	0
S. Africa vs. Nonsubject	0	0	0	2	0	0	0	0
Taiwan vs. Nonsubject	0	0	0	2	0	0	0	0

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

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

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

U.S. Demand Elasticity

The U.S. demand elasticity for stainless steel plate measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of stainless steel plate. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of stainless steel plate in the production of any downstream products. Based on the available information, the aggregate demand elasticity for stainless steel plate is likely to be in a range of 0.5 to 1.0.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[47] Product differentiation, in turn, depends upon such factors as quality and conditions of sale. Based on available information, the elasticity of substitution between domestic and subject stainless steel plate is likely to be moderate and in the range of 3 to 5 for all countries except Belgium due to its ability to supply both cold-rolled and hot-rolled stainless steel plate in widths greater than 60 inches. The elasticity of substitution between domestic and Belgian stainless steel plate is likely to be lower, and in the range of 2 to 4.[48]

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

[48] Domestic interested parties contend that the substitution elasticity with respect to Belgium is likely in the range of 3 to 5, despite the inability of the domestic producers to manufacture wide-width stainless steel plate. They argue that imports from Belgium compete directly with domestic and other countries' stainless steel plate and the wide-width material is ultimately slit or welded so width does not matter. Domestic interested parties' prehearing brief, p. 41.

PART III: CONDITION OF THE U.S. INDUSTRY

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

Table III-1 presents data for U.S. producers' capacity, production, and capacity utilization, by firm, for the period for which the Commission requested information in its questionnaires (1998-2004). Reported fluctuations in capacity were, at least in part,[1] due to adjustments within the industry as firms combined operations and either expanded or shut down production facilities.[2]

Capacity Adjustments and Allocations

As discussed in Part I of this report, the restructuring of the industry observed during the original investigations continued with the domestic stainless steel plate industry undergoing a series of changes. Avesta's decision in mid-1998 to suspend its stainless steel plate operations did result in a reduction of overall production capacity within the industry. In contrast, the acquisition by Allegheny Ludlum in late 1998 and 1999 of the former Washington Steel production capacity (i.e., a melt shop and Steckel mill in Houston, PA and anneal and pickle lines in Massillon, OH, and Washington, PA) did not initially result in a net loss of capacity within the domestic industry as production of the subject plate continued under

[1] Stainless steel plate is manufactured in mills and on rolling and finishing lines that are also used to manufacture a wide variety of other steel products. The following firms indicated that they allocated their reported subject capacity based on their historical product mix: ***. *** did not provide a response and ***. Allegheny Ludlum's, AK's, Avesta's, and NAS's producer questionnaire responses.

[2] *See also* the tabulation below which lists capacity adjustments made to the facilities in which stainless steel plate is produced.

Firm	Date	Capacity adjustment (*short tons*)	Description and/or impacted production stage	Location
AK	***	***	added finishing facility	Rockport, IN
	***	***	***	***
Allegheny Ludlum	***	***	acquired melt shop	Houston, PA
	***	***	acquired Steckel mill	Houston, PA
	***	***	acquired wide anneal and pickle	Massillon, OH
	***	***	acquired hot anneal and pickle	Washington, PA
	***	***	***	***
	***	***	***	***
	***	***	***	***
	***	***	acquired melt shop	Midland, PA
	***	***	acquired anneal and pickle	Midland, PA
NAS	***	***	added melt shop	Ghent, KY

[1] Includes nonsubject production.

Table III-1
Certain stainless steel plate: U.S. producers' capacity, production, and capacity utilization, by firm, 1998-2004

Firm	1998	1999	2000	2001	2002	2003	2004
	Capacity (*short tons*)						
AK[1]	***	***	***	***	***	***	***
Allegheny Ludlum[2]	***	***	***	***	***	***	***
Avesta[3]	***	***	***	***	***	***	***
J&L[4]	***	***	***	***	***	***	***
NAS[5]	***	***	***	***	***	***	***
Washington Steel	***	***	***	***	***	***	***
Total	223,917	213,000	213,222	277,609	270,404	***	***
	Production (*short tons*)						
AK	***	***	***	***	***	***	***
Allegheny Ludlum	***	***	***	***	***	***	***
Avesta	***	***	***	***	***	***	***
J&L	***	***	***	***	***	***	***
NAS	***	***	***	***	***	***	***
Washington Steel	***	***	***	***	***	***	***
Total	83,208	110,406	98,229	96,316	115,707	***	***
	Capacity utilization (*percent*)						
AK	***	***	***	***	***	***	***
Allegheny Ludlum	***	***	***	***	***	***	***
Avesta	***	***	***	***	***	***	***
J&L	***	***	***	***	***	***	***
NAS	***	***	***	***	***	***	***
Washington Steel	***	***	***	***	***	***	***
Average	37.2	51.8	46.1	34.7	42.8	***	***

[1] AK ***.
[2] Capacity figures for Allegheny Ludlum are based on operating *** per week for *** weeks per year.
[3] Avesta did not provide the basis on which its capacity figures were calculated.
[4] Capacity figures for J&L are based on operating *** hours per week for *** weeks per year.
[5] Capacity figures for NAS are based on operating *** hours per week for *** weeks per year.

Notes continued on next page.

Continuation.

Note.–Two firms, Allegheny Ludlum and NAS, further process a portion of their hot-rolled stainless steel plate into cold-rolled stainless steel plate. The capacity figures in this table exclude their reported capacity to produce cold-rolled stainless steel plate which is provided later in this section of the report. Further, production was calculated as the total of hot-rolled plus cold-rolled stainless steel production. (Stainless steel plate is cold-rolled on lines where subject production is a relatively small share of total production.) To avoid double-counting, the internal consumption of hot-rolled stainless steel plate to produce the cold-rolled product that *** reported in its questionnaire response was subtracted from its production figures. (*** did not separately report its internal consumption of hot-rolled stainless steel plate.)

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

new ownership. ***.[3] Allegheny Ludlum subsequently ***.[4] ***. NAS's reported 1998 capacity figure reflects the construction of a reheat furnace and Steckel mill for hot rolling slabs down to coiled plate gauges; the facility was dedicated to its stainless steel plate in coil (and stainless steel sheet) operations. In 2002, NAS added a new stainless melt shop, including furnace, refining, and slab caster equipment.[5] In their *Response to the Commission's Notice of Institution*, the domestic interested parties stated that "the U.S. industry has used the period of relief to consolidate, modernize, and selectively both shutter old and new capacity to produce {stainless steel plate}. The beneficial volume and price restraints of the orders have allowed the U.S. industry to invest in selective expansions and modernizations even through the adverse market conditions of the early part of the decade."[6]

The capacity figures reported in table III-1 are, as indicated earlier, allocations in that stainless steel plate is manufactured on production lines used to produce other steel products. AK produces *** on the lines used to manufacture stainless steel plate.[7] Likewise, Allegheny Ludlum has, during the period examined, used common equipment to manufacture both the subject merchandise and ***. NAS reported the common production of ***. Appendix F lists overall capacity and production data, on a firm basis, for products manufactured on the same equipment and machinery used in the production of the subject merchandise. Capacity utilization figures calculated from the data provided by firms are listed below:

* * * * * * *

The joint respondent interested parties state that "in reality" U.S. producers, as well as producers in each of the subject countries, are "currently operating ***." They argue that the Commission should focus its analysis on the utilization of overall melt capacity (shown above), not on allocated capacity to produce individual rolled products.[8] They assert further "it is meaningless to compare only the production of steel plate in coils with the capacity to produce it, because such capacity is also used to produce a variety of other stainless flat-rolled products. Steel plate in coils accounts for only about 8 percent of U.S. flat-rolled stainless shipments."[9]

[3] E-mail from counsel for domestic interested parties, February 25, 2005.

[4] E-mail from counsel for domestic interested parties, February 25, 2005. Allegheny Ludlum indicated in its questionnaire response that the net impact of the restructuring was ***. Allegheny Ludlum's producer questionnaire response.

[5] *Response to the Commission's Notice of Institution* by domestic interested parties, p. 14.

[6] *Response to the Commission's Notice of Institution* by domestic interested parties, p. 15.

[7] AK noted on its questionnaire response that ***. AK's producer questionnaire response, as modified in domestic interested parties' submission dated April 19, 2005.

[8] Joint respondent interested parties' posthearing brief, p. 3.

[9] Joint respondent interested parties' posthearing brief, exhibit 1 (the "Crandall Report").

The tabulation below lists the reported capacity utilization ratios, on a firm basis, for stainless steel plate (from table III-1) and for common hot-rolling lines where both subject and nonsubject merchandise is rolled (from the previous tabulation):

* * * * * * *

As shown, capacity utilization ratios calculated from the allocated capacity data reported by *** for stainless steel plate are well below the capacity utilization ratios calculated for their overall hot-rolling lines for most (but not all) periods. Subject capacity utilization ratios reported by *** were also well below the capacity utilizations ratios for their melt capacity for all periods.

U.S. producers were also requested in Commission questionnaires to describe the constraints that set the limit(s) on their production capacity at each stage in 2004. Firms responded as shown below:

* * * * * * *

Responses to a question about the feasibility of product shifting on common production equipment using the same labor are provided in the tabulation below:

* * * * * * *

Reported Subject Capacity, Production, and Capacity Utilization

As shown in table III-1, reported U.S. capacity to produce stainless steel plate was generally level during the first three years of the period reviewed although there was a slight decline from 1998 to 1999 that reflected the Avesta closure of its Baltimore, MD facility. Productive capacity increased in 2001 as ***.[10] Industry-wide capacity in 2004 was *** percent greater than that reported in 1998. Domestic production of stainless steel plate rose sharply in 1999 compared to 1998 but then fell in 2000 compared to 1999. Domestic production was relatively level during 2000-01, then rose in 2002 and again in 2003 but declined again in 2004. Nonetheless, the production level in 2004 was the second-highest reported during the seven-year period for which data were collected. U.S. production of stainless steel plate was *** percent higher in 2004 than in 1998. The reported rise in production from 2001 to 2003 primarily resulted from increased output at *** while the most recent production decline from 2003 to 2004 is, in part, a result of ***.[11] As indicated earlier, Allegheny Ludlum ***. Industry-wide capacity utilization remained below *** percent throughout the period examined. Company-specific capacity utilization figures reflect, in part, the allocation methodologies used and are also impacted by the timing of the industrial acquisitions that continued throughout the period examined.[12] The joint respondent interested parties state that "unused capacity is not excess 'capacity' if it cannot be deployed profitably when prices of the final product are soaring. If any producer chooses not to operate such capacity when prices are at their extremely high current levels, one must conclude that such capacity is obsolete or in need of major renovation."[13] Both Allegheny Ludlum and NAS could, according to the domestic interested parties, increase their output of stainless steel plate without reducing sales of other stainless products.

[10] ***. E-mail from domestic interested parties, March 2, 2005.

[11] ***.

[12] Allegheny Ludlum stated ***. E-mail from counsel for domestic interested parties, April 20, 2005.

[13] Joint respondent interested parties' posthearing brief, exhibit 1 (the "Crandall Report").

Specifically, NAS could sell domestically an additional *** tons per quarter and Allegheny Ludlum could produce *** more tons per week.[14]

As indicated previously, the data presented in table III-1 include both hot-rolled and cold-rolled stainless steel plate. Only two firms, Allegheny Ludlum and NAS, produce cold-rolled stainless steel plate. Other manufacturers have cold-rolling lines within their production facilities but utilize them for other steel products (i.e., stainless steel sheet and strip). The tabulation below presents reported figures for U.S. cold-rolled stainless steel plate production:

* * * * * * *

As shown above, production quantities varied *** on an annual basis for each firm. Cold-rolled stainless steel plate was reported by U.S. producers to be a specialty product that they typically produce to order.[15] The domestic interested parties reported that there is no standard ratio in common production facilities for the manufacture of stainless steel plate compared to sheet. Rather, "each product is manufactured in response to demand for that product in the U.S. market."[16]

U.S. PRODUCERS' SHIPMENTS AND INVENTORIES

As shown in table III-2, U.S. producers' total stainless steel plate shipments rose in quantity terms by *** percent from 1998 to 2004. For several of the years examined (i.e., 1999, 2000, 2001, and 2002) the quantity of product shipped was generally correlated with the amount produced. For the remaining years (1998, 2003, and 2004) there were build-ups and draw-downs in inventories as production and shipment levels fluctuated. Relatively higher shipment levels (*** tons) than production levels (83,208 tons) in 1998 reflected a sharp draw-down in product inventories by *** in that year. The higher industry-wide production levels (*** tons) than shipment levels (*** tons) in 2003 and, conversely, the lower industry-wide production levels (*** tons) than shipments levels (*** tons) in 2004 also, in large part, reflected ***.[17] ***.[18] ***.[19] The tabulation below shows the share that stainless steel plate exports for the U.S. industry as a whole accounted for of total shipments:

* * * * * * *

[14] Domestic interested parties' posthearing brief, exhibit 1, p. 1.

[15] E-mail from counsel for domestic interested parties, February 25, 2005.

[16] Domestic interested parties' posthearing brief, exhibit 1, p. 32.

[17] ***. *** producer questionnaire response.

[18] *** producer questionnaire response.

[19] E-mail from counsel for domestic interested parties, March 2, 2005. The domestic interested parties indicated that "***." Domestic interested parties' posthearing brief, exhibit 1, p. 3.

Table III-2
Certain stainless steel plate: U.S. producers' shipments, by type, 1998-2004

Item	1998	1999	2000	2001	2002	2003	2004
	Quantity (*short tons*)						
U.S. shipments[1]	99,174	107,060	97,323	94,219	105,947	***	***
Exports	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
	Value (*1,000 dollars*)						
U.S. shipments[1]	149,244	152,867	185,409	131,828	145,979	***	***
Exports	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***
	Unit value (*per short ton*)						
U.S. shipments[1]	$1,505	$1,428	$1,905	$1,399	$1,378	$***	$***
Exports	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***

[1] With the exception of ***, *** reported the internal consumption or company transfers of stainless steel plate other than that hot-rolled stainless steel plate that is internally consumed to produce the subject cold-rolled product, which is not included in these figures to avoid double-counting. ***.

Note.–Figures are calculated as the total of hot-rolled stainless steel plate shipments (not including the internal consumption of hot-rolled stainless steel plate to produce the cold-rolled product) plus cold-rolled stainless steel plate shipments.

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

The unit values of U.S. shipments of stainless steel plate fluctuated throughout the period examined with a *** upturn to a period high in 2004. As shown in the tabulation below, there was minimal variation in the individual trends of reported unit values of U.S. shipments among producing firms throughout the period examined.[20]

[20] During the last year when unit values rose, the reported unit values ***.

Item	1998	1999	2000	2001	2002	2003	2004
	Unit value (*per short ton*)						
Allegheny Ludlum	$***	$***	$***	$***	$***	$***	$***
AK	***	***	***	***	***	***	***
Avesta	***	***	-	-	-	-	-
J&L	***	***	***	***	***	***	***
NAS	***	***	***	***	***	***	***
Washington Steel	***	-	-	-	-	-	-
Average	1,505	1,428	1,905	1,399	1,378	***	***

The "Crandall Report," attached as exhibit 1 to joint respondent interested parties' posthearing brief, indicates that "soaring" prices in 2003-04 reflect the pressures of U.S. and world demand for metals, steel, and stainless steel against the limited capacity to produce these products (including stainless flat-rolled steel).

With the exception of 1998, the unit values of export shipments of stainless steel plate were lower than those of U.S. shipments (table III-2). As shown in the tabulation below, the unit values of U.S. shipments of cold-rolled stainless steel plate were, for most but not all periods, higher than those for hot-rolled stainless steel plate.

Item	1998	1999	2000	2001	2002	2003	2004
	Unit value (*per short ton*)						
Stainless steel plate: Hot-rolled	$***	$***	$***	$***	$***	$***	$***
Cold-rolled	***	***	***	***	***	***	***
Average	1,505	1,428	1,905	1,399	1,378	***	***

U.S. producers' end-of-year inventories are presented in table III-3. As shown, inventory levels fell from the quantity initially reported in 1998, were relatively constant at about *** tons to *** tons for the next three years, and then rose in 2002 and in 2003 before declining again to just under *** tons in 2004. The higher level of inventories in 2003 reflects ***.[21]

Table III-3
Certain stainless steel plate: U.S. producers' end-of-year inventories, as of December 31, 1998-2004

* * * * * * *

[21] ***.

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

Employment within the U.S. stainless steel plate industry fluctuated somewhat from 1998 to 2004, with about the same number of production and related workers employed in 2004 as were reported for 1998 (table III-4). Hourly wages paid during the period reviewed increased steadily. Productivity and unit labor costs varied throughout the period. In particular, a dip in productivity and a rise in unit labor costs occurred in 2000 compared to 1999 when more hours worked (541,000 hours in 2000 compared to 490,000 hours in 1999) were required to produce fewer tons (98,229 tons in 2000 compared to 110,406 tons in 1999), as shown in table III-1.[22] Conversely, a rise in productivity and decline in unit labor costs were reported from 2002 to 2003 when fewer hours worked (*** hours in 2003 compared to 463,000 hours in 2002) were required to produce more tons (*** tons in 2003 compared to 115,707 tons in 2002).[23]

Table III-4
Certain stainless steel plate: Average number of production of related workers (PRWs), hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 1998-2004

Item	1998	1999	2000	2001	2002	2003	2004
Number of PRWs	211	227	258	229	221	***	***
Hours worked by PRWs (*1,000*)	417	490	541	470	463	***	***
Wages paid to PRWs (*1,000 dollars*)	10,219	12,835	14,390	12,777	12,876	***	***
Hourly wages	$24.53	$26.19	$26.59	$27.20	$27.82	$***	$***
Productivity (*short tons per 1,000 hours worked*)	199.7	225.3	181.5	205.0	250.0	***	***
Unit labor costs (*per short ton*)	$122.81	$116.25	$146.49	$132.66	$111.28	$***	$***

Note.–Figures are calculated as the total of hot-rolled stainless steel plate employment plus cold-rolled stainless steel plate employment.

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

FINANCIAL EXPERIENCE OF THE U.S. INDUSTRY

Background

Four U.S. producers[24] provided financial data on their operations on stainless steel plate. These producers accounted for all known U.S. production of stainless steel plate in 2004.

Washington Steel closed its operations in November 1998 and did not provide any data. However, Washington Steel's data for January-September 1998 from the original investigations are used in this section. Avesta, which ceased operations in 1998, provided shipment data for 1998 and 1999 but

[22] ***.

[23] The trend is the result of figures reported by ***. *** producer questionnaire response.

[24] The U.S. producers are AK, Allegheny Ludlum, J&L, and NAS. The fiscal years of all four companies end on December 31.

did not supply income-and-loss data on those shipments. AK acquired Armco in September 1999 and also opened the Rockport, IN, facility, which produces *** volume of stainless steel plate, in 1999. NAS started its melt shop in 2002. Allegheny Ludlum closed its Houston, PA, melt shop in 2001, and its Washington, PA, hot anneal and pickle line and Massillon OH, wide anneal and pickle line in 2002. In 2004, it acquired a Midland, PA, melt shop and roll, anneal, and pickle line. The net impact of these transactions was increased capacity at lower production costs at Allegheny Ludlum. J&L's principal operating assets *** were acquired by Jewel Acquisition LLC, a wholly owned subsidiary of Allegheny Ludlum on June 1, 2004. Hence, ***.[25]

Operations on Stainless Steel Plate

Income-and-loss data for the U.S. producers on their stainless steel plate operations are presented in table III-5, per-short ton data are shown in table III-6, and components of cost of goods sold are presented in table III-7. Raw materials data by type and by firm are shown in table III-8. Selected financial data, by firm, are presented in table III-9.

[25] The information in this paragraph is based on the responses of AK, NAS, and Allegheny Ludlum to part II of the producers' questionnaire, as well as correspondence from David A. Hartquist, Collier Shannon Scott, February 14, 2005.

Table III-5
Certain stainless steel plate: Results of operations of U.S. producers in the production of certain stainless steel plate, fiscal years 1998-2004

Item	Fiscal years						
	1998 [1]	1999	2000	2001	2002	2003	2004
	Quantity (*short tons*)						
Net sales	89,954	110,083	99,247	96,289	113,050	***	***
	Value (*$1,000*)						
Net sales	133,149	156,868	188,749	134,518	154,313	***	***
Cost of goods sold	127,291	141,825	158,585	***	***	***	***
Asset write-offs [2]	0	0	0	***	***	***	***
Gross profit or (loss)	5,858	15,043	30,164	(2,367)	(28,205)	***	***
SG&A expenses	7,275	8,989	8,700	8,297	6,750	***	***
Operating income or (loss)	(1,417)	6,054	21,464	(10,664)	(34,955)	***	***
Interest expense	2,582	2,726	2,840	1,731	1,653	***	***
Other expense	250	790	499	1,013	1,055	***	***
Other income items	90	386	440	202	313	***	***
Dumping and subsidy funds received	0	0	0	6	66	50	3,755
Net income or (loss)	(4,159)	2,924	18,565	(13,200)	(37,284)	***	***
Depreciation/amortization	8,590	9,348	9,193	8,694	8,262	***	***
Cash flow	4,431	12,272	27,758	(4,506)	(29,022)	***	***
	Ratio to net sales (*percent*)						
Cost of goods sold	95.6	90.4	84.0	***	***	***	***
Asset write-offs [2]	0.0	0.0	0.0	***	***	***	***
Gross profit or (loss)	4.4	9.6	16.0	(1.8)	(18.3)	***	***
SG&A expenses	5.5	5.7	4.6	6.2	4.4	***	***
Operating income or (loss) [3]	(1.1)	3.9	11.4	(7.9)	(22.7)	***	***
Net income or (loss)	(3.1)	1.9	9.8	(9.8)	(24.2)	***	***
	Number of firms reporting						
Operating losses	2	2	1	3	3	3	2
Data	5	4	4	4	4	4	4

[1] Washington Steel closed its operations in November 1998 and did not provide data for these reviews. Washington Steel's data for January-September 1998 from the original investigations are used.
[2] ***. See e-mails from ***, Georgetown Economics, February 23, 2005 and March 7, 2005.
[3] Without the asset write-offs, the operating loss margins would be *** percent in 2001, *** percent in 2002, and *** percent in 2003.

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

Table III-6
Certain stainless steel plate: Results of operations (per short ton) of U.S. producers in the production of certain stainless steel plate, fiscal years 1998-2004

Item	Fiscal years						
	1998	1999	2000	2001	2002	2003	2004
	Unit value (*per short ton*)						
Net sales	$1,480	$1,425	$1,902	$1,397	$1,365	***	***
Cost of goods sold	1,415	1,288	1,598	***	***	***	***
Asset write-offs	0	0	0	***	***	***	***
Gross profit or (loss)	65	137	304	(25)	(249)	***	***
SG&A expenses	81	82	88	86	60	***	***
Operating income or (loss)	(16)	55	216	(111)	(309)	***	***
Net income or (loss)	(46)	27	187	(137)	(330)	***	***

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

Table III-7
Certain stainless steel plate: Components of cost of goods sold of U.S. producers in the production of certain stainless steel plate, fiscal years 1998-2004

Item	Fiscal years						
	1998	1999	2000	2001	2002	2003	2004
	Value (*$1,000*)						
Raw materials	88,377	89,750	104,710	82,572	89,601	***	***
Direct labor	8,393	10,741	10,671	10,274	10,842	***	***
Other factory costs [1]	30,521	41,334	43,204	44,039	82,075	***	***
Total cost of goods sold	127,291	141,825	158,585	136,885	182,518	***	***
	Share of cost of goods sold (*percent*)						
Raw materials	69.4	63.3	66.0	60.3	49.1	***	***
Direct labor	6.6	7.6	6.7	7.5	5.9	***	***
Other factory costs [1]	24.0	29.1	27.2	32.2	45.0	***	***
Total cost of goods sold	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Unit value (*per short ton*)						
Raw materials	$982	$815	$1,055	$858	$793	***	***
Direct labor	93	98	108	107	96	***	***
Other factory costs [1]	339	375	435	457	726	***	***
Total cost of goods sold	1,415	1,288	1,598	1,422	1,614	***	***

[1] ***.

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

Table III-8
Certain stainless steel plate: U.S. producers' costs of raw materials used in the production of hot-rolled stainless steel plate, by types and by firms, fiscal years 1998-2004

* * * * * * *

Table III-9
Certain stainless steel plate: Results of operations of U.S. producers in the production of certain stainless steel plate, by firms, fiscal years 1998-2004

* * * * * * *

To summarize, net sales values initially increased through 2000, decreased in 2001, and then increased over the remainder of the period for which data were collected. Profitability also initially increased through 2000, changed to losses during 2001-03, and then rose to its highest level in 2004. The change in net sales values was the result of increasing net sales quantities except in 2000-01 and decreasing sales average unit values (AUVs) except in 2000 and 2004, while the swing in profitability was the result of unit costs decreasing at a slower rate than sales AUVs, except in 2000 and 2004 when they increased at a slower rate than sales AUVs. The *** decline in operating profitability during 2001-03 was to a large extent attributable to U.S. producers writing off non-productive assets, as described in table III-5.

The aggregate operating income margin improved from a negative 1.1 percent in 1998 to a positive 11.4 percent in 2000, turned to a negative 7.9 percent in 2001, negative 22.7 percent in 2002, and negative *** percent in 2003, and then returned to a positive *** percent in 2004. Out of five firms in 1998 and four firms thereafter, two firms reported operating losses in 1998-99, only one firm in 2000, three firms during 2001-03, and two firms in 2004.

The volume of total net sales increased irregularly by about *** percent from 1998 to 2004. The volume of total net sales increased by about 22 percent from 1998 to 1999, decreased by about 10 percent in 2000, declined by about 3 percent in 2001, increased by about 17 percent in 2002, rose by about *** percent in 2003, and then increased by about *** percent in 2004.

From 1998 to 1999, on a per-short ton basis, the total of average cost of goods sold (COGS) and selling, general, and administrative (SG&A) expenses declined by more than the decrease in the average selling price, resulting in the producers' improved operating income. In 2000, such costs and expenses combined increased less than the increase in average selling price, resulting in increased operating income. In 2001, COGS and SG&A expenses declined less than the decrease in average selling price, resulting in operating losses; in 2002, such costs and expenses combined declined more than the decrease in average selling price but the asset write-off rose more than seven fold, resulting in a significant operating loss (*** percent of this loss is due to an asset-write off by ***); in 2003, COGS increased by *** more than the increase in average selling price, resulting in a *** operating loss (*** percent of this loss is due to asset write-offs by ***); in 2004, average selling price increased *** faster than the increase in COGS, while SG&A expenses fell, resulting in a *** higher operating income.

With regard to the individual components of COGS, raw materials accounted for 49 to *** percent of the total cost of goods sold whereas other factory costs (including asset write-offs) accounted for *** to 45 percent during the period for which data were collected. The total unit cost of goods sold increased from 1998 to 2000, particularly because of increasing costs of raw materials and other factory costs. The total unit cost of goods sold then declined during 2001, mainly because of declining raw materials costs, but then rose during 2002-03 because of the asset write-off and then *** in 2004 because of rising raw materials costs.

Table III-8 presents raw material costs by types and by firms. Three firms provided the quantity and value of raw material components used in the production of hot-rolled stainless steel plate while one firm supplied such data used in the shipments of such plate. ***. The average per-pound value of nickel

for all reporting firms trended upward from 1998 to 2000, declined in 2001, and then moved upward and rose *** in 2004. The average per-pound value of chromium for all reporting firms showed a downward irregular trend until 2003, but increased *** in 2004. The average per-pound value of molybdenum for all reporting firms decreased from 1998 to 2001, and then increased each year and rose by *** in 2004 from 2003. The average per-pound value of stainless steel scrap for all reporting firms increased irregularly but rose *** in 2004. *** average cost per pound for stainless steel scrap was much lower than that of *** during each reporting period. The average per-pound value of slabs was mixed during the reporting period but was high in 2000 and 2004. The average per-pound value of black bands generally decreased after 1998. *** used black bands in 2003 and 2004. ***. The average per-pound cost of total raw materials for all reporting firms was higher in 2000 and increased *** in 2004.

Table III-9 presents selected financial data on a company-by-company basis, and illustrates some of the similarities and differences among the producers. NAS, which is ***, accounting for *** percent of total sales volume and total net sales value in 2004, had ***. NAS reported *** while AK reported *** and Allegheny Ludlum reported ***. Allegheny Ludlum reported ***, mainly because of its fixed asset write-off in the amount of $34.4 million.[26] [27] J&L reported ***. J&L reported ***.

With respect to its ***, AK stated that:

***.[28]

With respect to its ***, Allegheny Ludlum indicated that:

***.[29]

***.[30]

With respect to ***, NAS stated that:

***."[31]

[26] The $34.4 million is the actual amount of impairment charge for indefinitely idling of Massillon, OH stainless steel plate facility as reported in the Annual Report 2002 of Allegheny Ludlum. ***.

[27] An impairment loss on long-lived assets to be held and used shall be included in income from continuing operations before income taxes in the income statement of a business enterprise according to GAAP (Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the impairment or disposal of long-lived assets" (par. 25)). Losses could have many components, such as severance-related costs, write-down of certain fixed assets, and inventories which are usually recorded in cost of goods sold and/or SG&A expenses, or as a separate item above the operating income line with appropriate footnote disclosure. The results of operations of a component of an entity that has either been disposed of or is classified as held for sale shall be reported in discontinued operations if the operations of the component have been eliminated from the ongoing operations of the entity as a result of disposal transaction and the entity will have no significant continuing involvement in the operations of the component after the disposal transaction (SFAS 144, par. 42).

[28] E-mail from ***.

[29] Fax letter from ***.

[30] E-mail from ***.

[31] E-mail from ***.

The variance analysis showing the effects of prices and volume on the producers' net sales of stainless steel plate, and of costs and volume on their total expenses, is presented in table III-10.

Table III-10
Certain stainless steel plate: U.S. producers' variance analysis on their operations producing certain stainless steel plate, fiscal years 1998-2004

Item	Fiscal years						
	1998-04	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	Value (*$1,000*)						
Commercial sales:							
Price variance	***	(6,076)	47,322	(48,605)	(3,621)	***	***
Volume variance	***	29,795	(15,441)	(5,626)	23,416	***	***
Commercial sales	***	23,719	31,881	(54,231)	19,795	***	***
Cost of sales: [1]							
Cost variance	***	13,950	(30,721)	16,973	(21,805)	***	***
Volume variance	***	(28,484)	13,961	4,727	(23,828)	***	***
Total cost variance	***	(14,534)	(16,760)	21,700	(45,633)	***	***
Gross profit variance	***	9,185	15,121	(32,531)	(25,838)	***	***
SG&A expenses:							
Expense variance	***	(86)	(596)	144	2,991	***	***
Volume variance	***	(1,628)	885	259	(1,444)	***	***
Total SG&A variance	***	(1,714)	289	403	1,547	***	***
Operating income variance	***	7,471	15,410	(32,128)	(24,291)	***	***
Summarized as:							
Price variance	***	(6,076)	47,322	(48,605)	(3,621)	***	***
Net cost/expense variance	***	13,864	(31,316)	17,117	(18,814)	***	***
Net volume variance	***	(317)	(596)	(640)	(1,856)	***	***

[1] Cost of sales for 2001, 2002, and 2003 includes the amounts of asset write-off.

Note.--Unfavorable variances are shown in parentheses; all others are favorable.

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

The analysis is summarized at the bottom of the table. The information for this variance analysis is derived from table III-5. There was no internal consumption or transfers to related firms during the period for which data were collected. The variance analysis provides an assessment of changes in profitability as related to changes in pricing, cost, and volume. This analysis is more effective when the product involved is a homogeneous product with no variation in product mix. The analysis shows that the increase in operating income from 1998 to 2004 is primarily attributable to the much higher favorable price variance (higher selling prices), which more than offset the unfavorable net cost/expense variance (higher unit costs) and net volume variance (higher volume).

Investment in Capital Expenditures and Research and Development Expenses

The responding firms' aggregate data on capital expenditures and research and development (R&D) expenses on their stainless steel plate operations are shown in table III-11. Capital expenditures declined from 1998 to 2000, then increased in 2001, and generally decreased thereafter. The majority of capital expenditures were incurred ***. R&D expenses increased from 1998 to 2000, and generally declined thereafter. ***.

Table III-11
Certain stainless steel plate: Capital expenditures and research and development expenses of U.S. producers of certain stainless steel plate, fiscal years 1998-2004

* * * * * * *

Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of stainless steel plate to compute return on investment (ROI). Although ROI can be computed in many different ways, a commonly used method is income divided by total assets. Therefore, ROI is calculated as operating income divided by total assets used in the production, warehousing, and sale of stainless steel plate.

Data on the U.S. stainless steel plate producers' total assets and their ROI are presented in table III-12. The total assets utilized in the production, warehousing, and sales of stainless steel plate increased from 1998 to 1999, were essentially stable in 2000, declined during 2001 and 2002, and increased thereafter. ***.

The domestic industry's ROI improved from a negative 1.0 percent in 1998 to 9.7 percent in 2000, then turned negative (a negative 6.6 percent in 2001, 28.8 percent in 2002, and *** percent in 2003), before reaching its *** level, *** percent, in 2004. During 2001-03, the negative return on investment reflects ***.

Table III-12
Certain stainless steel plate: Value of assets and return on investment of U.S. producers in the production of certain stainless steel plate, fiscal years 1998-2004

Item	Fiscal years						
	1998	1999	2000	2001	2002	2003	2004
	Value (*$1,000*)						
Value of assets:							
Current assets:							
Cash and equivalents	122	935	2,272	222	357	***	***
Accounts receivable, net	8,101	11,558	11,115	8,462	9,665	***	***
Inventories	28,311	57,349	62,609	37,557	36,722	***	***
Other current assets	7,131	8,824	8,171	8,074	6,657	***	***
Total current assets	43,665	78,666	84,167	54,315	53,401	***	***
Property, plant and equipment: [1]							
Book value	80,265	123,302	115,341	98,948	63,452	***	***
Other non-current assets [2]	13,578	20,378	21,020	8,478	4,425	***	***
Total assets	137,508	222,346	220,528	161,741	121,278	***	***
Operating income or (loss)	(1,417)	6,054	21,464	(10,664)	(34,955)	***	***
	Ratio of operating income to total assets (*percent*)						
Return on investment	(1.0)	2.7	9.7	(6.6)	(28.8)	***	***

[1] J&L only reported book value of property, plant and equipment. Hence, original cost and accumulated depreciation for property, plant and equipment are not presented.
[2] Goodwill reported by J&L are included in other non-current assets.

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

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRY

U.S. IMPORTS

As presented in table IV-1, U.S. imports of stainless steel plate from subject sources, with the exception of Belgium, fell sharply after the imposition of the antidumping and countervailing duty orders in May 1999.[1] In addition, table IV-2 lists the per country share of U.S. imports and table IV-3 lists the ratio of U.S. imports to domestic production. The overall quantity of subject imports relative to total imports has declined each year since 1998, and the volumes of such merchandise imported from Italy, Korea, South Africa, and Taiwan are now minimal. U.S. imports of subject product from Canada will also cease, at least for the present, with the closure of Atlas Stainless, the only Canadian manufacturer. Conversely, stainless steel plate has been imported from nonsubject sources (in particular, from ***) in increasing quantities during the period examined, except for a slight dip from 2000 to 2001.[2] [3] Reporting U.S. importers (i.e., for Belgium, Italy, Korea, and nonsubject sources)[4] shipped primarily to U.S. distributors with the exception of ***. About one-half of its U.S. shipments of stainless steel plate in 1998 and 1999 were reported as internal consumption and transfers to related firms.[5] Relatively minor quantities of stainless steel plate were also re-exported by reporting U.S. importers. Almost all subject imports were of hot-rolled stainless steel plate, with U.S. imports of the cold-rolled product reported primarily by ***, although cold-rolled stainless steel plate has also been imported from *** in ***.[6]

---

[1] Arcelor USA reported that it imports ***. Arcelor USA's importer questionnaire response. U.S. imports of stainless steel plate from Belgium actually rose from 1998 to 1999, but they have subsequently fallen to ***.

[2] U.S. imports for nonsubject sources compiled from official Commerce data for the primary HTS statistical reporting numbers (but excluding 7220.11.0000) differ substantially from the data reported in response to Commission questionnaires. Commerce data show imports of 48,288 tons in 1998; 10,070 tons in 1999; 11,867 tons in 2000; 11,150 tons in 2001; 15,409 tons in 2002; 10,621 tons in 2003; and 10,844 tons in 2004. Questionnaire data, however, were utilized for the purposes of this report. As indicated earlier, questionnaire data were received from the largest U.S. importers listed in proprietary Customs data with one substantial importer (*** indicating that it did not, in fact, import subject merchandise). ***'s importer questionnaire response and staff telephone interview with ***, January 20, 2005. U.S. imports of stainless steel plate from nonsubject sources in 1997 were (based on petitioner's calculations) estimated to be 2,948 tons during the original investigations. *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, p. IV-1.

[3] ***.

[4] Comparable data are not available for Canada, South Africa, and Taiwan, as import data are derived from official Commerce statistics.

[5] ***. E-mail from ***, February 15, 2005.

[6] Questionnaire data on cold-rolled imports are not available for Canada and Taiwan. During the original investigations, however, *** quantities were reported to be exported to the United States from Canada while *** exports were reported from Taiwan. Confidential staff report for the original investigations (memorandum INV-W-064, April 9, 1999), pp. VII-10 and VII-20. Further, the sole subject manufacturer in South Africa ***. Columbus' foreign producer questionnaire response.

Table IV-1
Certain stainless steel plate: U.S. imports, by sources, 1998-2004

Source	1998	1999	2000	2001	2002	2003	2004
	Quantity (*short tons*)						
Belgium	***	***	***	***	***	***	***
Canada	2,123	374	595	***	***	***	***
Italy	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
South Africa	***	341	22	46	31	0	19
Taiwan	5,004	307	84	210	103	0	77
Subtotal, subject imports	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***
Total imports	23,154	13,765	13,966	7,246	14,590	***	***
	Value (*1,000 dollars*)						
Belgium	***	***	***	***	***	***	***
Canada	3,049	522	1,271	***	***	***	***
Italy	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
South Africa	***	354	32	84	30	0	27
Taiwan	6,292	413	135	274	152	0	236
Subtotal, subject imports	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***
Total imports	33,302	17,657	25,924	10,656	21,622	***	***
	Unit value (*per short ton*)						
Belgium	$***	$***	$***	$***	$***	$***	$***
Canada	1,437	1,397	2,137	***	***	***	***
Italy	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
South Africa	***	1,038	1,484	1,816	976	-	1,439
Taiwan	1,257	1,345	1,597	1,304	1,471	-	3,070
Subtotal, subject imports	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***
Total imports	1,438	1,283	1,856	1,471	1,482	***	***

Notes on next page.

Continuation.

Source: Compiled from data submitted in response to Commission questionnaires (for Belgium, Italy, Korea, and all other sources), except as noted, and from official Commerce statistics (for Canada, South Africa, and Taiwan), except as noted. Data for South Africa in 1998 and for all other sources in 1998 were derived from responses to Commission questionnaires for the original investigations and official Commerce statistics were adjusted for Canada to subtract out ***.

Table IV-2
Certain stainless steel plate: Shares of the quantity and value of total U.S. imports, by sources,1998-2004

* * * * * * *

Table IV-3
Certain stainless steel plate: Ratio of U.S. imports to domestic production, 1998-2004

* * * * * * *

Total U.S. imports of cold-rolled stainless steel plate, which remained small relative to U.S. imports of hot-rolled product throughout the period examined, are shown in the tabulation below:

* * * * * * *

Unit values for U.S. subject imports followed a similar trend to those reported by domestic producers and fluctuated throughout the period examined with a *** rise in 2004 compared to the previous years in the period examined (table IV-1). As shown in the tabulation below, the unit values of cold-rolled stainless steel plate imports were consistently higher than those reported for the hot-rolled product.

* * * * * * *

As indicated in the note to table IV-1 and in Part I of this report, figures for U.S. imports of stainless steel plate are derived from questionnaire data for Belgium, Italy, Korea, and all other sources and, except where noted, from "official Commerce statistics" for Canada, South Africa, and Taiwan. The Commerce data were compiled using the primary HTS statistical reporting numbers first identified by the domestic interested parties in their *Response to the Commission's Notice of Institution* (but excluding 7220.11.0000).[7] In their prehearing brief, the domestic interested parties point to differing trends in import data they calculated using the primary HTS statistical reporting numbers (but including

[7] Certain of the "primary" HTS statistical reporting numbers correspond only to subject merchandise while others also contain nonsubject product (primarily unannealed or otherwise not heat-treated stainless steel plate). The volume of included nonsubject product generally is believed to be small but can, at least for certain sources (specifically, ***), be ***. Commission staff compiled the importers' and foreign producers' list from, in part, proprietary Customs data for the primary HTS statistical reporting numbers. Subsequent to the mailing of the questionnaires and in response to reports from some firms on the mailing list that they did not, in fact, import subject merchandise, the Commission staff again reviewed the primary HTS statistical reporting numbers and determined that one number (7220.11.0000) was an aggregate category combining both coiled and uncoiled plate. (*See* staff e-mail, dated January 28, 2005, that was provided to the interested parties.) Further analysis confirmed industry reports that nonsubject flat bar (whether or not in coils that meets the dimensional specifications) could also be classified under 7220.11.0000. (*See* staff e-mail, dated February 3, 2005, that was provided to the interested parties.)

7220.11.0000) and state that the data presented in the prehearing report understate certain import levels. Specifically, with respect to Italy, the domestic interested parties argue that U.S. import figures should be based on "Commerce data" and not on questionnaire data. However, as shown in the proprietary Customs data (revised on February 2, 2005 to exclude 7220.11.0000),[8] *** U.S. imports from Italy under the primary HTS statistical reporting numbers for 1999-2003 were by ***. ***.[9] With respect to January-July 2004 (the period for which proprietary Customs data for 2004 were then available to the Commission), ***.[10]

The domestic interested parties also assert that questionnaire data for imports from Taiwan represent only around one-third of the level of "official Commerce data" in 2004.[11] Questionnaire data for Taiwan were not used to calculate U.S. imports for this report (there were no questionnaire responses from Taiwan importers). Rather, official Commerce statistics for the HTS statistical reporting numbers excluding 7220.11.0000 were utilized. The most substantial importers (by far) under the HTS statistical reporting numbers including 7220.11.0000 were ***. *** more than minimal amounts. *** responded that it did not import subject merchandise[12] while *** and *** did not respond to Commission questionnaires. Proprietary Customs data for 1999-2003 excluding 7220.11.0000 shows more than minimal imports from Taiwan only by ***,[13] with *** now accounting for *** in terms of quantity. ***. With respect to 2004, proprietary Customs data (for the January-July 2004 period then available) including 7220.11.0000 shows U.S. imports *** by ***. When 7220.11.0000 is deleted from the data, *** reported importing from Taiwan under the "primary" HTS statistical reporting numbers (for the January-October 2004 period then available).[14]

Finally, the domestic interested parties also cite to an increase in U.S. stainless steel imports from Korea over the 2003-04 period as shown in their exhibit 4 to their prehearing brief.[15] The 38 ton figure shown for 2004 in exhibit 4 of their brief reflects U.S. imports by ***. As described in Part I in this report, *** imported product from Korea under the primary statistical reporting numbers (either including or excluding 7220.11.0000) in 2004. Specifically, ***. ***.[16]

U.S. IMPORTERS' INVENTORIES

U.S. importers' inventories of imports are shown in table IV-4.[17]

---

[8] These revised proprietary Customs data were provided to interested parties under the Commission's administrative protective order prior to the issuance of the prehearing report.

[9] ***. ***.

[10] *See* information presented concerning imports by *** in the section entitled "Calculation of U.S. Imports " in Part I of this report.

[11] Domestic interested parties' prehearing brief, p. 30, n. 14.

[12] ***'s importer questionnaire response. ***.

[13] In other words, *** falls out.

[14] As shown in table IV-1, 77 tons were imported from Taiwan in 2004 (presumably during the latter part of the year).

[15] Domestic interested parties' prehearing brief, p. 57, n. 19.

[16] *See* the section entitled "Calculation of U.S. Imports " in Part I of this report.

[17] Hot-rolled stainless steel plate and cold-rolled stainless steel plate inventories appear in tables C-2 and C-3, respectively.

Table IV-4
Certain stainless steel plate: U.S. importers' end-of-period inventories of imports, by source, 1998-2004

* * * * * * *

SUBJECT COUNTRY CAPACITY, PRODUCTION, CAPACITY UTILIZATION, DOMESTIC SHIPMENTS, EXPORT SHIPMENTS, AND INVENTORIES[18]

Subject Country Producers

Subject manufacturers are listed in table IV-5; table IV-6 presents data on their U.S. stainless steel plate exports, by year. *** indicated that they anticipate any changes in the character of their operations or organization relating to the production of stainless steel plate in the future. *** further indicated that they would not anticipate any such changes in the event that the antidumping and countervailing duties were revoked. Additionally, *** indicated that there were any plans to add, expand, curtail, or shut down production capacity and/or production of stainless steel plate in the subject countries in the future.[19]

Table IV-5
Certain stainless steel plate: Subject manufacturers, their locations, and their capacity, production, total exports, and exports to the United States in 2004

Firm	Location	2004			
		Capacity[1]	Production[1]	Total exports[1]	Exports to the U.S.[1]
		(*Short tons*)			
Belgium: U&A Belgium	Genk, Belgium	***[2]	***	***	***
Canada: Atlas Stainless[3]	Tracy, Quebec	(4)	(4)	(4)	(4)
Italy: TKAST	Terni, Italy	(5)	***	***	***
Korea: POSCO	Seoul, Korea	***[6]	***	***	***
South Africa: Columbus	Middleburg, South Africa	(4)	***[7]	***[7]	***[7]
Taiwan[8]	--	(4)	(4)	(4)	(4)

Notes on next page.

[18] App. G provides separate data on subject manufacturers' hot-rolled and cold-rolled stainless steel plate operations.

[19] U&A Belgium's, TKAST's, POSCO's, and Columbus' foreign producer questionnaire responses. ***, however, stated that "***." ***'s foreign producer questionnaire response.

Continuation.

[1] Capacity figures include only hot-rolling production capacity; figures for production and exports include both hot-rolled and cold-rolled merchandise. Each of the firms that produced cold-rolled stainless steel plate (i.e., U&A Belgium and TKAST) did not include their internal consumption of hot-rolled product in their hot-rolled production figures. Accordingly, any addition of their hot-rolled production to their cold-rolled production does not result in double-counting.
[2] U&A Belgium's reported production capacity is based on operating *** hours per week for *** weeks per year.
[3] Plant shut down operations in 2004.
[4] Not available.
[5] Firm ***.
[6] POSCO's reported production capacity is based on operating *** hours per week.
[7] Data as reported ***.
[8] No Taiwan producer provided a response to Commission questionnaires.

Note.–Firms reported that the following shares of their total sales in the most recent fiscal year were represented by sales of stainless steel plate: U&A Belgium (*** percent); TKAST (*** percent); POSCO (*** percent); and Columbus (*** percent).

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

Table IV-6
Certain stainless steel plate: Exports to the United States by subject foreign manufacturers, by source, 1997-2004

* * * * * * *

Non-U.S. producers, similar to those in the United States, manufacture stainless steel plate in facilities that are also used to produce other steel products, including stainless steel cut plate and stainless steel sheet and strip.[20] U&A Belgium indicated in its questionnaire response that *** percent of the equipment and machinery used in the production of the subject merchandise was allocated to produce *** in 2004.[21] TKAST reported that the subject merchandise accounted for *** percent of its production in common facilities in 2004 while ***.[22] POSCO produces hot-rolled stainless steel plate at ***. ***.[23] Appendix F lists overall capacity and production data, on a firm basis, for products manufactured on the same equipment and machinery used in the production of the subject merchandise. Capacity utilization figures calculated from the data provided by firms are listed below:

[20] With respect to cut plate, the domestic interested parties argue that "the economics of {stainless steel plate (in coils) and stainless steel cut plate} dictate that there is an incentive and the ability to shift production between {stainless steel plate (in coils) and stainless steel cut plate} depending on the relative prices and costs of each, taking into account payment of dumping duties on {the subject merchandise}." Domestic interested parties' prehearing brief, pp. 78-79. Joint respondent interested parties state that their sales of cut-to-length (and discrete plate) are to customers that require those products. Cut-to-length and discrete plate are reported to be more costly than plate in coil. Joint respondent interested parties' posthearing brief, p. 15.

[21] U&A Belgium's foreign producer questionnaire response. *See* table F-4 for a listing of other products manufactured by U&A Belgium on common equipment.

[22] TKAST's foreign producer questionnaire response. The firm stated that the hot-rolling and cold-rolling lines used by the firm to produce carbon and/or electrical steel cannot be converted for use in manufacturing the subject merchandise. Joint respondent interested parties' prehearing brief, p. 17.

[23] POSCO's foreign producer questionnaire response. ***. E-mail from counsel for Korean interested parties, April 21, 2005.

* * * * * * *

Firms were also requested in Commission questionnaires to discuss the extent to which product shifting may occur within their common production facilities. Their responses are provided below:

* * * * * * *

The constraints that set the limits on foreign producers' production capacity are provided below along with reported production capacity in 2004 for each stage:

* * * * * * *

The Industry in Belgium

U&A Belgium is the only manufacturer of subject merchandise in Belgium. During the original investigations it operated as ALZ Belgium. ALZ Belgium's parent company, Arbed, was subsequently acquired by the Arcelor Group, which then created a new unit that combined Ugine S.A., a French stainless steel producer, with ALZ Belgium. The former company ALZ Belgium changed its name to U&A Belgium on December 31, 2001. U&A Belgium produces only stainless flat-rolled products and does not manufacture carbon or other non-stainless steel products. Data on its subject plate operations are presented in table IV-7.[24] Capacity to produce subject merchandise rose irregularly in Belgium from 1999 to 2004 as the firm made capital improvements in its steel-making operations.[25] Both hot-rolled stainless steel plate and the cold-rolled product are manufactured (and exported to the United States) by the firm.[26]

[24] Separate tables for hot-rolled and cold-rolled stainless steel plate operations in Belgium appear in appendix G.

[25] Specifically, "***." U&A Belgium's foreign producer questionnaire response.

[26] The following tabulation presents U&A Belgium's capacity, production, and capacity utilization for both hot-rolled and cold-rolled stainless steel plate:

Item	1998	1999	2000	2001	2002	2003	2004
Hot-rolled:							
Capacity (*tons*)	***	***	***	***	***	***	***
Production (*tons*)	***	***	***	***	***	***	***
Capacity utilization (*percent*)	***	***	***	***	***	***	***
Cold-rolled:							
Capacity (*tons*)	***	***	***	***	***	***	***
Production (*tons*)	***	***	***	***	***	***	***
Capacity utilization (*percent*)	***	***	***	***	***	***	***

Table IV-7
Certain stainless steel plate: Data for the Belgian producer U&A Belgium, 1998-2004

* * * * * * *

U&A Belgium pointed out in its questionnaire response that ***.[27] It attributes what it labels as a drastic reduction in its stainless steel plate shipments to the United States in 2001[28] to tightened supply and increased demand for the product within Europe.[29] The European market accounted for *** percent of U&A Belgium's stainless steel plate shipments in 1998 but only *** percent in 2004 (table IV-7) although the volume of its EU shipments has risen irregularly by *** percent from *** tons in 1998 to *** tons in 2004. U&A Belgium further reported in its questionnaire response that it is "***."[30] As shown in table IV-7, U&A Belgium *** increased its stainless steel plate shipments to China during the period examined although declines were shown for 2002 and again for 2004. In 2004, *** percent of its total shipments were to China and another *** percent were to other Asian countries. With respect to inventories, the firm does not maintain inventories to meet new demand but ***.[31]

Stainless steel plate in coils from Belgium (as well as other EU suppliers) is currently the subject of an antidumping investigation in Russia.[32] Respondents indicate that no preliminary decision has been made in the Russian antidumping investigation and that there is a possibility that the proceeding may be terminated.[33] The domestic interested parties disagree and state that there is "no evidence that the investigation is likely to be terminated."[34]

The Industry in Canada

The sole Canadian subject producer, Atlas Stainless Steels (Tracy, Quebec), was until its recent closure and sale, a division of Slater Stainless Corp., a wholly owned subsidiary of Slater Steel Inc. (Slater) (Mississauga, ON). In June 2003, Slater announced a restructuring of the company and that it had filed for creditor protection under the Companies' Creditors Arrangement Act in Canada and, in the

[27] U&A Belgium's foreign producer questionnaire response.

[28] Exports of stainless steel plate from Belgium to the United States were actually higher in 1999 (*** tons) than they were in 1997 (*** tons), but then have since declined in 2004 to *** tons, a *** percent decrease since 1998 (table IV-7).

[29] *Response to the Commission's Notice of Institution* by Belgian respondents, p. 2. U&A further states that "European supply shortages continue to exist due to further reductions in hot-rolling capacity, increased demand in Europe (and China), and shortages in the raw materials used to produce stainless steel." Ibid.

[30] U&A Belgium's foreign producer questionnaire response.

[31] Joint respondent interested parties' prehearing brief, p. 50, and e-mail from counsel for U&A Belgium, April 20, 2005.

[32] Arcelor USA's importer questionnaire response and U&A Belgium's foreign producer questionnaire response.

[33] Joint respondent interested parties' posthearing brief, exhibit 3, p. 1.

[34] Domestic interested parties' posthearing brief, exhibit 1, pp. 72-73. *Also see* domestic interested parties' prehearing brief, p. 81. Counsel for TKAST confirmed at the Commission's hearing that the proceeding also covered stainless products from Italy. Hearing transcript, p. 253.

United States, under Chapter 11 of the U.S. Bankruptcy Code.[35] The firm stated that "the weak U.S. economy, unprecedented stainless steel bar import penetration, rising raw material prices and higher energy costs have all combined to make business very difficult."[36] On October 7, 2003, Slater announced that it was continuing to work towards a restructuring or possible sale of Atlas Stainless Steels (along with certain other assets) but that its ability to implement a new business plan was contingent on several factors, including achieving "significant" labor savings by October 31, 2003 as well as reducing other identified expenses and finalizing arrangements with potential investors and/or buyers.[37] On January 7, 2004, Slater announced that it would no longer attempt to restructure its Atlas Stainless Steels (and Hamilton Specialty Bar) divisions but would begin to close operations and continue to seek buyers.[38]

The domestic interested parties argue that "there is no indication that the Atlas facility has been dissassembled" and cite a report *** that a group of investors were considering restarting the Tracy, Quebec facility.[39] They attached to their posthearing brief a declaration by the principal of a consulting firm (Mr. Ed Blot) describing his conversations with *** concerning the possible purchase of the Atlas assets by an investment firm from its current owner, ***. Mr. Blot stated that "***."[40] Respondent interested parties stated that "there is simply no record evidence substantiating that any Canadian exports of {stainless steel plate} will enter the U.S. market in the reasonably foreseeable future."[41]

Atlas Stainless was reported during the original investigations to have a fully integrated mill that it dedicated to producing stainless steel sheet and strip and stainless steel plate in both cut-to-length and coiled (i.e., subject) forms.[42] No data on its operations for 1998-2004 are available.

The Industry in Italy

TKAST, which is a division of Thyssen Krupp, is the only manufacturer of stainless steel plate in Italy. The firm, which operated as AST during the original investigations, was acquired by Krupp Thyssen Stainless in 1998 and then was transferred to its current owner ThyssenKrupp Steel Italia SpA in 1999.[43]

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[35] The filing included Atlas Specialty Steels along with Atlas Stainless Steels, Fort Wayne Specialty Alloys, Hamilton Specialty Bar, Sorel Forge, and Slater Lemont. Some of Slater's nonsubject production assets were located in the United States.

[36] *See* http://www.slater.com/restructure/letter_customers.htm, retrieved April 15, 2005.

[37] *See* http://micro.newswire.ca/release, retrieved April 15, 2005. On December 19, 2003, Slater announced that the production and maintenance union membership at Atlas Stainless Steels had voted against the changes to its collective agreement that Slater said were integral to a new business plan.

[38] *See* http://micro.newswire.ca/release, retrieved April 15, 2005. The firm stated that "a combination of factors - including an unprecedented increase in input costs and insufficient liquidity to fund working capital growth associated with rising nickel, scrap and gas costs, the inability to obtain labour savings integral to its business plan, the failure to finalize an asset based refinancing facility on a timely basis and the rise in the Canadian dollar - resulted in the decision." Ibid.

[39] Domestic interested parties' prehearing brief, p. 24, citing exhibit 2.

[40] Domestic interested parties' posthearing brief, exhibit 2.

[41] Joint respondent interested parties' posthearing brief, exhibit 3, p. 5.

[42] *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, pp. VII-3-4.

[43] TKAST stated that "***." TKAST's foreign producer questionnaire response.

Data on its subject stainless plate operations are presented in table IV-8.[44] Although the firm provided allocated capacity figures for its production of hot-rolled stainless steel plate (***), it states that the "only meaningful measure" is overall capacity for all products manufactured on common machinery.[45] *** overall capacity (i.e., for melt, hot-rolling, and cold-rolling operations) and that allocated to the subject merchandise were *** for 1998-2004. TKAST's raw stainless melt capacity, as well as both its hot-rolling and cold-rolling capacities, have expanded throughout the period reviewed by *** percent, *** percent, and *** percent, respectively (table F-5). As shown in table IV-8, stainless steel plate production at TKAST was relatively level during the first part of the period examined, or from 1998 to 2001, rose *** in 2002, then declined in both 2003 and 2004. The firm's production of stainless steel plate was, however, *** percent higher in 2004 than that estimated for 1998.[46] TKAST reported that it obtained the capacity to support this rise in production by ***. ***.[47]

Table IV-8
Certain stainless steel plate: Data for the Italian producer TKAST, 1998-2004

* * * * * * *

Shipments by destination have varied somewhat throughout the 1998-2004 period although TKAST has shipped continuously within its home market and to other EU customers.[48] It began what it labels ***; ***. The ThyssenKrupp Group established SKS, a greenfield cold-rolling mill, in 1998 through a joint venture with Shanghai Pudong I&S. SKS relies on outside sources of hot-rolled stainless steel plate (and sheet and strip) to supply its cold-rolling lines. TKAST is a "***" supplier of the feedstock; it reports that it ***.[49] Further, TKAST's subject merchandise shipments to China are *** to SKS.[50] TKAST does not maintain inventories.[51]

TKAST's exports of cold-rolled stainless steel plate to India are, as of December 2002, subject to minimum import prices and its exports of the cold-rolled product to Thailand are, as of March 2003, subject to a "tariff barrier" of 25.57 percent.[52] In their posthearing brief, the domestic interested parties attached the final findings (and recommendations) of India's Ministry of Commerce with respect to imports of "cold-rolled flat products of stainless steel" from the EU and Canada (as well as Japan and the United States).[53] They also cited the World Trade Organization Semi-Annual Report of Measures in Force, as listing antidumping duties in effect in Thailand on "flat, cold-rolled stainless steel" imported

[44] Separate tables for hot-rolled and cold-rolled stainless steel plate operations in Belgium appear in appendix G.

[45] Submission from counsel for TKAST, April 13, 2005, p. 3.

[46] TKAST stated that "***." TKAST's foreign producer questionnaire response.

[47] TKAST's foreign producer questionnaire response.

[48] TKAST states that it has invested heavily in further developing its distribution system in Italy. Joint respondent interested parties' prehearing brief, p. 25.

[49] Joint respondent interested parties' prehearing brief, p. 14, and posthearing brief, exhibit 5, p. 1. TKAST does report, however, "long-term plans" to add melt capacity and a hot-rolling mill at SKS. Joint respondent interested parties' posthearing brief, exhibit 5, p. 2, fn. 2.

[50] Joint respondent interested parties' posthearing brief, exhibit 5, p. 4.

[51] TKAST's foreign producer questionnaire response.

[52] TKAST's foreign producer questionnaire response. The firm points out that both measures apply to cold-rolled steel products (only a small portion of which are stainless steel plate) and that they were applied against Europe as a whole. TKAST states that its exports to these countries were "***."

[53] Domestic interested parties' posthearing brief, exhibit 20.

from the EU in addition to Japan, Korea, and Chinese Taipei.[54] Finally, as discussed earlier, there is also an ongoing investigation that involves EU exports of stainless steel containing nickel to Russia (only a small portion of which is stainless steel plate). TKAST reported that ***.[55]

The Industry in Korea

There were two producers of stainless steel flat-rolled products in Korea during the original investigations, POSCO and Sammi Steel Co. Ltd. (Sammi).[56] Sammi was reported to produce only cold-rolled products that were not exported to the United States during the 1995-98 period.[57] POSCO remains the only Korean producer of hot-rolled stainless steel plate; it does not manufacture cold-rolled stainless steel plate. Data on its subject stainless steel plate are presented in table IV-9. The figures listed in table IV-9 do not include POSCO's reported quantities of internal consumption of flat-rolled stainless steel. These data, shown in table F-6 as internal consumption within the hot-rolling (HRAP only) category, reflect HRAP product that is further processed by POSCO into cold-rolled stainless steel sheet and strip. POSCO notes that ***.[58] None of this output is sold, however, as cold-rolled subject merchandise.

Table IV-9
Certain stainless steel plate: Data for the Korean producer POSCO, 1998-2004

* * * * * * *

Capacity to produce the subject merchandise in Korea has risen irregularly throughout the period examined. POSCO, in 2003, completed an expansion of its stainless slab melting capacity, increasing its capacity from *** metric tons to *** metric tons. The reported purpose of the ***.[59] [60] HRAP capacity rose by *** percent from 1999 to 2004 (table F-6) and capacity to produce the subject merchandise, as allocated by POSCO, rose by *** percent from 1999 to 2004 (and by *** percent from 1998 to 2004).

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[54] Domestic interested parties' prehearing brief, p. 82.

[55] TKAST's foreign producer questionnaire response.

[56] *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final),* USITC Publication 3188, May 1999, p. VII-6.

[57] Ibid., p. VII-6. Sammi subsequently entered into bankruptcy, was acquired by INI Steel Co. in restructuring proceedings in 2001, and was renamed BNG Steel Co. (BNG) in 2002. ***. E-mail from counsel for the Korean interested parties, March 10, 2005.

[58] E-mail from counsel for POSCO, April 15, 2005. *See also* their letters of March 15, 2005 and April 11, 2005.

[59] *Response to the Commission's Notice of Institution* by Korean respondents, p. 7. Figures as reported in the response to the institution notice are comparable to those shown in table F-6. POSCO's raw stainless steel melt capacity is also shown in table F-6 as rising again in 2004 compared to 2003 for an overall increase of *** percent from 1999 to 2004.

[60] POSCO also reported in its questionnaire response that it ***. POSCO's foreign producer questionnaire response.

POSCO states that its capacity (both melt and HRAP) cannot be allocated to subject merchandise "in any meaningful way"[61] and it, accordingly, based its subject capacity (as reported in table IV-9) on ***.[62]

U.S. stainless steel plate exports were a *** portion of POSCO's total subject shipments in 1998 and the firm has not exported any subject merchandise to the United States since ***.[63] Home market shipments were and remain a *** share of its total shipments while exports to China have risen *** during the period examined. POSCO has two joint ventures in China where its ownership interest is 80 per or more, i.e., Zhangjiagan POSCO Stainless Steel Co., Ltd. and Qingdao Pohang Stainless Steel Co., Ltd. (which came on-line in December 2004). It states that its joint ventures were established with the "expectation" that POSCO would supply the stainless feedstock for their cold-rolling operations. The joint ventures accounted for *** percent of POSCO's exports of hot-rolled stainless steel plate in coil to China in 2003 and *** percent in 2004.[64] [65] POSCO argues that its joint ventures are significant in that they represent a "structural change" in that its investment, like those of other steel companies, account for much of the capacity that is now being put into place in China.[66] ***.[67]

***.[68] POSCO reports that its exports of subject stainless steel plate are not subject to trade barriers in the EU or in other countries.[69]

The Industry in South Africa

Columbus is the only producer of stainless steel plate in South Africa. As noted earlier, the firm is now related to NAS, a domestic manufacturer, through common ownership by the Acerinox Group.[70] Data on its subject operations are presented in table IV-10. Although the firm did not provide a capacity allocation for its production of the subject merchandise, it indicated that "***."[71]

Columbus' production of stainless steel plate in 2004 was *** percent lower than that reported in 2000, the first year for which data were available, and *** percent lower than that reported in 2003 (table IV-10). There were periodic fluctuations in the volume of its export shipments, particularly to China and other Asian countries. ***.

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[61] The data shown for POSCO in table F-6 are also allocations in that, as noted earlier, POSCO manufactures stainless steel at its carbon steel production plants. It stated in its foreign producer questionnaire that ***. *See also* submission from POSCO, April 11, 2005, p. 5.

[62] POSCO's foreign producer questionnaire response.

[63] POSCO states that "high worldwide shipment costs and raw material costs, continuing economic growth in East Asia, and increases in Korea's domestic demand and ASEAN and Chinese market demand have significantly reduced POSCO's interest in the U.S. market." *Response of the Commission's Notice of Institution* by Korean respondents, p. 3. It further states that there is ***. POSCO's foreign producer questionnaire response.

[64] The joint venture share of total POSCO exports to China was *** percent in the first three months of 2005.

[65] Joint respondent interested parties' posthearing brief, exhibit 4, appendix D.

[66] Ibid., exhibit 4, p. 4.

[67] POSCO's foreign producer questionnaire response.

[68] Further, the data, as reported, included nonsubject flat-rolled stainless products.

[69] Joint respondent interested parties' prehearing brief, p. 46.

[70] As shown in table F-7, the firm states that since "***."

[71] Columbus' foreign producer questionnaire response.

Table IV-10
Certain stainless steel plate: Data for the South African producer Columbus, 1998-2004

* * * * * * *

The Industry in Taiwan

Petitioners in the original investigations identified several stainless steel plate manufacturers in Taiwan, four of which provided questionnaire responses to the Commission. One firm, YUSCO, was believed to account for the major portion both of Taiwan production and exports of the subject merchandise. YUSCO was founded in December 1988. It is reportedly the largest integrated stainless steel mill in Southeast Asia, with melting capacity of 1 million metric tons; hot-rolling capacity of 900,000 metric tons; and cold-rolling capacity of 600,000 metric tons.[72] Stainless steel production in Taiwan grew between 1999 and 2003, rising from less than *** metric tons to more than *** metric tons. Total stainless steel exports also increased between 1999 and 2003: in particular, exports of hot-rolled coils in thicknesses greater than 4.75 mm rose from *** metric tons to *** metric tons between 2001 and 2003 (the only years for which separate data are available) and exports of cold-rolled steel in thicknesses greater than 4.75 mm rose from *** metric tons to *** metric tons.[73]

YUSCO, along with several other steel producers and exporters in Taiwan including Ta Chen (which the domestic industry ***),[74] received but did not respond to the Commission's questionnaire for these reviews.[75] As discussed earlier in the report, the domestic interested parties have alleged that YUSCO and Ta Chen or their affiliates may have shipped subject merchandise to the United States but that Commerce has not identified any such exports from Taiwan during the administrative review proceedings cited in Part I. The domestic interested parties argue that "{d}espite the limited record in this review with respect to the Taiwanese industry, there is no doubt that the Taiwanese industry continues to produce significant volumes of subject {stainless steel plate} and is export-oriented."[76] They point to what they characterize as a great expansion in capacity to produce subject merchandise since the original investigations. Further, they state that a new hot-rolling mill with a rated annual capacity of 800,000 tons that is reported to be installed in 2005 by YUSCO is "of major significance."[77]

GLOBAL MARKET

General

Global production of stainless steel has grown markedly in recent years. On a liquid steel basis, by one published estimate world production of stainless steel grew from 17.9 million metric tons in 1999

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[72] YUSCO, http://www.yusco.com.tw/English/about_yusco_ch_right1.htm, retrieved on April 5, 2005.

[73] Inco Limited, *World Stainless Steel Statistics 2004 Edition*, Toronto, Ontario, Canada, November 2004, pp. 4 (production) and A-51 (exports). Data and commentary from Inco are presented with permission of the publisher.

[74] The domestic interested parties' prehearing brief, p. 69.

[75] Firms on the Commission's mailing list were identified as participating within the Taiwan steel sector but were not necessarily stainless steel plate manufacturers.

[76] Domestic interested parties' prehearing brief, p. 30.

[77] Domestic interested parties' posthearing brief, p. 12, citing "Global Industry Capacity Developments," *Metal Bulletin Research*, October 11, 2004 (attached as exhibit 12 to their prehearing brief).

to 22.1 million metric tons in 2003.[78] More recent published estimates point to continued growth in global production. A second source reported that, on an ingot/slab equivalent basis, crude stainless and heat resisting steel production rose from 19.2 million metric tons in 2001 to 20.7 million metric tons in 2002, 22.9 million metric tons in 2003, and 24.6 million metric tons in 2004.[79]

Inco reported that more than 6 million metric tons of melt capacity may be brought online in China over the next six years.[80] Inco's estimate of potential growth in melt capacity is consistent with those of the International Stainless Steel Forum (ISSF), which forecast an increase in stainless and heat-resisting crude steel production of 5.0 percent in 2005,[81] and ***, which identified nearly *** metric tons of planned expansions in meltshop capacity for stainless steel slab between 2004 and 2009, with *** metric tons in China alone.[82] With respect to global hot-rolled coil annealing and pickling capacity, *** reported *** from *** metric tons in 2002 to *** metric tons in 2004, largely in ***. *** forecasts continued growth in global hot-rolled coil annealing and pickling capacity to *** metric tons by 2008, primarily in ***.[83]

Worldwide, stainless steel consumption also has grown since 1999. As the tabulation below illustrates, through 2003, the most recent year for which public data are available, much of the growth (measured in thousands of metric tons) was centered in Asia, largely but not exclusively in China.[84]

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[78] Inco Limited, *World Stainless Steel Statistics 2004 Edition*, Toronto, Ontario, Canada, November 2004, p. 4. According to this source, much of the growth between 1999 and 2003 was concentrated in China, Finland, India, Italy, Japan, Korea, and Taiwan. Ibid.

[79] International Stainless Steel Forum, *Stainless Steel Statistics*, at http://www.worldstainless.org/, retrieved on April 5, 2005. According to this source, the increases in crude stainless and heat resisting steel production between 2001 and 2004 were primarily in Asia and secondarily in Western Europe / Africa. Ibid.

[80] Inco Limited, *World Stainless Steel Statistics 2004 Edition*, Toronto, Ontario, Canada, November 2004, p. 15.

[81] International Stainless Steel Forum, *ISSF forecasts year of consolidation*, media release dated May 12, 2005. This source observed that, after rapid growth in the last quarter of 2004, 2005 production growth of 5.0 percent would be "slightly below" the long-term average market growth, but noted that 2006 production levels likely would be "a bit above" 6.0 percent. ISSF further reported that "(i)n 2005, China will expand its stainless melting activities with significant new capacities coming on-stream. The apparent aim is to make the world's largest stainless steel market self-sufficient." Ibid.

[82] *** in joint respondent interested parties' submission dated April 7, 2005.

[83] *** in domestic interested parties' prehearing brief, exhibit 8.

[84] Inco Limited, *World Stainless Steel Statistics 2004 Edition*, Toronto, Ontario, Canada, November 2004, p. 6. Inco highlighted the recovery of the Japanese market in 2003 (after a contraction in 2002) and continued strong growth in China (attributable to high levels of economic growth; relocation of industrial and manufacturing capacity; and high levels of residential and commercial construction). Inco noted that China (like India before it) is increasingly consuming 200 series steel, a low-nickel variant of stainless steel. Ibid., pp. 11-15.

Region	1999	2000	2001	2002	2003
Western Europe	4,757	5,400	4,823	4,966	4,797
Asia, other than China	4,379	4,935	4,863	4,927	5,419
China	1,663	1,879	2,282	3,161	4,200
Americas	2,937	3,017	2,587	2,679	2,685
Other	769	819	918	976	1,120
World total	14,505	16,050	15,473	16,709	18,221

Published sources indicate that Asia and Western Europe account for the largest shares of consumption of hot-rolled plate and sheet, the second-largest component of stainless steel.[85] In 2003, consumption of hot-rolled plate and sheet was greatest in Asia excluding China (more than 1.1 million metric tons), then China (slightly less than 1.1 million metric tons), Western Europe (883,000 metric tons), and the Americas (482,000 metric tons).[86]

Confidential data on global apparent consumption also indicate that demand for hot-rolled stainless steel flat products has grown, particularly between 2001 and 2003. Data compiled by *** on global apparent consumption of hot-rolled stainless steel are tabulated below:[87]

* * * * * * *

Confidential data on global apparent consumption indicate that demand for hot-rolled stainless steel flat products may continue to grow in the coming years, but at a slower rate. Data compiled by *** on forecasted global apparent consumption of hot-rolled stainless steel are tabulated below:[88]

* * * * * * *

Although *** does not does not present consumption data on stainless steel coiled plate, it does compile shipment data on stainless steel continuous mill plate. While these data are still over-broad (including cut-to-length plate) and do not take into account changes in inventory levels, they should approximate demand for the subject merchandise. Data compiled by *** on global shipments of stainless steel continuous mill plate are tabulated below:[89]

* * * * * * *

[85] The Inco data discussed above are over-inclusive, as "plate" includes discrete plate and cut-to-length plate and "sheet" includes hot-rolled coils that are thinner than coiled plate.

[86] Inco Limited, *World Stainless Steel Statistics 2004 Edition*, Toronto, Ontario, Canada, November 2004, p. 7.

[87] *** in posthearing brief of domestic interested parties, exhibit 14. Data presented by this source include continuous mill plate (i.e., coiled or cut-to-length plate) and plate mill plate, but exclude coils for rerolling.

[88] *** in posthearing brief of domestic interested parties, exhibit 14.

[89] *** in posthearing brief of domestic interested parties, exhibit 14.

Finally, *** compiles forecasts of stainless steel continuous mill plate shipments. As presented in the tabulation below, slower but steady growth in shipments is forecasted for the coming years:[90]

* * * * * * *

Tables IV-11 and IV-12 present negotiated transaction prices for grade 304 and grade 316 stainless steel hot-rolled coils, respectively, in select subject markets. According to data compiled by MEPS, prices in the United States, Italy, the European Union, Korea, and Taiwan *** over the course of 2004, and are presently *** in the early months of 2005 than during the comparable months in 2004. In general, prices in Italy *** U.S. prices, while European Union-wide prices were *** than U.S. prices. Korean market prices, in contrast, were *** than U.S. prices, and Taiwan market prices were ***.[91] Both Italian and European Union-wide prices were generally *** than U.S. prices in January-June 2004, and generally *** thereafter. Prices in Korea and Taiwan were consistently *** than prices in the United States during January-June 2004, but at times *** U.S. prices thereafter (particularly *** coils from ***).[92]

Table IV-11
Stainless steel hot-rolled coil: Negotiated transaction prices plus applicable alloy surcharges, grade 304 hot-rolled coil, by month, January 2004-April 2005

* * * * * * *

Table IV-12
Stainless steel hot-rolled coil: Negotiated transaction prices plus applicable alloy surcharges, grade 316 hot-rolled coil, by month, January 2004-April 2005

* * * * * * *

*** presents annual and quarterly confidential prices in major markets for grade 304 continuous mill plate, but not for the countries subject to these reviews. On an annual basis, data from this source indicate that U.S. prices were ***. Conversely, U.S. prices were ***. U.S. prices were ***. On a quarterly basis for the year 2004, U.S. prices were ***. This source forecasts ***.[93]

In addition, *** presents monthly transaction prices for grade 304 and grade 316 cut-to-length and continuous mill plate for several countries, including ***. According to this source, *** prices for grade 304 cut-to-length and continuous mill plate ***. *** prices for grade 316 cut-to-length and continuous mill plate ***. *** prices for grade 304 cut-to-length and continuous mill plate ***. *** prices for grade 316 cut-to-length and continuous mill plate ***. Comparing the transaction prices reported in this source, prices in *** were more often *** than prices for grade 304 cut-to-length and

[90] *** in posthearing brief of domestic interested parties, exhibit 14.

[91] MEPS, *Stainless Steel Review*, January 2004 - April 2005 editions, p. 1 (provided by Korean respondent interested parties, except for the April edition (by subscription)). Much of these data also appear in the prehearing brief of the domestic interested parties, exhibit 25. The December 2004 edition reported that stainless steel prices ***. Ibid.

[92] Ibid.

[93] *** in posthearing brief of domestic interested parties, exhibit 14.

continuous mill plate in ***, while *** prices for grade 316 cut-to-length and continuous mill plate were more often *** than *** prices.[94]

Subject Countries' Export Markets

Based on responses from the major producers of stainless steel plate in Belgium, Italy, Korea, and South Africa, the two major non-U.S. markets for stainless steel plate are the European Union (EU) and China. For these producers, the EU has expanded as a market since 2000 and remains a substantial non-U.S. market for exports of stainless steel plate (based on combined exports). Exports to China, however, have grown more rapidly, albeit highly irregularly, since 2000. In three of the five years between 2000 and 2004, exports of stainless steel plate from Belgium, Italy, Korea, and South Africa to China exceeded exports of stainless steel plate to the EU.

EU

Ten countries (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia) joined the EU on May 1, 2004.[95] Prior to that time, the EU consisted of 15 members (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom). Based on questionnaire data tabulated below, combined shipments of stainless steel plate by Belgium and Italy within the EU and exports of stainless steel plate from Korea and South Africa to the EU increased by *** percent between 2000 and 2004, with much of the growth occurring between 2000 and 2001 and between 2003 and 2004.[96] Reported average unit values for such shipments increased irregularly, and were higher than reported average unit values for total exports in each of the five years.[97]

* * * * * * *

[94] Compiled from data published by ***.

[95] As a customs union, the EU maintains a common external tariff, has abolished customs duties between Member States, and since 1993, has removed internal border restrictions. The EU has expanded gradually, increasing from six Member States to 15 between 1958 and 1995. The "EU Enlargement" in May 2004 added ten new Member States, increasing population in the EU by nearly 20 percent and increasing GDP by almost 5 percent. *See* "Customs and Tariffs" at www.eurunion.org/legislat/customs.htm (retrieved on June 9, 2004); "The Customs Policy of the European Union" at www.europa.eu.int/comm/publications/booklets/move/19/txt_en.htm (retrieved June 9, 2004); and "EU Enlargement: The New EU 25 compared to the EU15", Eurostat news release STAT/04/36, March 11, 2004.

Twelve of the 15 Member States of the EU as it existed prior to May 1, 2004, have adopted a common currency, the *euro*. The *euro* has been accepted in these Member States as an accounting unit since 1999 and as common currency since 2002. At this time, Denmark, Sweden, and the United Kingdom have not adopted the *euro*, nor have the ten newest Member States. *See* "The Euro: Our Currency" at www.europa.eu.int/comm/economy_finance/euro/faqs/faqs_19_en.htm (retrieved June 9, 2004) and "The Euro" at www.economist.com/research/backgrounders/displayBackgrounder.cfm?bg=974014 (retrieved June 9, 2004).

[96] Home market shipments by the Belgian and Italian stainless steel plate industries are not included in this calculation.

[97] Data for 1998 and 1999 are not complete, and so are not considered in this presentation.

China

Based on questionnaire data tabulated below, exports of stainless steel plate from Belgium, Italy, Korea, and South Africa to China increased by *** percent between 2000 and 2004, with much of the growth occurring between 2000 and 2001 and between 2002 and 2003. The domestic interested parties point to the decline in aggregate firm exports to China from 2003 to 2004 and argue that the reduction in Chinese demand for offshore plate will continue as the capacity in China to produce stainless steel plate is put into place.[98] Further, they argue that the current imbalance in the ratio of Chinese cold-rolling capacity to melting and hot-rolling capacity will reverse in coming years. The Chinese stainless cold-rolling industry (where product is primarily sold in the form of sheet and strip) currently requires the import of hot-rolled material as feedstock. However, as melt and slab rolling capacity is brought on-line there will, according to the domestic interested parties, "be little need for imports of stainless hot-rolled slabs or stainless steel plate into China."[99] Reported average unit values for shipments of stainless steel plate to China increased irregularly, but were lower than reported average unit values for total exports in each of the five years.

* * * * * * *

As shown above, POSCO's shipments accounted for *** of reported exports of stainless steel sheet and strip to China by subject producers.[100] POSCO reports exports of *** tons to China in the first three months of 2005 compared to *** tons and *** tons in the comparable periods for 2004 and 2003, respectively.[101] TKAST has exported *** tons of HRAP stainless steel plate in coils to China in 2005 (to date) and anticipates that it will have shipped *** tons by year-end 2005.[102]

[98] Domestic interested parties' prehearing brief, pp. 48-50.

[99] Domestic interested parties' posthearing brief, exhibit 1, pp. 14-15.

[100] Data for Canada and Taiwan are not available.

[101] Joint respondent interested parties' posthearing brief, exhibit 4, p. 4.

[102] Joint respondent interested parties' posthearing brief, exhibit 5, p. 2. TKAST states that the *** is "in direct response to the ***." Ibid., p. 3.

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Prices for stainless steel plate are influenced by processing, raw materials, and transportation costs, along with exchange rates and demand factors. As noted in the original investigations, processing costs are not inconsequential. During those investigations, one producer estimated that front-end melting costs around $160 to $200 per ton, hot-rolling costs $100 to $120 per ton, annealing and pickling cost $80 to $100 per ton, and cold-rolling costs an additional $140 per ton.[1] Stainless steel plate must meet certain standardized specifications, such as those developed by AISI or ASME. Certain purchasers may have more specific requirements for the stainless steel plate in coils they purchase, and usually will pay a higher price for product meeting those requirements. For example, some purchasers require cold-rolled stainless steel plate instead of hot-rolled stainless steel plate.[2]

Raw Material Costs

Multiple purchasers noted that pricing of stainless steel plate is affected by raw material prices. The combined costs of raw materials including, but not limited to, nickel, molybdenum, chromium, and stainless steel scrap are substantial, representing about *** percent of the total domestic industry's cost of goods sold for stainless steel plate in coils in 2004, up from cost shares in the *** percent range for earlier years in the period for which data were collected.[3] The proportion of cost attributable to each varies depending on which grade of stainless steel is being produced.

In their responses to the Commission's questionnaire, all three responding producers reported the use of surcharges for raw materials. Chromium, molybdenum, and nickel surcharges were added in 1998, although some producers introduced alloy surcharges as early as 1995. Surcharges for iron scrap and manganese were added in 2004, and titanium surcharges as were added in April 2005.[4] Surcharges typically change on a monthly basis, whereas purchasers reported the price (excluding surcharges) of stainless steel plate changes less frequently, generally twice a year.[5] Three of four responding importers also reported incorporating alloy surcharges into their prices. Purchaser *** listed its raw material surcharges for two grades of stainless steel plate in coils; these increased each year from 1998 through 2004.[6]

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[1] *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, p. V-1.

[2] All three responding importers noted that substitution of cold-rolled for hot-rolled stainless steel plate is limited due to the generally higher cost of cold-rolled stainless steel plate. It is only purchased in applications where it is necessary. With respect to wide plate, see also hearing transcript, p. 80 (Schmitt and Hartford); affidavit of *** in joint respondent interested parties' posthearing brief, app. 3-A.

[3] Foreign producer POSCO indicated that *** percent of the cost of manufacturing its stainless steel plate is attributable to raw material costs. In its questionnaire response, foreign producer *** even stated that, "Nickel has in all probability, proved over the years, to be the main influencing factor on stainless steel pricing."

[4] Joint respondents' posthearing brief, exh. C. As of April 14, 2005, the price of titanium has risen to $14.88 per pound, well above the $3.50 per pound base price, which would equal a surcharge of about $74 per ton for type 409 stainless steel plate. American Metal Market, *NAS latest to add titanium to surcharge formula*, April 14, 2005, retrieved from http://www.amm.com/News-2005-04-14 20-54-49.html, on April 15, 2005.

[5] The average monthly costs of chromium, molybdenum, and nickel for AK from 2000 to May 2005 are shown in appendix H. AK's average monthly costs of iron, starting in March 2004, are also presented in appendix H.

[6] For T304, the surcharge was $*** in 1998, rising irregularly to $*** in 2004.

Quarterly raw material costs for nickel, chromium, and molybdenum requirements for four typical grades of stainless steel plate are reported in table V-1. The average surcharge for all five types of products increased between 1999 and 2004. The increase has been steady since the last quarter in 2002, following fluctuations earlier in the period.

Energy Costs

Energy costs are another important factor in the production of stainless steel plate. Both electricity and natural gas prices have been higher in 2003 and 2004 than in 2001-02, as shown in the following chart:

	1998	1999	2000	2001	2002	2003	2004
U.S. natural gas industrial price[1]	$3.14	$3.12	$4.45	$5.24	$4.02	$5.81	$6.40
Electricity price[2]	.0448	.0443	.0464	.0504	.0488	.0513	.0511

[1] In dollars per thousand cubic feet.
[2] In dollars per kilowatt-hour.

Sources: U.S. Energy Information Administration, http://tonto.eia.doe.gov/dnav/ng/hist/n3035us3a.htm, http://www.eia.doe.gov/cneaf/electricity/epm/table5_6_b.html, and http://www.eia.doe.gov/cneaf/electricity/epa/average_price_state.xls, retrieved April 18, 2005.

Transportation Costs to the United States

Transportation costs for shipping stainless steel plate in coils to the United States from the six subject countries are estimated for 2004 in the tabulation that follows. These estimates are derived from official import data for the HTS numbers for the subject plate in 2004, and represent the transportation and other charges on imports valued on a c.i.f. basis as compared to a customs value basis.[7] There were no imports listed in 2003 from three of the subject countries.

Country	Estimated shipping cost (*in percent*)
	2004
Belgium	4.29
Canada	0.35
Italy	0.79[1]
Korea	3.66
South Africa	16.96
Taiwan	2.40

[1] There appear to be some errors with data concerning imports of stainless steel plate from Italy.

[7] These data refer to HTS statistical reporting numbers 7219.11.0030, 7219.11.0060, 7219.12.0006, 7219.12.0021, 7219.12.0026, 7219.12.0051, 7219.12.0056, 7219.12.0066, 7219.12.0071, 7219.12.0081, and 7219.31.0010.

Table V-1
Certain stainless steel plate: Calculated alloy cost of nickel, chromium, and molybdenum, per ton, by grade of stainless steel and by quarter, January 1998-December 2004

Period	Products 1-4 and 9, grade 304	Product 5, grade 304L	Product 6 and 7, grade 316L	Product 8, grade 410S
	Unit value *(per ton)*			
1998: Jan.-Mar.	$581	$581	$871	$113
Apr.-June	546	546	826	113
July-Sept.	478	478	725	104
Oct.-Dec.	452	452	669	99
1999: Jan.-Mar.	468	468	628	84
Apr.-June	509	509	690	82
July-Sept.	596	598	796	84
Oct.-Dec.	701	701	927	87
2000: Jan.-Mar.	835	835	1,083	97
Apr.-June	835	835	1,083	96
July-Sept.	752	752	986	97
Oct.-Dec.	689	689	901	94
2001: Jan.-Mar.	614	614	800	88
Apr.-June	604	604	797	76
July-Sept.	508	508	689	70
Oct.-Dec.	488	488	661	67
2002: Jan.-Mar.	554	554	746	66
Apr.-June	616	616	833	71
July-Sept.	617	617	925	77
Oct.-Dec.	640	640	919	79
2003: Jan.-Mar.	738	738	999	85
Apr.-June	759	759	1,062	97
July-Sept.	849	849	1,206	108
Oct.-Dec.	1,082	1,082	1,513	115
2004: Jan.-Mar.	1,292	1,292	1,804	142
Apr.-June	1,171	1,171	1,776	169
July-Sept.	1,272	1,272	2,066	163
Oct.-Dec.	1,268	1,268	2,251	158

Source: Data provided March 17, 2005 and March 28, 2005, by the domestic interested parties as a result of staff request.

U.S. Inland Transportation

Transportation costs of stainless steel plate for delivery within the United States vary from firm to firm but tend to account for a small percentage of the total cost of the product. Two of the three U.S. producers that responded to this question noted that these costs accounted for between *** and *** percent of the total cost of stainless steel plate, and one noted that they accounted for between *** to *** percent. The five importers that provided usable responses to this question noted that these costs account for 1.5 to 3.5 percent of the total cost of the product. As noted in Part II, all domestic producers sell on a nationwide basis, whereas importers reported selling in particular regions.

Exchange Rates

Quarterly nominal and real exchange rate data for the subject countries are presented in figure V-1.[8] Both Belgium and Italy have used the euro as their currency since 1999. Quarterly data reported by the International Monetary Fund indicate that the dollar, in general, appreciated in both nominal and real terms against the five currencies until late 2001 or early 2002. Since that time, the dollar has depreciated against these currencies. Exact trends can be seen in figure V-1.

Figure V-1
Exchange rates: Indexes of the nominal and real values of the Belgian and Italian Euro, Canadian dollar, Korean won, South African rand, and Taiwan dollar relative to the U.S. dollar, by quarters, 1999-2004

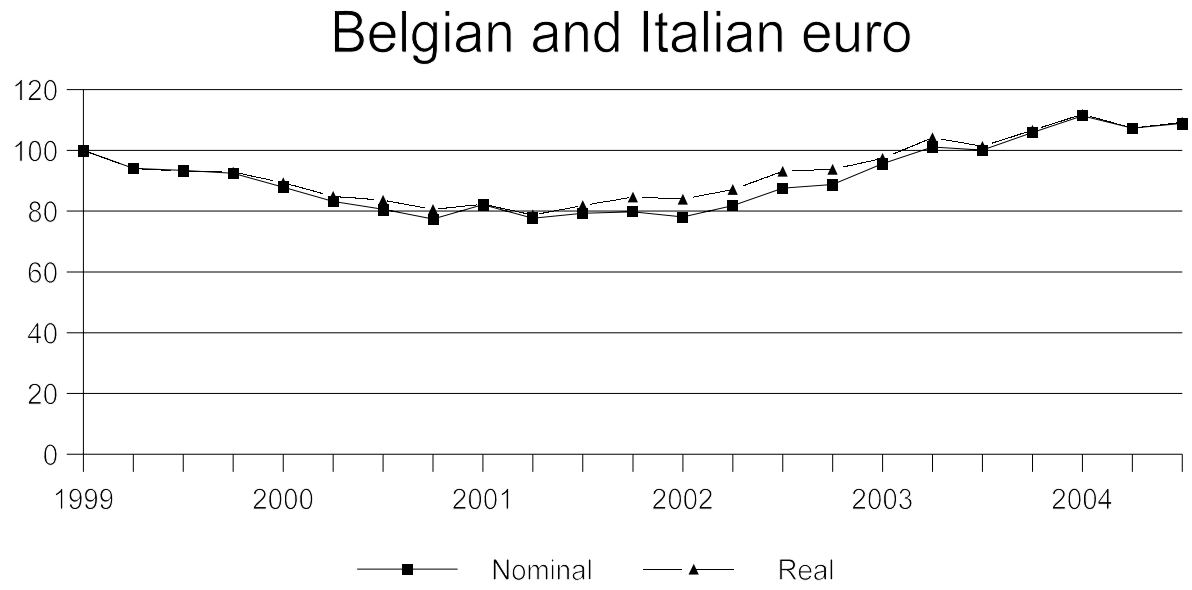
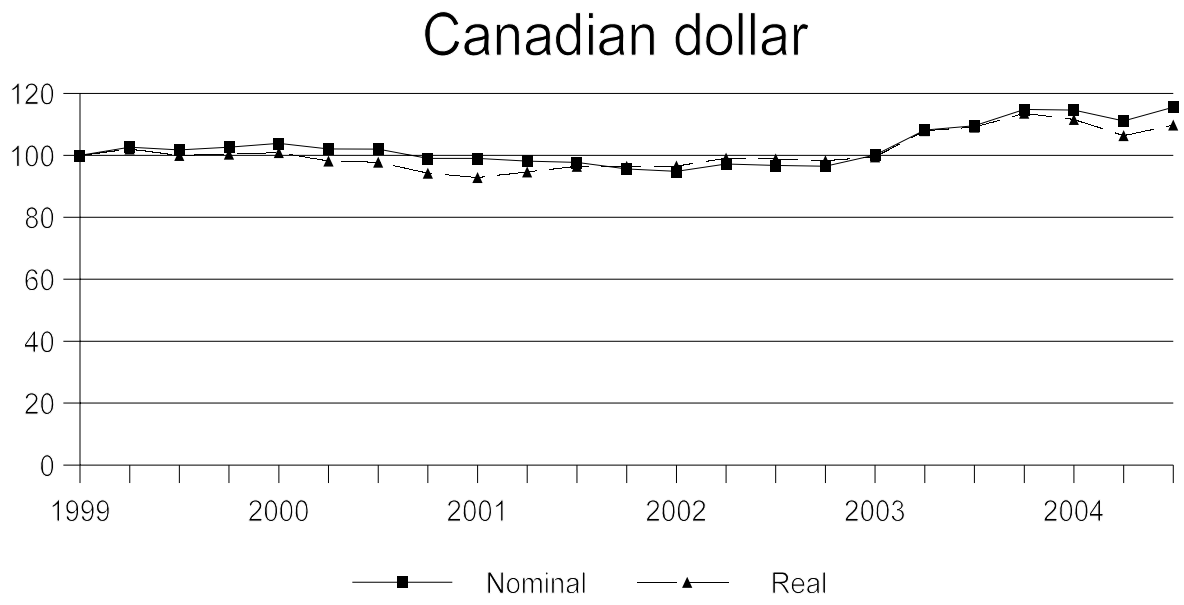


Figure continued on next page.

[8] Real exchange rates are calculated by adjusting the nominal exchange rates for movements in producer prices in the United States, Belgium, Korea, and South Africa, consumer prices in Canada, and wholesale prices in Italy. Producer price data for Taiwan are not available; therefore, real exchange rates cannot be calculated.

Figure V-1--*Continued*
Exchange rates: Indexes of the nominal and real values of the Belgian and Italian Euro, Canadian dollar, Korean won, South African rand, and Taiwan dollar relative to the U.S. dollar, by quarters, 1999-2004



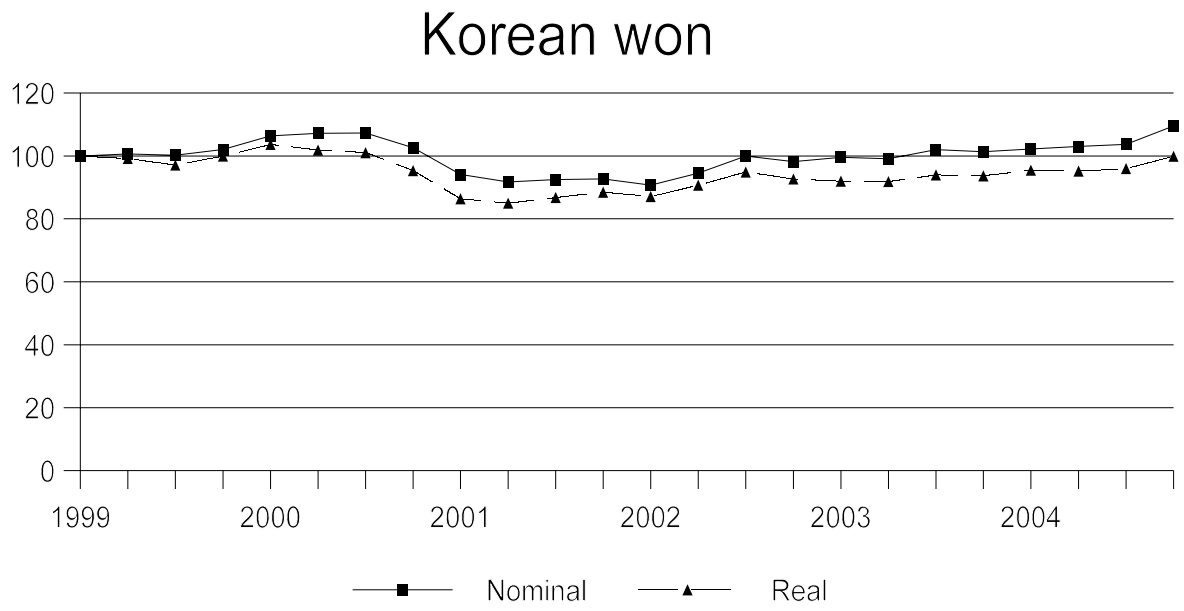
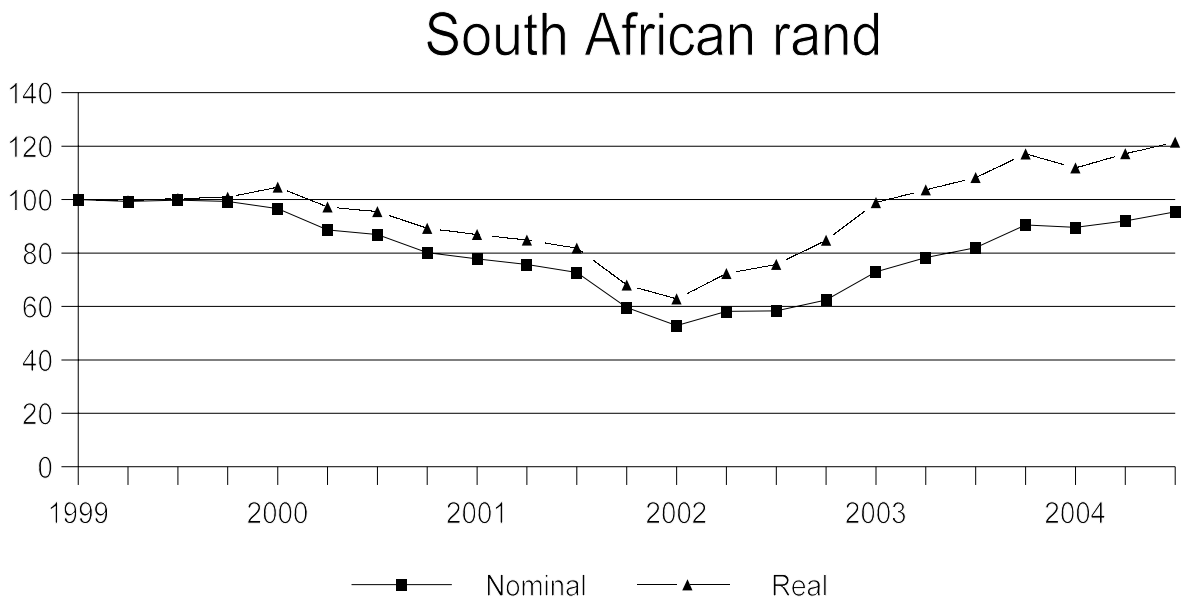
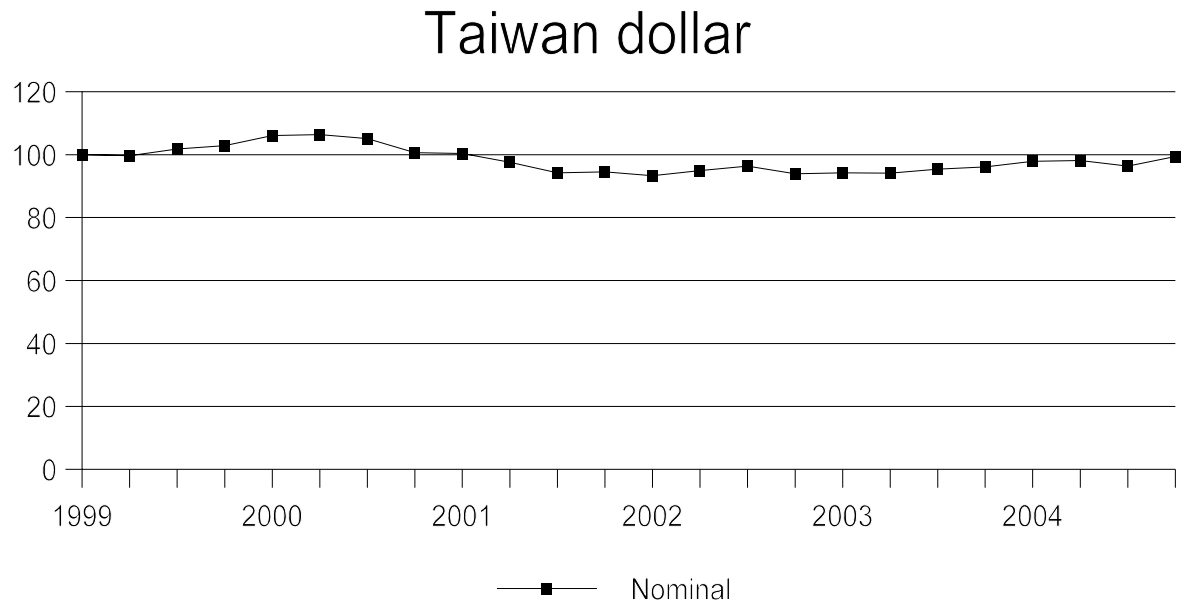


Figure continued on next page.

Figure V-1--*Continued*
Exchange rates: Indexes of the nominal and real values of the Belgian and Italian Euro, Canadian dollar, Korean won, South African rand, and Taiwan dollar relative to the U.S. dollar, by quarters, 1999-2004





Source: International Monetary Fund, *International Financial Statistics*, 2001-04, and St. Louis Reserve Bank.

PRICING PRACTICES

Pricing Methods

Questionnaire responses indicate that most U.S. producers and importers of stainless steel plate determine prices on a transaction-by-transaction basis based on current market conditions, with the majority of firms reportedly selling on a spot basis. U.S. producers sell mainly on a spot basis with a small percentage sold on a short-term contract basis; no long-term contracts were reported. Three of the four responding importers reported that sales were almost exclusively on a spot basis; one firm reported that it sells on both a spot and short-term contract basis. Six of nine purchasers noted that their purchases of stainless steel plate involve negotiations: four with respect to price, two with respect to availability, and one sometimes negotiates with respect to delivery. Though it reported that, generally, the market prices are known so there is no negotiation, purchaser *** noted that there is likely to be more negotiation with suppliers of imported stainless steel plate. Purchaser *** will often ask domestic suppliers to meet import prices.

Sales Terms and Discounts

The majority of responding firms reported no formal discount policy; however, several firms did report some discounts for individual customers. U.S. producers reported a variety of sales terms and basis for price quotes. Most U.S. producers and importers reported that sales terms require payment within 30 days. Two of three producers offer *** percent discount for payment within 10 days; one offers *** percent discount for payment within 10 days. Four of five importers reported terms of net 30 days with one of these firms reporting one-half percent discount for payment within 10 days and one firm reporting that terms are delivered duty paid. Firm responses also varied regarding the basis on which prices are quoted. One U.S. producer reported that prices are quoted f.o.b. mill while the other responding producer reported that prices are quoted f.o.b. warehouse or equalization point. Three importers reported that prices are quoted on a delivered basis, one reported that price quotes do not include inland freight, and one reported that the basis on which prices are quoted varies.

Three purchasers noted that they purchases stainless steel plate on a weekly basis, whereas two purchasers each indicated that they purchase on daily, monthly, and quarterly bases. No purchaser noted an expectation of this pattern to change within the next two years. On average, purchasers contact around two suppliers when ordering. Six of eight purchasers tend to vary their purchases from a given supplier based on the price offered by that supplier within a certain time frame. Purchasers reported that the market has lost suppliers since 1998, either through attrition or mergers. As such, five of nine purchasers have changed suppliers since 1998.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of sales of nine stainless steel plate products to unrelated U.S. customers. These data were used to determine the weighted-average price in each quarter. Data were requested for the period January 1998 through December 2004. The hot-rolled, annealed, and pickled products for which pricing data were requested are as follows:

Product 1.– Grade 304, thickness 0.25 inch (0.24-0.295 inch), width 48-60 inches
Product 2.– Grade 304, thickness 0.1875 inch (0.1870 -0.2325 inch), width 48-60 inches
Product 3.– Grade 304, thickness 0.1875 inch (0.1870 -0.2325 inch), width 72 inches
Product 4.– Grade 304, thickness 0.1875 inch - 0.25 inch, width 36-48 inches
Product 5.– Grade 304L, thickness 0.25 inch (0.24-0.295 inch), width 48-60 inches

Product 6.– Grade 316L, thickness 0.25 inch (0.24-0.295 inch), width 48-60 inches
Product 7.– Grade 316L, thickness 0.1875 inch (0.1870 -0.2325 inch), width 48-60 inches
Product 8.– Grade 410S, thickness 0.25 inch (0.24-0.295 inch), width 48-60 inches.

Pricing data were also requested for one product that has been hot-rolled, annealed, and pickled, and has been further cold-rolled. This product is:

Product 9.– Grade 304, thickness 0.25 inch (0.24-0.295 inch), width 48-60 inches (that has been cold rolled).

Five U.S. producers[9] and three importers[10] provided usable pricing data for sales of the requested products in the U.S. market, although not all firms reported pricing data for all products for all quarters. By quantity, these pricing data reported by the U.S. producers and importers accounted for *** tons (*** percent) of the quantity of U.S. producers' commercial U.S. shipments of stainless steel plate in 2004, as well as *** tons (*** percent) of the U.S. shipments of imports of stainless steel plate from Belgium in 2004.[11] There were no reported sales of imports of stainless steel plate from Canada, Italy, Korea, South Africa, or Taiwan in 2004.

Price Trends

Domestic Product

As shown in tables V-2 through V-10 (and figures V-2 through V-10), weighted-average U.S. quarterly f.o.b. prices of stainless steel plate varied considerably: from a low of $*** per short ton for product 2 in the second quarter of 2002 to $*** per ton for product 6 in the fourth quarter of 2004. In general, prices for stainless steel plate declined slightly from the first quarter of 1998 to the second quarter of 1999. They then increased, reaching an apex in the second quarter 2000 and decreasing through late 2001. They increased slightly until the third quarter of 2003, and have increased *** since then. The highest price reached since 1998 occurred in the fourth quarter of 2004 for most of the nine pricing products. The only pricing product that did not follow this pattern was product 8, a grade 410S product.

Subject Imports from Belgium

Sales of imported stainless steel plate from Belgium continued through the period for which data were collected. Prices for Belgian subject products generally followed the same path. Prices decreased slightly from the first quarter of 1998 until the second quarter of 1999, whereupon they increased until peaking the second quarter of 2000. Prices then generally declined until the end of 2001 and have been increasing since that time.

[9] AK, Allegheny, AvestaPolarit, J&L, and NAS.

[10] Arcelor USA, POSCO America, and TKAST.

[11] The pricing data for product 9 accounted for *** percent of U.S. producers' and *** percent of U.S. importers' U.S. shipment of cold-rolled stainless steel plate produced in the United States and Belgium, respectively.

Table V-2
Certain stainless steel plate: Weighted-average f.o.b. prices and quantities of product 1, as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2004

* * * * * * *

Table V-3
Certain stainless steel plate: Weighted-average f.o.b. prices and quantities of product 2, as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2004

* * * * * * *

Table V-4
Certain stainless steel plate: Weighted-average f.o.b. prices and quantities of product 3, as reported by U.S. producers and importers, and margins of (overselling), by quarters, January 1998-December 2004

* * * * * * *

Table V-5
Certain stainless steel plate: Weighted-average f.o.b. prices and quantities of product 4, as reported by U.S. producers and importers, and margin of underselling, by quarters, January 1998-December 2004

* * * * * * *

Table V-6
Certain stainless steel plate: Weighted-average f.o.b. prices and quantities of product 5, as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2004

Period	United States		Belgium			Italy		
	Price *(per ton)*	Quantity *(tons)*	Price *(per ton)*	Quantity *(tons)*	Margin *(percent)*	Price *(per ton)*	Quantity *(tons)*	Margin *(percent)*
1998: January-March	$***	***	$***	***	***	$***	***	***
April-June	***	***	-	-	-	***	***	***
July-September	***	***	-	-	-	***	***	***
October-December	***	***	-	-	-	***	***	***
1999: January-March	***	***	-	-	-	***	***	***
April-June	***	***	***	***	***	-	-	-
July-September	***	***	***	***	***	-	-	-
October-December	***	***	***	***	***	-	-	-
2000: January-March	1,789.53	2,648	***	***	***	-	-	-
April-June	2,002.96	2,122	-	-	-	***	***	***
July-September	1,852.01	1,712	***	***	***	-	-	-
October-December	***	***	***	***	***	-	-	-
2001: January-March	1,419.94	2,092	***	***	***	-	-	-
April-June	1,266.69	3,036	-	-	-	-	-	-
July-September	1,313.81	2,340	-	-	-	-	-	-
October-December	1,187.73	1,971	-	-	-	-	-	-
2002: January-March	***	***	-	-	-	-	-	-
April-June	***	***	-	-	-	-	-	-
July-September	***	***	-	-	-	-	-	-
October-December	***	***	-	-	-	-	-	-
2003: January-March	***	***	-	-	-	-	-	-
April-June	***	***	-	-	-	-	-	-
July-September	***	***	-	-	-	-	-	-
October-December	***	***	-	-	-	-	-	-
2004: January-March	***	***	-	-	-	-	-	-
April-June	***	***	-	-	-	-	-	-
July-September	***	***	-	-	-	-	-	-
October-December	***	***	-	-	-	-	-	-

Table continued on next page.

Table V-6--*Continued*
Certain stainless steel plate: Weighted-average f.o.b. prices and quantities of product 5, as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2004

Period	United States		Korea		
	Price *(per ton)*	Quantity *(tons)*	Price *(per ton)*	Quantity *(tons)*	Margin *(percent)*
1998: January-March	$***	***	-	-	-
April-June	***	***	-	-	-
July-September	***	***	-	-	-
October-December	***	***	-	-	-
1999: January-March	***	***	-	-	-
April-June	***	***	-	-	-
July-September	***	***	-	-	-
October-December	***	***	-	-	-
2000: January-March	1,789.53	2,648	$***	***	***
April-June	2,002.96	2,122	***	***	***
July-September	1,852.01	1,712	-	-	-
October-December	***	***	-	-	-
2001: January-March	1,419.94	2,092	-	-	-
April-June	1,266.69	3,036	-	-	-
July-September	1,313.81	2,340	-	-	-
October-December	1,187.73	1,971	-	-	-
2002: January-March	***	***	-	-	-
April-June	***	***	-	-	-
July-September	***	***	-	-	-
October-December	***	***	-	-	-
2003: January-March	***	***	-	-	-
April-June	***	***	-	-	-
July-September	***	***	-	-	-
October-December	***	***	-	-	-
2004: January-March	***	***	-	-	-
April-June	***	***	-	-	-
July-September	***	***	-	-	-
October-December	***	***	-	-	-

[1] Grade 304L, thickness 0.25 inch (0.24-0.295 inch), width 48-60 inches.

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

Table V-7
Certain stainless steel plate: Weighted-average f.o.b. prices and quantities of product 6, as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2004

* * * * * * *

Table V-8
Certain stainless steel plate: Weighted-average f.o.b. prices and quantities of product 7, as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2004

* * * * * * *

Table V-9
Certain stainless steel plate: Weighted-average f.o.b. prices and quantities of product 8, as reported by U.S. producers and importers, and margins of underselling, by quarters, January 1998-December 2004

* * * * * * *

Table V-10
Certain stainless steel plate: Weighted-average f.o.b. prices and quantities of product 9, as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1998-December 2004

* * * * * * *

Figure V-2
Certain stainless steel plate: Weighted-average f.o.b. prices of product 1, as reported by U.S. producers and importers, by quarters, January 1998-December 2004

* * * * * * *

Figure V-3
Certain stainless steel plate: Weighted-average f.o.b. prices of product 2, as reported by U.S. producers and importers, by quarters, January 1998-December 2004

* * * * * * *

Figure V-4
Certain stainless steel plate: Weighted-average f.o.b. prices of product 3, as reported by U.S. producers and importers, by quarters, January 1998-December 2004

* * * * * * *

Figure V-5
Certain stainless steel plate: Weighted-average f.o.b. prices of product 4, as reported by U.S. producers and importers, by quarters, January 1998-December 2004

* * * * * * *

Figure V-6
Certain stainless steel plate: Weighted-average f.o.b. prices of product 5, as reported by U.S. producers and importers, by quarters, January 1998-December 2004

* * * * * * *

Figure V-7
Certain stainless steel plate: Weighted-average f.o.b. prices of product 6, as reported by U.S. producers and importers, by quarters, January 1998-December 2004

***** ***** ***** ***** ***** ***** *****

Figure V-8
Certain stainless steel plate: Weighted-average f.o.b. prices of product 7, as reported by U.S. producers and importers, by quarters, January 1998-December 2004

* * * * * * *

Figure V-9
Certain stainless steel plate: Weighted-average f.o.b. prices of product , as reported by U.S. producers and importers, by quarters, January 1998-December 2004

* * * * * * *

Figure V-10
Certain stainless steel plate: Weighted-average f.o.b. prices of product 9, as reported by U.S. producers and importers, by quarters, January 1998-December 2004

* * * * * * *

Subject Imports from Italy

Most sales of imported stainless steel plate from Italy occurred in 1998 before the antidumping duty order was enacted. Sales were made of products 1 and 5 through 8. Prices for these products generally were declining from the first quarter of 1998 through when the sales ceased, except for sales of product 8, which increased ***. There was one quarter of sales in 2000 for product 5, which took place at a much higher price than previous sales.

Subject Imports from Korea

Prices of imported stainless steel plate from Korea were higher for sales made in 2000 than those made in 1998 or 1999, and have been trending upward for all stainless steel plate products imported from Korea. For example, products 1 and 2 were selling for slightly more than $*** per ton in 1998, but by the third quarter of 2000, these prices had risen to more than $*** per ton.

Price Comparisons

Price comparisons between U.S.-produced and imported stainless steel plate were reported in 115 instances. In 46 instances, the imported product was priced below the domestic product, while in 69 instances, the imported product was priced above the domestic product. With regard to Belgium, the 16 margins of underselling ranged from 0.3 to 17.5 percent and the 58 margins of overselling ranged from

0.2 to 37.1 percent.[12] With regard to imports from Italy, there were 15 instances of underselling, with margins between 0.4 and 31.8 percent; in the 6 instances of overselling the margins were between 0.9 and 9.3 percent. Finally, with regard to imports from Korea, the 15 instances of underselling had margins which ranged from 0.2 to 21.6 percent; in the 5 instances of overselling, the margins were between 2.3 and 81.6 percent.[13]

Purchasers were also asked if there has there been a change in the price of stainless steel plate since 1998, and if so, if the price of U.S.-produced stainless steel plate changed more or less than the price of imported stainless steel plate from the subject countries. Two of the seven responding purchasers reported that prices of domestic and imported stainless steel plate have changed by the same amount. Two purchasers reported that domestic prices are now relatively lower than prices for stainless steel plate imported from the subject countries, with one attributing this change to the weak U.S. dollar.[14] With regard to Belgium, Italy, and South Africa, two firms stated that the price of U.S.-produced stainless steel plate increased relative to the price of stainless steel plate from these countries, and one reported that the price of U.S.-produced stainless steel plate increased relative to the price of stainless steel plate from Canada, Korea, and Taiwan.

[12] With regard to imports of hot-rolled stainless steel plate from Belgium, the 15 margins of underselling ranged from 0.3 to 17.5 percent and the 41 margins of overselling ranged from 0.2 to 36.5 percent. With regard to imports of cold-rolled stainless steel plate from Belgium, the 1 margin of underselling was 4.9 percent and the 17 margins of overselling ranged from 2.2 to 37.1 percent.

[13] In the original investigations, imports from Belgium were priced lower that the domestic product in 12 of 53 comparisons, and those from Italy were priced lower in 17 of 57 quarters. Imports from Canada were priced lower than the domestic product in 47 of 85 comparisons, while imports from South Africa were priced lower in 32 of 67 comparisons and imports from Korea were priced lower in 7 of 15 comparisons. Only rough comparisons were possible from Taiwan since *** did not provide detailed price comparisons. Confidential Staff Report in the original investigations (memorandum INV-W-064, April 9, 1999), p. V-39 and n. 11.

[14] The same purchaser also noted that comparisons are difficult since the subject countries are exporting cut plate.

APPENDIX A

FEDERAL REGISTER NOTICES AND THE COMMISSION'S STATEMENT ON ADEQUACY

in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 1997.

(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 2003 (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2003 (report quantity data in pounds 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 the *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 the *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 the *Subject Country*.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2003 (report quantity data in pounds 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 the *Subject Country* accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s'') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* after 1997, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, *Subject Merchandise* produced in the *Subject Country*, and such merchandise from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry;* if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: March 25, 2004.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–7392 Filed 3–31–04; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–376, 377, and 379 (Review) and 731–TA–788–793 (Review)]

Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the countervailing duty and antidumping duty orders on certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the countervailing duty orders on certain stainless steel plate from Belgium, Italy, and South Africa and/or the revocation of the antidumping duty orders on certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; [1] to be

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 04–5–084, expiration date June 30, 2005. Public reporting

Continued

assured of consideration, the deadline for responses is May 21, 2004. Comments on the adequacy of responses may be filed with the Commission by June 14, 2004. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: April 1, 2004.

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 May 11, 1999, the Department of Commerce (''Commerce'') issued countervailing duty orders on imports of certain stainless steel plate from Belgium, Italy, and South Africa (64 FR 25288). On May 21, 1999, Commerce issued antidumping duty orders on imports of certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan (64 FR 27756). On March 11, 2003, Commerce amended these antidumping and countervailing duty orders on imports of certain stainless steel plate (68 FR 11520 and 68 FR 11524). The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are Belgium, Canada, Italy, Korea, South Africa, and Taiwan.

(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 after remand, the Commission defined the Domestic Like Product as certain (hot-rolled and cold-rolled) stainless steel plate in coils. Certain Commissioners defined the Domestic Like Product differently.[2]

(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 after remand, the Commission defined the Domestic Industry as producers of certain stainless steel plate in coils. Certain Commissioners defined the Domestic Industry differently.

(5) The *Order Dates* are the dates that the countervailing duty and antidumping duty orders under review became effective. In the reviews concerning the countervailing duty orders, the Order Date is May 11, 1999, as amended on March 11, 2003. In the reviews concerning the antidumping duty orders, the Order Date is May 21, 1999, as amended on March 11, 2003.

(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

burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

[2] While the Commission majority in the original determinations defined two separate domestic like products (*i.e.*, hot-rolled stainless steel plate in coils and cold-rolled stainless steel plate in coils), on remand the Commission majority's determinations involved a single domestic like product, certain stainless steel plate in coils.

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 May 21, 2004. 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 June 14, 2004. 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 duty and antidumping duty orders on the Domestic Industry in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in each Subject Country that currently export or have exported Subject Merchandise to the United States or other countries since 1998.

(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 2003 (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 2003 (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 2003 (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 each Subject Country 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 each Subject Country, and such merchandise from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: March 25, 2004.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–7390 Filed 3–31–04; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Civil Rights Division; Agency Information Collection Activities Under Review

ACTION: 30-day Notice of Information Collection Under Review: Nondiscrimination on the Basis of Disability in State and Local Government Services (Transition Plan).

The Department of Justice, Civil Rights Division, has submitted the following information collection request to the Office of Management and Budget for review and approval in accordance with the Paperwork Reduction Act of 1995. The information collection extension is published to obtain comments from the public and affected agencies. This proposed information collection was previously published in the **Federal Register** at Volume 69, Number 3, pages 684–685 on January 6, 2004, allowing for a 60-day public comment period.

The purpose of this notice is to allow an additional 30 days for public comment. Comments are encouraged and will be accepted until May 3, 2004. This process is conducted in accordance with 5 CFR 1320.10.

Written comments and/or suggestions are requested from the public and affected agencies concerning the extension of a currently approved collection of information. Your comments should address one or more of the following four points:

(1) Evaluate whether the collection of information is necessary for the proper performance of the function of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden of the collection of information;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other form of information technology (*e.g.*, permitting electronic submission of responses).

Written comments and/or suggestions regarding the item(s) contained in this notice, especially regarding the item(s) contained in this notice, especially regarding the estimated public burden and associated response time should be directed to the Office of Management and Budget (OMB), Office of Information and Regulatory Affairs, Attention: Department of Justice Desk Officer, Washington, DC 20503. Additionally, comments may be submitted to OMB via facsimile to (202) 395–7285.

The information collection is listed below:

(1) *Type of information collection.* Extension of Currently Approved Collection.

(2) *The title of the form/collection.* Nondiscrimination on the Basis of Disability in State and Local Government Services (Transition Plan).

(3) *The agency form number and applicable component of the Department sponsoring the collection.* No form number. Disability Rights Section, Civil Rights Division, U.S. Department of Justice.

(4) *Affected public who will be asked to respond, as well as a brief abstract.* Primary: State, Local or Tribal Government. Under title II of the Americans with Disabilities Act, State, and local governments are required to operate each service, program, or activity so that the service, program, or activity, when viewed in its entirety, is readily accessible to and usable by individuals with disabilities (''program accessibility''). If structural changes to existing facilities are necessary to accomplish program accessibility, a public entity that employs 50 or more persons must develop a ''transition plan'' setting forth the steps necessary to complete the structural changes. A copy of the transition plan must be made available for public inspection.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* 4,000 respondents at 8 hours per transition plan.

(6) *An estimate of the total public burden (in hours) associated with the collection:* 32,000 hours annual burden.

FOR FURTHER INFORMATION CONTACT: Mr. Robert B. Briggs, Department Clearance Officer, United States Department of Justice, Policy and Planning Staff, Justice Management Division, Patrick Henry Building, Suite 1600, 601 D Street, NW., Washington, DC 20530.

Dated: March 29, 2004.

Robert B. Briggs,

Department Clearance Officer, United States Department of Justice.

[FR Doc. 04–7318 Filed 3–31–04; 8:45 am]

BILLING CODE 4410–13–M

DEPARTMENT OF JUSTICE

Civil Rights Division

Agency Information Collection Activities Under Review

ACTION: 30-day notice of information collection under review: Title III of the Americans with Disabilities Act, certification of State and local government accessibility requirements.

Participation in the review and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in this review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the review need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this review available to authorized applicants under the APO issued in the review, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the review. A party granted access to BPI following publication of the Commission's notice of institution of the review need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the review will be placed in the nonpublic record on November 17, 2004, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the review beginning at 9:30 a.m. on December 7, 2004, 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 December 1, 2004. 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 December 3, 2004, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written submissions.—Each party to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is November 29, 2004. 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 December 16, 2004; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the review may submit a written statement of information pertinent to the subject of the review on or before December 16, 2004. On January 14, 2005, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before January 19, 2005, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: July 23, 2004.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–17171 Filed 7–27–04; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–376, 377, and 379 (Review) and 731–TA–788–793 (Review)]

Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan

AGENCY: International Trade Commission.

ACTION: Notice of Commission determination to conduct full five-year reviews concerning the countervailing duty and antidumping duty orders on certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan.

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 and antidumping duty orders on certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan 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).

DATES: Effective Date: July 6, 2004.

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 July 6, 2004, 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. With regard to subject stainless steel plate from Belgium and Korea, the Commission found that both the domestic interested party group responses and the respondent interested party group responses to its notice of institution (69 FR 17235, April 1, 2004) were adequate and voted to conduct full reviews. With regard to subject stainless steel plate from Canada, Italy, South Africa, and Taiwan, the Commission found that the domestic interested party group responses were adequate and the respondent interested party group responses were inadequate. Although the Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from Canada, Italy, South Africa, or Taiwan, it determined to conduct full reviews to promote administrative efficiency in light of its decision to conduct full reviews with respect to the reviews concerning subject imports from Belgium and Korea. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: July 22, 2004.
By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–17169 Filed 7–27–04; 8:45 am]

BILLING CODE 7020–02–U

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–770–775 (Review)]

Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan

Determination

On the basis of the record [1] developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act), that revocation of the antidumping duty orders on stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

Background

The Commission instituted these reviews on August 1, 2003 (68 FR 45277) and determined on November 4, 2003 that it would conduct full reviews (68 FR 65085, November 18, 2003). 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 February 3, 2004 (69 FR 5185). The hearing was held in Washington, DC, on May 18, 2004, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determination in these reviews to the Secretary of Commerce on July 22, 2004. The views of the Commission are contained in USITC Publication 3707 (July 2004), entitled *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan: Investigations Nos. 731–TA–770–775 (Review).*

Issued: July 23, 2004.
By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–17170 Filed 7–27–04; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA–2104–15]

U.S.-Bahrain Free Trade Agreement: Potential Economywide and Selected Sectoral Effects

AGENCY: International Trade Commission.

ACTION: Institution of investigation and scheduling of public hearing.

SUMMARY: Following receipt on June 28, 2004 of a request from the United States Trade Representative (USTR), the Commission instituted investigation No. TA–2104–15, U.S.-Bahrain Free Trade Agreement: Potential Economywide and Selected Sectoral Effects, under section 2104(f) of the Trade Act of 2002 (19 U.S.C. 3804(f)).

Background: As requested by the USTR, the Commission will prepare a report as specified in section 2104(f)(2)–(3) of the Trade Act of 2002 assessing the likely impact of the U.S. Free Trade agreement with Bahrain on the United States economy as a whole and on specific industry sectors and the interests of U.S. consumers. The report will assess the likely impact of the agreement on the United States economy as a whole and on specific industry sectors, including the impact the agreement will have on the gross domestic product, exports and imports, aggregate employment and employment opportunities, the production, employment, and competitive position of industries likely to be significantly affected by the agreement, and the interests of United States consumers. In preparing its assessment, the Commission will review available economic assessments regarding the agreement, including literature regarding any substantially equivalent proposed agreement, and will provide in its assessment a description of the analyses used and conclusions drawn in such literature, and a discussion of areas of consensus and divergence between the various analyses and conclusions, including those of the Commission regarding the agreement.

Section 2104(f)(2) requires that the Commission submit its report to the President and the Congress not later than 90 days after the President enters into the agreement, which he can do 90 days after he notifies the Congress of his intent to do so. The President notified the Congress on June 15, 2004, of his intent to enter into an FTA with Bahrain.

The Commission has begun its assessment, and it will seek public input for the investigation through a public hearing on August 10, 2004 (see below).

DATES: Effective July 26, 2004.

FOR FURTHER INFORMATION CONTACT: Project Leaders, Thomas Jennings, (202–205–3260) or Walker Pollard (202–205–3228), Office of Economics. For information on the legal aspects of this investigation, contact William Gearhart of the Office of the General Counsel (202–205–3091 or *william.gearhart@usitc.gov*). For media

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

[2] Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissenting with respect to stainless steel wire rod from Italy, Korea, Spain, and Sweden.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–830, A–583–830, A–791–805]

Stainless Steel Plate in Coils From Canada, South Africa and Taiwan; Notice of Expedited Sunset Review; Final Results

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

ACTION: Notice of expedited sunset review on stainless steel plate in coils from Canada, South Africa, and Taiwan; final results.

SUMMARY: On April 1, 2004, the Department of Commerce (''the Department'') initiated a sunset review of the antidumping duty orders on stainless steel plate in coils (''SSPC'') from Canada, Taiwan, and South Africa pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, the Department conducted an expedited (120-day) sunset review. As a result of this sunset review, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping. The dumping margins are identified in the *Final Results of Review* section of this notice.

DATES: *Effective Date:* August 5, 2004.

FOR FURTHER INFORMATION CONTACT: Martha V. Douthit, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–5050.

SUPPLEMENTARY INFORMATION:

Background

On April 1, 2004, the Department published the notice of initiation of the sunset reviews of the antidumping duty orders on SSPC from Canada, South Africa, and Taiwan.[1] On April 16, 2004, the Department received a Notice of Intent to Participate from Allegheny Ludlum Corp. (''Allegheny Ludlum''), North American Stainless (''NAS''),[2] and the United Steelworkers of America, AFL-CIO/CLC (USWA'')[3] collectively (''domestic interested parties''), within the deadline specified in section 315.218(d)(1)(i) of the Department's regulations. The domestic interested parties claimed interested party status under section 771(9)(C) and (D) of the Act, as U.S. producers of SSPC and certified union whose workers are engaged in the production of SSPC. On May 3, 2004, the Department received complete substantive responses from the domestic interested parties within the deadline specified in section 351.218(d)(3)(i) of the Department's regulations. We did not receive responses from any respondent interested parties to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department determined to conduct expedited reviews of these orders.

Scope of the Orders

The merchandise subject to these orders is stainless steel plate in coils. Stainless steel is an 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. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (*e.g.*, cold-rolled, polished, *etc.*) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of these orders are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars. The merchandise subject to these orders is currently classifiable in the Harmonized Tariff Schedule of the United States (''HTSUS'') at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.05, 7219.12.00.20, 7219.12.00.25, 7219.12.00.50, 7219.12.00.55, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.

Analysis of Comments Received

All issues raised in these reviews are addressed in the ''Issues and Decision Memorandum'' (''Decision Memo'') from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated July 30, 2004, 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 order 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 Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/frn,* under the heading ''August 2004.'' The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Reviews

We determine that revocation of the antidumping duty orders on SSPC from Canada, South Africa, and Taiwan would likely lead to continuation or recurrence of dumping at the following percentage weighted-average percentage margins:

Manufacturers/exporters/producers	Weighted average margin (percent)
Canada	
Atlas Stainless Steel	15.35
All Others	11.10
South Africa	
Columbus Stainless	41.63
All Others	41.63
Taiwan	
Yieh United Steel Corp. (YUSCO)	8.02
YUSCO/Ta Chen	10.20
All Others	7.39

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 of the Department's regulations. Timely notification of the return or

[1] *See Initiation of Five-Year (''Sunset'') Reviews*, 69 FR 17129 (April 1, 2004)(''*Initiation Notice*'').

[2] NAS is not supporting continuation of the antidumping duty order against South Africa in this proceeding.

[3] USWA is not supporting continuation of the antidumping duty order against Canada in this proceeding.

destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: July 30, 2004.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 04–17923 Filed 8–4–04; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–890]

Notice of Amended Preliminary Antidumping Duty Determination of Sales at Less Than Fair Value: Wooden Bedroom Furniture From the People's Republic of China

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

DATES: *Effective Date:* August 5, 2004.

FOR FURTHER INFORMATION CONTACT: Catherine Bertrand or Robert Bolling, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–3207, or 482–3434, respectively.

SUPPLEMENTARY INFORMATION:

Significant Ministerial Error

Pursuant to 19 CFR 351.224(g)(1) and (g)(2), the Department of Commerce (''Department'') is amending the preliminary determination of sales at less than fair value in the antidumping duty investigation of wooden bedroom furniture from the People's Republic of China (''PRC'') to reflect the correction of significant ministerial errors it made in the margin calculations regarding the following mandatory respondents: Rui Feng Woodwork Co., Ltd., Rui Feng Lumber Development Co., Ltd., and Dorbest Limited (collectively ''Dorbest Group''); Starcorp Furniture (Shanghai) Co., Ltd., Orin Furniture (Shanghai) Co., Ltd., and Shanghai Starcorp Furniture Co., Ltd. (collectively ''Starcorp''). A ministerial error is defined as an error in addition, subtraction, or other arithmetic function, clerical error resulting from inaccurate copying, duplication, or the like, and any other similar type of unintentional error which the Secretary considers ministerial. *See* 19 CFR 351.224(f). A significant ministerial error is defined as an error, the correction of which, singly or in combination with other errors, would result in (1) a change of at least five absolute percentage points in, but not less than 25 percent of, the weighted-average dumping margin calculated in the original (erroneous) preliminary determination or (2) a difference between a weighted-average dumping margin of zero or *de minimis* and a weighted-average dumping margin of greater than *de minimis* or vice versa. *See* 19 CFR 351.224(g). We are publishing this amendment to the preliminary determination pursuant to 19 CFR 351.224(e). As a result of this amended preliminary determination, we have revised the antidumping rates for the Dorbest Group, Starcorp, and Tech Lane. *See* discussion below.

Additionally, the Department is amending the preliminary determination of sales at less than fair value in the antidumping duty investigation of wooden bedroom furniture from the PRC to reflect the correction of ministerial errors it made regarding certain Section A respondents that have applied for a separate rate and provided information for the Department to consider for the preliminary determination but were denied a separate rate at the preliminary determination stage. Memorandum to Laurie Parkhill, Office Director, AD/CVD Enforcement, Antidumping Duty Investigation of Wooden Bedroom Furniture From the People's Republic of China: Analysis of Allegations of Ministerial Errors for Section A Respondents dated July 29, 2004.

Ministerial-Error Allegation

On June 24, 2004, the Department published its affirmative preliminary determination in this proceeding. *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Wooden Bedroom Furniture From the People's Republic of China,* 69 FR 35312 (June 24, 2004) (''*Preliminary Determination*'').

On June 29, 2004, the Department received timely allegations of ministerial errors in the *Preliminary Determination* from the American Furniture Manufacturers Committee for Legal Trade and its individual members and the Cabinet Makers, Millmen, and Industrial Carpenters Local 721, UBC Southern Council of Industrial Worker's Local Union 2305, United Steel Workers of American Local 193U, Carpenters Industrial Union Local 2093, and Teamsters, Chauffeurs, Warehousemen and Helper Local 991 (collectively ''Petitioners''), and the following respondents: Dongguan Lung Dong Furniture Co., Ltd., and Dongguan Dong He Furniture Co., Ltd. (collectively ''Dongguan Lung Dong''); the Dorbest Group; Lacquer Craft Manufacturing Company, Ltd. (''Lacquer Craft''); Markor International Furniture (Tianjin) Manufacture Co., Ltd. (''Markor Tianjin''); Shing Mark Enterprise Co., Ltd., Carven Industries Limited (BVI), Carven Industries Limited (HK), Dongguan Zhenxin Furniture Co., Ltd., and Dongguan Yongpeng Furniture Co., Ltd. (collectively ''Shing Mark''); and Starcorp. Additionally, Petitioners made a ministerial-error allegation with regard to Tech Lane Wood Mfg. and Kee Jia Wood Mfg. (collectively ''Tech Lane''). The Department has reviewed its preliminary calculations and agrees that some of the errors which the parties alleged are ministerial errors within the meaning of 19 CFR 351.224(f).

We agree with certain ministerial errors made with respect to the mandatory respondents. However, not all of the alleged ministerial errors for each mandatory respondent when taken in totality meet the definition of a ministerial error under 19 CFR 351.224. Due to the large number of mandatory respondents and the extraordinary number of alleged ministerial errors in this case we have summarized all comments in company-specific memoranda. For a complete listing of all comments, please see the individual memorandum for each mandatory respondent (*i.e.*, Dongguan Lung Dong, the Dorbest Group, Lacquer Craft, Markor Tianjin, Shing Mark, Starcorp, and Tech Lane), Memorandum to the Laurie Parkhill, Office Director, AD/CVD Enforcement, Antidumping Duty Investigation of Wooden Bedroom Furniture from the People's Republic of China: Analysis of Allegation of Ministerial Errors for (Company) (*i.e.*, Dongguan Lung Dong, the Dorbest Group, Lacquer Craft, Markor Tianjin, Shing Mark, Starcorp, or Tech Lane) dated July 29, 2004.[1]

On June 29, 2004, the Department received timely allegations of ministerial errors in the *Preliminary Determination* from twenty-nine section

[1] On July 29, 2004, the Department informed Tech Lane that it was not going to conduct verification of its sales and factors of production data, due to the fact Tech Lane did not provide financial statements covering reported subject merchandise and because Tech Lane did not provide the Department with a reconciliation of its sales made during the Period of Investigation (''POI'') to its financial statements. In light of the Department's decision to cancel verification, the Department notes that the amended rate for Tech Lane may change for purposes of the final determination.

A respondents. *See* Memorandum to the Laurie Parkhill, Office Director, Antidumping Duty Investigation of Wooden Bedroom Furniture from the People's Republic of China: Analysis of Allegations of Ministerial Errors for Section A Respondents dated July 29, 2004.

Additionally, on July 6, 2004, the Department received additional timely information from certain Section A Respondents. The Department will address these comments in the Final Determination. *See* Antidumping Duty Investigation of Wooden Bedroom Furniture from the People's Republic of China: Analysis of Consideration of Additional Information for Final Determination, dated July 29, 2004.

Further, the Department received several new Section A filings from companies requesting a separate rate after the preliminary determination. We have determined to return these filings because they were untimely. As the Department stated in the *Preliminary Determination,* all Section A filings had to be received by March 1, 2004. Therefore, these filings were untimely filed because the Department received them beyond the March 1, 2004, filing deadline.

The collection of bonds or cash deposits and suspension of liquidation will be revised accordingly and parties will be notified of this determination, in accordance with section 733 (d) and (f) of the Tariff Act of 1930, as amended, (the Act).

Amended Preliminary Determination

As a result of our correction of ministerial errors in the Preliminary Determination, we have determined that the following weighted-average dumping margins apply:

Exporter and producer	Original preliminary margin (percent)	Amended preliminary margin (percent)
The Dorbest Group	19.24	11.85
Starcorp	24.34	30.52
Tech Lane	9.36	29.72
Alexandre International Corp	198.08	10.92
Art Heritage International, Ltd	198.08	10.92
Chuan Fa Furniture Factory	198.08	10.92
Clearwise Company Limited	198.08	10.92
COE, Ltd	198.08	10.92
Dongguan Chunsan Wood Products Co., Ltd	198.08	10.92
Dongguan Hero Way Woodwork Co., Ltd	198.08	10.92
Dongguan Da Zhong Woodwork Co., Ltd	198.08	10.92
Dongguan Sunrise Furniture Co	198.08	10.92
Dream Rooms Furniture (Shanghai) Co., Ltd	198.08	10.92
Foshan Guanqiu Furniture Co., Ltd	198.08	10.92
Gaomi Yatai Wooden Ware Co., Ltd	198.08	10.92
Green River Wood (Dongguan) Ltd	198.08	10.92
Kuan Lin Furniture (Dong Guan) Co., Ltd	198.08	10.92
Longrange Furniture Co., Ltd	198.08	10.92
Passwall Corporation	198.08	10.92
Prime Wood International Co., Ltd *et al*	198.08	10.92
Shenshen Xiande Furniture Factory	198.08	10.92
Tianjin Master Home Furniture	198.08	10.92
Yida Co., Ltd	198.08	10.92

The PRC-wide rate has not been amended.

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the International Trade Commission (''ITC'') of our amended preliminary determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of the preliminary determination or 45 days after our final determination whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation, of the subject merchandise.

This determination is issued and published in accordance with sections 733(f) and 777(I)(1) of the Act and 19 CFR 351.224(e).

Dated: July 29, 2004.

Jeffrey May,

Acting Assistant Secretary for Import Administration.

[FR Doc. 04–17937 Filed 8–4–04; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–791–806]

Stainless Steel Plate in Coils From South Africa; Final Results of Expedited Sunset Review

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

ACTION: Notice of final results of the expedited sunset review of the countervailing duty order on stainless steel plate in coils from South Africa.

SUMMARY: On April 1, 2004, the Department of Commerce (''the Department'') initiated a sunset review of the countervailing duty order on stainless steel plate in coils (''SSPC'') from South Africa pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of domestic interested parties and an inadequate response, *i.e.*, no response from respondent interested parties, the Department determined to conduct an expedited (120-day) sunset review. As a result of this sunset review, the Department finds that revocation of the countervailing duty order would be likely lead continuation or recurrence of a countervailable subsidy. The net countervailable subsidy and the nature of the subsidy are identified in the *Final Results of Review* section of this notice.

FOR FURTHER INFORMATION CONTACT: Martha V. Douthit, Office of Policy for

Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–5050.

EFFECTIVE DATE: August 5, 2004.

SUPPLEMENTARY INFORMATION:

Background

On April 1, 2004, the Department of Commerce (''the Department'') initiated a sunset review of the countervailing duty order on SSPC from South Africa pursuant to section 751(c) of the Act. *See Initiation of Five-Year (Sunset) Reviews,* 69 FR 17129 (April 1, 2004). On April 16, 2004, the Department received a Notice of Intent to Participate from Allegheny Ludlum Corporation (''Allegheny Ludlum''), North American Stainless (''NAS''), and the United Steelworkers of America, AFL–CIO–CLC (''USWA''), collectively (''domestic interested parties'') within the applicable deadline specified in section 351.218(d)(1)(i) of the Department's regulations. On May 3, 2004, we received a complete substantive response from domestic interested parties within the 30-day deadline specified in the Department's regulations. However, we did not receive responses from any respondent interested parties to this proceeding as required in section 351.218(d)(3)(i) of the Department's regulations. As a result of receiving no responses from respondent interested parties, the Department conducted an expedited (120-day) sunset review of this order pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C) of the Department's regulations.

Scope of the Order

The merchandise subject to this countervailing duty order is stainless steel plate in coils. Stainless steel is an 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. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (*e.g.*, cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of these orders are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars. The merchandise subject to these orders is currently classifiable in the Harmonized Tariff Schedule of the United States (''HTSUS'') at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.05, 7219.12.00.20, 7219.12.00.25, 7219.12.00.50, 7219.12.00.55, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. 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 case are addressed in the ''Issues and Decision Memorandum'' (''Decision Memo'') from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated July 30, 2004, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of subsidization and the magnitude of the margin likely to prevail if the order were revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in room B–099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/frn,* under the heading ''August 2004.'' The paper copy and electronic version of the Decision Memo are identical in content.

Final Results of Review

We determine that revocation of the countervailing duty order on SSPC from South Africa would likely lead to continuation or recurrence of subsidization at the following weighted-average percentage margins:

Manufacturers/exporters/producers	Net countervailable subsidy margin (percent)
Columbus Stainless Steel Company (the operating unit of Columbus Joint Venture)	3.95
All Others	3.95

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 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: July 30, 2004.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 04–17921 Filed 8–4–04; 8:45 am]

BILLING CODE 3510–DS–P

COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection Activities: Notice of Intent To Renew Collection 3038–0022, Rules Pertaining to Contract Markets and Their Members

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: The Commodity Futures Trading Commission (CFTC) is announcing an opportunity for public comment on the proposed collection of certain information by the agency. Under the Paperwork Reduction Act of 1995 (PRA), 44 U.S.C. 3501 *et seq.,* Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, and to allow 60 days for public comment in response to the notice. This notice solicits comments on Commission rules pertaining to contract markets and their members.

DATES: Comments must be submitted on or before October 4, 2004.

ADDRESSES: Comments may be mailed to David Van Wagner, Division of Market Oversight, U.S. Commodity Futures Trading Commission, 1155 21st Street, NW., Washington, DC 20581.

FOR FURTHER INFORMATION CONTACT: David Van Wagner at (202) 418–5481; FAX: (202) 418–5536; e-mail: *dvanwagner@cfctc.gov.*

19 CFR 201.16(d) and 210.13(a), such responses will be considered by the Commission if received not later than 20 days after the date of service by the Commission of the complaint and the notice of investigation. Extensions of time for submitting the responses to the complaint and the notice of investigation will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondent, to find the facts to be as alleged in the complaint and this notice and to enter a final determination containing such findings, and may result in the issuance of a limited exclusion order or cease and desist order or both directed against such respondent.

Issued: August 31, 2004.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–20144 Filed 9–2–04; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–376, 377, & 379 and 731–TA–788–793 (Review)]

Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the countervailing duty and antidumping duty orders on certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan.

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 and antidumping duty orders on certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B). 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: August 26, 2004.

FOR FURTHER INFORMATION CONTACT: Douglas Corkran (202–205–3057), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on (202) 205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION:

Background

On July 6, 2004, 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 (69 FR 45076, July 28, 2004). 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 March 9, 2005, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on March 29, 2005, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before March 21, 2005. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on March 23, 2005, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written Submissions

Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is March 18, 2005. Parties may also file written testimony in connection with their presentation at the hearing, as

provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is April 7, 2005; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before April 7, 2005. On May 5, 2005, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before May 9, 2005, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002).

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.

Issued: August 30, 2004.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–20081 Filed 9–2–04; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF LABOR

Office of the Secretary

Submission for OMB Review: Comment Request

July 13, 2004.

The Department of Labor (DOL) has submitted the following public information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104–13, 44 U.S.C. chapter 35). A copy of this ICR, with applicable supporting documentation, may be obtained by contacting the Department of Labor (DOL). To obtain documentation, contact Darrin King on 202–693–4129 (this is not a toll-free number) or e-mail: *king.darrin@dol.gov*.

Comments should be sent to Office of Information and Regulatory Affairs, Attn: OMB Desk Officer for the Occupational Safety and Health Administration (OSHA), Office of Management and Budget, Room 10235, Washington, DC 20503, 202–395–7316 (this is not a toll-free number), within 30 days from the date of this publication in the **Federal Register**.

The OMB is particularly interested in comments which:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses.

Agency: Occupational Safety and Health Administration.

Type of Review: Extension of currently approved collection.

Title: Bloodborne Pathogens Standard (29 CFR 1910.1030).

OMB Number: 1218–0180.

Frequency: On occasion; quarterly; and annually.

Type of Response: Recordkeeping and third party disclosure.

Affected Public: Business or other for-profit; Federal Government; and State, Local, or Tribal Government.

Number of Respondents: 630,021.

Number of Annual Responses: 23,586,234.

Estimated Time Per Response: Varies from 5 minutes to maintain records to 1.5 hours for employees to receive training or medical evaluations.

Total Burden Hours: 14,060,764.

Total Annualized Capital/Startup Costs: $0.

Total Annual Costs (operating/maintaining systems or purchasing services): $24,507,892.

Description: The information collection requirements contained in 29 CFR 1910.1030, the Bloodborne Pathogens Standard, serve to protect employees from infections resulting from occupational exposure to bloodborne pathogens. These infections can lead to serious illness which may result in death. The information generated in accordance with the Standard provides the employer and the employee with the means to provide protection from the adverse health effects associated with occupation exposure to bloodborne pathogens. OSHA compliance officers use some of the information to help determine if employers are providing employees the protection afforded by the Standard.

Ira L. Mills,

Departmental Clearance Officer.

[FR Doc. 04–20105 Filed 9–2–04; 8:45 am]

BILLING CODE 4510–26–P

DEPARTMENT OF LABOR

Employment Standards Administration, Wage and Hour Division

Minimum Wages for Federal and Federally Assisted Construction; General Wage Determination Decisions

General wage determination decisions of the Secretary of Labor are issued in accordance with applicable law and are based on the information obtained by the Department of Labor from its study of local wage conditions and data made available from other sources. They specify the basic hourly wage rates and fringe benefits which are determined to be prevailing for the described classes of laborers and mechanics employed on construction projects of a similar character and in the localities specified therein.

The determinations in these decisions of prevailing rates and fringe benefits have been made in accordance with 29 CFR part 1, by authority of the Secretary

Conclusion

In sum, we preliminarily find that SDK has not presented evidence to establish a *prima facie* case of its successorship status. The dissolution of the SDEM/DDE Japan joint venture precipitated significant changes to the company ultimately absorbed by SDK. While SDK absorbed the joint venture's production facility and retained the venture's supplier base, SDK's management and corporate structure, selling and marketing operations, customer base, and price structure are significantly different from those of the SDEM/DDE Japan joint venture. Therefore, given the totality of the considered factors, the record evidence demonstrates that SDK is a new entity that operates in significantly different manner from its predecessor, the SDEM/DDE Japan joint venture. Consequently, we preliminarily determine that SDK should not be given the same antidumping duty treatment as the joint venture, *i.e.*, zero percent antidumping duty cash deposit rate. Instead, SDK, as a new entity, should continue to be assigned as its cash deposit rate the ''all others'' rate, which in this proceeding is 55 percent.

The cash deposit determination from this changed circumstances review will apply to all entries of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this changed circumstances review. *See Granular Polytetrafluoroethylene Resin from Italy; Final Results of Antidumping Duty Changed Circumstances Review,* 68 FR 25327 (May 12, 2003). This deposit rate shall remain in effect until publication of the final results of the next administrative review in which SDK participates.

Public Comment

Any interested party may request a hearing within 14 days of publication of this notice. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held 15 days after the date of publication of this notice, or the first working day thereafter. Interested parties may submit case briefs and/or written comments not later than 7 days after the date of publication of this notice. *See* 19 CFR 351.309(c)(ii). Rebuttal briefs, which must be limited to issues raised in such briefs or comments, may be filed not later than 12 days after the date of publication of this notice. *See* 19 CFR 351.309(d). Parties who submit arguments are requested to submit with the argument (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Further, we would appreciate it if the parties submitting written comments would provide the Department with an additional electronic copy of the public comments. Consistent with 19 CFR 351.216(e) of the Department's regulations, we will issue the final results of this changed circumstances review not later than 270 days after the date on which this review was initiated.

This notice is in accordance with sections 751(b) and 777(I)(1) of the Act, and 19 CFR 351.221(c)(3)(I) of the Department's regulations.

Dated: October 15, 2004.

Jeffrey A. May,

Acting Assistant Secretary for Import Administration.

[FR Doc. E4–2786 Filed 10–20–04; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–423–808, A–475–822, A–580–831]

Stainless Steel Plate in Coils From Belgium, Italy, and the Republic of Korea; Notice of Final Results of Expedited Sunset Review of Antidumping Duty Orders

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

ACTION: Notice of expedited sunset reviews of the antidumping duty orders of stainless steel plate in coils from Belgium, Italy, and Korea; final results.

SUMMARY: On April 1, 2004, the Department of Commerce (''the Department'') initiated sunset reviews of the antidumping duty orders on stainless steel plate in coils (''SSPC'') from Belgium, Italy, and the Republic of Korea (''Korea'') pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). On the basis of a Notice of Intent to Participate and an adequate substantive response filed on behalf of domestic interested parties and inadequate response from respondent interested parties, the Department conducted an expedited (120-day) sunset review. 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 Review* section of to this notice.

EFFECTIVE DATE: October 21, 2004.

FOR FURTHER INFORMATION CONTACT: Hilary E. Sadler, Esq., Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–4340.

SUPPLEMENTARY INFORMATION:

Background

On April 1, 2004, the Department published the notice of initiation of the sunset reviews of the antidumping duty orders on SSPC from Belgium, Italy, and Korea.[1] On April 16, 2004, the Department received a Notice of Intent to Participate from Allegheny Ludlum Corp., North American Stainless, and the United Steelworkers of America, AFL–CIO/CLC (collectively ''domestic interested parties'') within the deadline specified in section 315.218(d)(1)(i) of the Department's regulations. The domestic interested parties claimed interested party status under sections 771(9)(C) and (D) of the Act, as U.S. producers of SSPC and a certified union whose workers are engaged in the production of SSPC. On May 3, 2004, the Department received complete substantive responses from the domestic interested parties within the deadline specified in section 351.218(d)(3)(i) of the Department's regulations. We did not receive responses from any respondent interested parties to this proceeding, except a participation waiver from Ugine & ALZ Belgium. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department determined to conduct expedited reviews of these orders.

Scope of the Orders

The merchandise subject to these orders is stainless steel plate in coils. Stainless steel is an 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. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (*e.g.*, cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of these orders are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars. The merchandise

[1] *See Initiation of Five-Year (''Sunset'') Reviews,* 69 FR 17129 (April 1, 2004) (*''Initiation Notice''*).

subject to these orders is currently classifiable in the Harmonized Tariff Schedule of the United States (''HTSUS'') at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.05, 7219.12.00.20, 7219.12.00.25, 7219.12.00.50, 7219.12.00.55, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.

Analysis of Comments Received

All issues raised in these reviews are addressed in the ''Issues and Decision Memorandum'' (''Decision Memo'') from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated October 8, 2004, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in room B–099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/frn,* under the heading ''October 2004.'' The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Reviews

We determine that revocation of the antidumping duty orders on SSPC from Belgium, Italy, and Korea would likely lead to continuation or recurrence of dumping at the following percentage weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted Average Margin (percent)
Belgium	
Ugine & ALZ Belgium	9.86
All Others	9.86
Italy	
Thyssen Krupp Acciai Speciali Terni, S.A.	45.09
All Others	39.69
Korea	
POSCO	6.08
All Others	6.08

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 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 13, 2004.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. E4–2789 Filed 10–20–04; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–122–848]

Preliminary Results of Countervailing Duty Expedited Review: Hard Red Spring Wheat From Canada

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

ACTION: Notice of preliminary results of countervailing duty expedited review.

SUMMARY: The Department of Commerce is conducting an expedited review of the countervailing duty order on hard red spring wheat from Canada for the period August 1, 2001, through July 31, 2002. The Department preliminarily determines that countervailable subsidies were not provided to Richelain Farms. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: October 21, 2004.

FOR FURTHER INFORMATION CONTACT: Daniel J. Alexy or Stephen Cho, AD/CVD Operations Office I, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–1540 or (202) 482–3798.

SUPPLEMENTARY INFORMATION:

Petitioner

The petitioner is the North Dakota Wheat Commission, one of the participating petitioners in the investigation.

Period of Review

The period of review for this expedited review is the same period as the investigation: August 1, 2001, to July 31, 2002, which coincides with the fiscal year of the Canadian Wheat Board (''CWB''). *See* 19 CFR 351.204(b)(2); 19 CFR 351.214(k)(3)(i).

Background

On September 5, 2003, the Department of Commerce (''the Department'') published the *Final Affirmative Countervailing Duty Determinations: Certain Durum Wheat and Hard Red Spring Wheat from Canada* (68 FR 52747), and on October 23, 2003, the Department published the countervailing duty order on Hard Red Spring Wheat (''HRSW'') (68 FR 60642). On November 18, 2003, the Department received a request from Richelain Farms (''Richelain'') to conduct an expedited review of the HRSW countervailing duty order. Richelain, a company that was not selected for individual examination during the investigation, made this request pursuant to 19 CFR 351.214(k).

On December 31, 2003, the Department initiated the expedited review. *Hard Red Spring Wheat From Canada: Initiation of Expedited Review of the Countervailing Duty Order* (''Initiation Notice'') (68 FR 75490). We sent questionnaires to Richelain Farms and the Government of Canada on February 13, 2004. We received questionnaire responses from Richelain and the Government of Canada on March 25, 2004. On June 3 and 4, and August 26, 2004, we verified Richelain's questionnaire responses. On June 24, 2004, the Department postponed the deadline for the preliminary determination. *See Hard Red Spring Wheat from Canada: Notice of Extension of Time Limit for Countervailing Duty Expedited Review,* 69 FR 35329.

Scope of Review

For purposes of this expedited review, the products covered are all varieties of hard red spring (''HRSW'') wheat from

This notice also serves as the only reminder to parties subject to administrative protective orders (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 29, 2004.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. E4–3014 Filed 11–3–04; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–423–809]

Stainless Steel Plate in Coils From Belgium; Final Results of the Expedited Sunset Review of the Countervailing Duty Order

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

ACTION: Notice of final results of expedited sunset review: Stainless steel plate in coils from Belgium.

SUMMARY: On April 1, 2004, the Department initiated a sunset review of the countervailing duty (''CVD'') order on stainless steel plate in coils (''SSPC'') from Belgium pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). *See* Initiation of Five-Year (Sunset) Reviews, 69 FR 17129 (April 1, 2004). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of domestic interested parties and inadequate response from respondent interested parties, the Department conducted an expedited (120-day) sunset review. As a result of this review, the Department finds that revocation of the CVD order would likely lead to continuation or recurrence of subsidies at the levels indicated in the ''Final Results of Review'' section of this notice.

EFFECTIVE DATE: November 4, 2004.

FOR FURTHER INFORMATION CONTACT: Hilary Sadler, Esq., Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–4340.

SUPPLEMENTARY INFORMATION:

Department's Regulations

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).

Background

On April 1, 2004, the Department initiated a sunset review of the CVD order on SSPC from Belgium pursuant to section 751(c) of the Act. *See* Initiation of Five-Year (Sunset) Reviews, 69 FR 17129 (April 1, 2004). On April 16, 2004, the Department received a notice of intent to participate from Allegheny Ludlum Corp. (''Allegheny Ludlum''), North America Stainless (''NAS''), and the United Steelworkers of America, AFL-CIO/CLC (''USWA''), (collectively, ''domestic interested parties'') within the applicable deadline specified in section 351.218(d)(1)(i) of the Sunset Regulations. *See* Response of the Domestic Interested Parties at 2, May 3, 2004 (''Domestic Response''). All domestic interested parties claimed interested-party status, under sections 771(9)(C) and (D) of the Act, as a U.S. producer of the domestic like product or a certified union whose workers are engaged in the production of the subject merchandise in the United States. *See* Domestic Response. The USWA was a petitioner in the investigation and has been involved in this proceeding since its inception. *Id.* at 6. Armo, Inc., J&L Specialty Steels, Inc., and Lukens Inc. were also petitioners in the original investigation but are either no longer producers of subject merchandise or are scheduled to cease production of SSPC this year. *Id.* According to the domestic interested parties in this review, two unions, Butler Armco Independent Union and Zanesville Armco Independent Organization, that were original petitioners are not participating in this sunset review because very few workers at these unions are engaged in the production of SSPC in the United States. *Id.* at 7. The domestic interested parties have participated as a group at various segments of this order. *Id.*

The Department received a waiver of participation from U & A Belgium, a respondent interested party. *See* Response of U & A Belgium, ''SSPC from Belgium—Sunset Participation Waiver'' (April 30, 2004). We did receive substantive responses from the Government of Flanders and the Government of Belgium (collectively, ''GOB'') and the Delegation of the European Commission (''EU''). *See* Substantive Response of the GOB, (''GOB Response'') (May 3, 2004) and the Substantive Response of the EU (''EU Response'') (April 30, 2004). In addition, the GOB and the domestic industry submitted rebuttals on May 10, 2004. *See* Rebuttal of the Domestic Interested Parties (''Domestic Rebuttal'') (May 10, 2004) and GOB Rebuttal (May 10, 2004).

As a result of the lack of respondent company participation in this sunset review, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of this order. *See* Memorandum to Ronald K. Lorentzen, Acting Office of Policy Director, from Kelly Parkhill, Director of Industry and Support, Sunset Review of Stainless Steel Plate in Coils from Belgium: Adequacy of Respondent Interested Party Responses to the Notice of Initiations (May 19, 2004).

Scope of Review

The product covered by this order is certain stainless steel plate in coils. Stainless steel is an 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. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (*e.g.*, cold-rolled, polished, etc. provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of these orders are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars. In addition, certain cold-rolled stainless steel plate in coils is also excluded from the scope of this order. The excluded cold-rolled stainless steel plate in coils is defined as that merchandise which meets the physical characteristics described above that has undergone a cold-reduction process that reduced the thickness of the steel by 25 percent or more, and has

been annealed and pickled after this cold reduction process. The merchandise subject to these orders is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.05, 7219.12.00.20, 7219.12.00.25, 7219.12.00.50, 7219.12.00.55, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the ''Issues and Decision Memorandum'' (''Decision Memorandum'') from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated October 28, 2004, which is hereby adopted by this notice. The issues discussed in the accompanying Decision Memorandum include the likelihood of continuation or recurrence of countervailable subsidies and the net subsidy likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B–099, of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at *http://ia.ita.doc.gov/frn,* under the heading ''November 2004.'' The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the countervailing duty order on SSPC from Belgium would be likely to lead to continuation or recurrence of countervailable subsidies at the rate listed below:

Producers/exporters	Net countervailable subsidy (percent)
Ugine and ALZ Belgium	1.13
All Others	1.13

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 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 2004.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. E4–3009 Filed 11–3–04; 8:45 am]

BILLING CODE 3510–DS–P

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Denial of Commercial Availability Request Under the United States - Caribbean Basin Trade Partnership Act (CBTPA)

October 29, 2004.

AGENCY: The Committee for the Implementation of Textile Agreements (CITA).

ACTION: Denial of the request alleging that certain twill rayon/nylon/spandex warp stretch fabric, for use in apparel articles, cannot be supplied by the domestic industry in commercial quantities in a timely manner under the CBTPA.

SUMMARY: On August 31, 2004 the Chairman of CITA received a petition from Mast Industries, Inc. alleging that certain twill rayon/nylon/spandex warp stretch fabric, of specifications detailed below, classified in subheading 5516.22.0040 of the Harmonized Tariff Schedule of the United States (HTSUS), for use in apparel articles, cannot be supplied by the domestic industry in commercial quantities in a timely manner. It requested that apparel of such fabrics be eligible for preferential treatment under the CBTPA. Based on currently available information, CITA has determined that these subject fabrics can be supplied by the domestic industry in commercial quantities in a timely manner and therefore denies the request.

FOR FURTHER INFORMATION CONTACT: Janet Heinzen, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-3400.

SUPPLEMENTARY INFORMATION:

Authority: Section 213(b)(2)(A)(v)(II) of the Caribbean Basin Economic Recovery Act, as added by Section 211(a) of the CBTPA; Section 6 of Executive Order No. 13191 of January 17, 2001.

Background:

The CBTPA provides for quota- and duty-free treatment for qualifying textile and apparel products. Such treatment is generally limited to products manufactured from yarns and fabrics formed in the United States or a beneficiary country. The CBTPA also provides for quota- and duty-free treatment for apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more CBTPA beneficiary countries from fabric or yarn that is not formed in the United States, if it has been determined that such fabric or yarn cannot be supplied by the domestic industry in commercial quantities in a timely manner. In Executive Order No. 13191, the President delegated to CITA the authority to determine whether yarns or fabrics cannot be supplied by the domestic industry in commercial quantities in a timely manner under the CBTPA and directed CITA to establish procedures to ensure appropriate public participation in any such determination. On March 6, 2001, CITA published procedures that it will follow in considering requests. (66 FR 13502).

On August 31, 2004, the Chairman of CITA received a petition from Mast Industries, Inc. alleging that certain twill rayon/nylon/spandex warp stretch fabric, of specifications detailed below, classified in HTSUS subheading 5516.22.0040, cannot be supplied by the domestic industry in commercial quantities in a timely manner and requesting quota- and duty-free treatment under the CBTPA for apparel articles that are both cut and sewn in one or more CBTPA beneficiary countries from such fabrics.

Specifications:

HTSUS Sub-heading:	5516.22.0040

the United States at less than fair value (LTFV).[2]

The Commission further determines that an industry in the United States is not materially injured by reason of imports from China, Thailand, and Vietnam of canned warmwater shrimp and prawns, provided for in subheading 1605.20.10 of the HTSUS, that have been found by Commerce to be sold in the United States at LTFV.[3] The Commission also determines that imports from Brazil, Ecuador, and India of canned warmwater shrimp and prawns are negligible.

Background

The Commission instituted these investigations effective December 31, 2003, following receipt of a petition filed with the Commission and Commerce by the Ad Hoc Shrimp Trade Action Committee, Washington, DC; the Versaggi Shrimp Corp., Tampa, FL; and the Indian River Shrimp Co., Chauvin, LA. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of certain frozen or canned warmwater shrimp and prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations 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** of August 19, 2004 (69 FR 51472). The hearing was held in Washington, DC, on December 1, 2004, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determinations in these investigations to the Secretary of Commerce on January 21, 2005. The views of the Commission are contained in USITC Publication 3748 (January 2005), entitled Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam: Investigations Nos. 1063–1068 (Final).

By order of the Commission.

Issued: January 21, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–1487 Filed 1–26–05; 8:45 am]

BILLING CODE 7020–02–P

[2] The Commission further determines that critical circumstances do not exist with respect to those imports of the subject merchandise from China that were subject to the affirmative critical circumstances determination by the Department of Commerce.

[3] Chairman Koplan and Commissioner Lane determine that an industry in the United States is materially injured by reason of imports of certain frozen or canned warmwater shrimp or prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam that were found by Commerce to be sold in the United States at LTFV.

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–376, 377, & 379 and 731–TA–788–793 (Review)]

Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject reviews.

EFFECTIVE DATE: January 21, 2005.

FOR FURTHER INFORMATION CONTACT: Debra Baker (202–205–3180) or Douglas Corkran (202–205–3057), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION: Effective August 26, 2004, the Commission established a schedule for the conduct of the subject reviews (69 FR 53946, September 3, 2004). Subsequently, counsel for domestic interested parties requested that the Commission reschedule its hearing from Tuesday, March 29 to Wednesday, March 30, 2005, to avoid travel during a holiday period.[1] Counsel suggested no other change to the schedule. In light of the justification provided by counsel, and absent objection from any other party, the Commission is revising its schedule. The Commission's hearing will be held at the U.S. International Trade Commission Building at 9:30 a.m. on March 30, 2005. The Commission's original schedule is otherwise unchanged.

For further information concerning these reviews see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

Issued: January 21, 2005.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–1488 Filed 1–26–05; 8:45 am]

BILLING CODE 7020–02–P

[1] Letter from Collier Shannon Scott, filed on behalf of Allegheny Ludlum Corp., North American Stainless, AK Steel Corp., the United Steelworkers of America, AFL–CIO/CLC, the Local 3303 United Auto Workers (formerly the Butler Armco Independent Union), and the Zanesville Armco Independent Organization, Inc., dated December 20, 2004.

INTERNATIONAL TRADE COMMISSION

[USITC SE–05–002]

Government in the Sunshine Act Meeting Notice

AGENCY HOLDING THE MEETING: United States International Trade Commission.

TIME AND DATE: February 2, 2005, at 11 a.m.

PLACE: Room 101, 500 E Street, SW., Washington, DC 20436, telephone: (202) 205–2000.

STATUS: Open to the public.

MATTERS TO BE CONSIDERED:

1. Agenda for future meetings: None.
2. Minutes.
3. Ratification List.
4. Inv. No. 731–TA–1069 (Final) (Outboard Engines from Japan)—briefing and vote. (The Commission is currently scheduled to transmit its determination and Commissioners' opinions to the Secretary of Commerce on or before February 17, 2005.)
5. Outstanding action jackets: (1) Document No. GC–04–152: Concerning administrative matters.

In accordance with Commission policy, subject matter listed above, not disposed of at the scheduled meeting, may be carried over to the agenda of the following meeting.

By order of the Commission.

Issued: January 24, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–1580 Filed 1–25–05; 11:46 am]

BILLING CODE 7020–02–P

where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

Fifth, that a copy of this Order shall be delivered to the United States Coast Guard ALJ Docketing Center, 40 Gay Street, Baltimore, Maryland 21202–4022, notifying that office that this case is withdrawn from adjudication, as provided by section 766.18 of the Regulations.

Sixth, that the charging letter, the Settlement Agreement, and this Order shall be made available to the public and record of the case as described in section 766.22 of the Regulations.

Seventh, that this Order shall be served on the Denied Person and on BIS, and shall be published in the **Federal Register**.

This Order, which constitutes the final agency action in this matter, is effective immediately.

Entered this 24th day of February, 2005.

Wendy L. Wysong,

Acting Assistant Secretary of Commerce for Export Enforcement.

[FR Doc. 05–4056 Filed 3–2–05; 8:45 am]

BILLING CODE 3510–DT–M

DEPARTMENT OF COMMERCE

International Trade Administration

Applications for Duty-Free Entry of Scientific Instruments

Pursuant to section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89–651; 80 Stat. 897; 15 CFR part 301), we invite comments on the question of whether instruments of equivalent scientific value, for the purposes for which the instruments shown below are intended to be used, are being manufactured in the United States.

Comments must comply with 15 CFR 301.5(a)(3) and (4) of the regulations and be filed within 20 days with the Statutory Import Programs Staff, U.S. Department of Commerce, Washington, DC 20230. Applications may be examined between 8:30 a.m. and 5 p.m. in Suite 4100W, U.S. Department of Commerce, Franklin Court Building, 1099 14th Street, NW., Washington, DC.

Docket Number: 05–006. *Applicant:* University of Pittsburgh, S224 Biomedical Science Tower, 3550 Terrace Street, Pittsburgh, PA 15261. *Instrument:* Electron Microscope, Model JEM–1011. *Manufacturer:* JEOL, Ltd., Japan. *Intended Use:* The instrument is intended to be used to perform diverse structural studies of cells including tissues from the liver, intestine, lung, muscle as well as the immune system to support translational research which will lead to novel therapies for disease in NIH funded research. It will also be used for individual training of graduate students, fellows and clinical residents in independent NIH sponsored research programs. *Application accepted by Commissioner of Customs:* February 9, 2005.

Docket Number: 05–007. *Applicant:* Clemson University, 903 Jordan Hall, Clemson University, Clemson, SC 29634. *Instrument:* Electron Microscope, Model H–7600. *Manufacturer:* Hitachi High-Technologies Corp., Japan. *Intended Use:* The instrument is intended to be used to study:

(1) Cell structure of biological samples including grain structure and boundary interactions.

(2) The effects of temperature variation and heat treating of materials in the formation of carbon nanotubes and protein migration in oysters.

(3) Development of new materials and processes.

(4) Ultra thin section evaluation via TEM microscopy.

Application accepted by Commissioner of Customs: February 10, 2005.

Docket Number: 05–008. *Applicant:* Rice University, 6100 Main Street, Houston, TX 77005. *Instrument:* Electron Microscope, Model JEM–1230. *Manufacturer:* JEOL Ltd., Japan. *Intended Use:* The instrument is intended to be used to investigate the microstructures and properties of nanomaterials as well as biological materials and other types of materials at high levels of resolution and contrast. Cryo-techniques will be used for sample preparations with biological materials. The microscope will also be used for the training of undergraduate and graduate students. *Application accepted by Commissioner of Customs:* February 11, 2005.

Docket Number: 05–009. *Applicant:* Rice University, 6100 Main Street, Houston, TX 77005. *Instrument:* Electron Microscope, Model JEM 2100–F. *Manufacturer:* JEOL, Ltd., japan. *Intended Use:* The instrument is intended to be used to investigate the microstructures and properties of nanomaterials as well as biological materials and other types of materials at high levels of resolution and contrast. Cryo-techniques will be used for sample preparations with biological materials, for which the microscope will be primarily used. The microscope will also be used for the training of undergraduate and graduate students. *Application accepted by Commissioner of Customs:* February 15, 2005.

Docket Number: 05–010. *Applicant:* Tuskegee University, 209 Kresge Building, Tuskegee University, Tuskegee, AL 36088. *Instrument:* Electron Microscope, Model JEM–2010. *Manufacturer:* Jeol, Ltd., Japan. *Intended Use:* The instrument is intended to be used to study shape, size, agglomeration, crystalline nature, and particle distribution in polymer matrices using metal, metal oxide and metal carbide nanoparticles embedded in the matrices. The microscope will also be used in the education and training of graduate students in materials science with an emphasis on nanostructures. *Application accepted by Commissioner of Customs:* February 15, 2005.

Gerald A. Zerdy,

Program Manager, Statutory Import Programs Staff.

[FR Doc. E5–861 Filed 3–2–05; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–475–823]

Stainless Steel Plate in Coils from Italy; Final Results of the Full Sunset Review of the Countervailing Duty Order

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

SUMMARY: On April 1, 2004, the Department of Commerce (''the Department'') initiated a sunset review of the countervailing duty (''CVD'') order on stainless steel plate in coils (''SSPC'') from Italy pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). *See Initiation of Five-Year (Sunset) Reviews,* 69 FR 17129 (April 1, 2004). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the interested parties, the Department conducted a full (240-day) sunset review. As a result of this review, the Department finds that revocation of the CVD order would likely lead to continuation or recurrence of subsidies at the levels indicated in the ''Final Results of Review'' section of this notice.

EFFECTIVE DATE: March 3, 2005.

FOR FURTHER INFORMATION CONTACT: Hilary Sadler, Esq., Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and

Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–4340.

SUPPLEMENTARY INFORMATION:

Background

On April 1, 2004, the Department initiated a sunset review of the CVD order on SSPC from Italy pursuant to section 751(c) of the Act. *See* Initiation of Five-Year (Sunset) Reviews, 69 FR 17129 (April 1, 2004). On October 21, 2004, the Department published the preliminary results of the full sunset review of the CVD on SSPC from Italy. *See Notice of Preliminary Results of Full Sunset Review: Stainless Steel Plate in Coils from Italy* (''preliminary sunset review results''), 69 FR 61800 (October 21, 2004) and the accompanying *Issues and Decision Memorandum for the Full Sunset Review of the Countervailing Duty Order on Stainless Steel Plate in Coils from Italy: Preliminary Results* (''preliminary results decision memorandum'') dated October 15, 2004.[1] In our preliminary sunset review results, we found that benefits from the following programs would likely continue or recur were the order revoked:

(1) Law 675/77;

(2) Law 451/94 Early Retirement Benefits; and

(3) European Social Fund.

On December 6, 2004, the Department received a joint case brief from the Government of Italy (GOI) and the European Commission (EC). *See* Case Brief from the EC and the GOI re: Sunset Review of the Countervailing Duty Order on Stainless Steel Plate in Coils from Italy (December 6, 2004) including separate GOI and EC Attachments. The Department also received a case brief from ThyssenKrupp Acciai Speciali Terni, S.p.A. (''TKAST'') (formerly Acciai Speciali Terni, S.p.A.) in a timely manner. *See* Case Brief from TKAST re: Stainless Steel Plate in Coils from Italy (Sunset) (December 13, 2004). The Department did not receive a case brief from the domestic interested parties but did receive a rebuttal brief to the case briefs submitted by the GOI, EC and TKAST. *See* Rebuttal Brief from Petitioners re: Sunset Review of the Countervailing Duty Order on Stainless Steel Plate in Coils from Italy (December 20, 2004).

Scope of Review

The product covered by this order is certain SSPC. Stainless steel is an 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. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (*e.g.*, cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of this order are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars. In addition, certain cold-rolled SSPC is also excluded from the scope of this order. The excluded cold-rolled SSPC is defined as that merchandise which meets the physical characteristics described above that has undergone a cold-reduction process that reduced the thickness of the steel by 25 percent or more, and has been annealed and pickled after this cold reduction process. The merchandise subject to this order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.05, 7219.12.00.20, 7219.12.00.25, 7219.12.00.50, 7219.12.00.55, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum (''Decision Memorandum'') from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated February 25, 2005, which is hereby adopted by this notice. The issues discussed in the accompanying Decision Memorandum include the likelihood of continuation or recurrence of countervailable subsidies and the net subsidy likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B–099, of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at *http://ia.ita.doc.gov/frn,* under the heading ''March 2005.'' The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the countervailing duty order on SSPC from Italy would be likely to lead to continuation or recurrence of countervailable subsidies at the rate listed below:

Producers/exporters	Net countervailable subsidy (percent)
TKAST	0.73
All Others	0.73

Notification Regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective order (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Joseph A. Spetrini,

Assistant Secretary for Import Administration.

[FR Doc. E5–863 Filed 3–2–05; 8:45 am]

BILLING CODE 3510–DS–P

[1] For a full discussion of the history of this order prior to the preliminary results of this sunset review, *see* the October 15, 2004, preliminary results decision memorandum.

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Proposed Information Collection; Comment Request; Fishing Capacity Reduction Program Buyback Requests

AGENCY: National Oceanic and Atmospheric Administration (NOAA).

ACTION: Notice.

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY
in
Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom
Inv. Nos. 701-TA-381-382 and 731-TA-797-804 (Review)

On September 7, 2004, the Commission unanimously determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).

With regard to each of the reviews, the Commission determined that the domestic interested party group response to the notice of institution was adequate. The Commission received an adequate joint response with company-specific data from two domestic producers, Allegheny Ludlum Corp. and North American Stainless, and three unions, the United Steelworkers of America, AFL-CIO/CLC, the Local 3303 United Auto Workers, and the Zanesville Armco Independent Organization, Inc. It also received an adequate response with company-specific data from a domestic producer Nucor Corporation. Because the Commission received an adequate response from domestic producers accounting for all U.S. production of stainless steel sheet and strip, the Commission determined that the domestic interested party group response was adequate.

In the review concerning subject imports from France, the Commission received an adequate response with company-specific data from Ugine & ALZ France, an importer of subject merchandise produced in France, and from U&A France, a French producer and exporter of the subject merchandise. Because the Commission received an adequate response representing all production of subject stainless steel sheet and strip in France and all exports of subject merchandise to the United States from France, the Commission determined that the respondent interested party group response from France was adequate. Accordingly, the Commission determined to proceed to a full review in *Stainless Steel Sheet and Strip from France*.

In the review concerning subject imports from Germany, the Commission received an adequate joint response with company-specific data from ThyssenKrupp Nirosta GmbH, ThyssenKrupp Nirosta North America, Inc., ThyssenKrupp Specialty Steels NA, Inc., ThyssenKrupp VDM GmbH, and ThyssenKrupp VDM USA, Inc., German producers and U.S. importers of subject merchandise from Germany. Because the Commission received an adequate response representing all production of subject stainless steel sheet and strip in Germany and all imports of subject merchandise from Germany to the United States, the Commission determined that the respondent interested party group response from Germany was adequate. Accordingly, the Commission determined to proceed to a full review in *Stainless Steel Sheet and Strip from Germany*.

In the review concerning subject imports from Italy, the Commission received an adequate joint response with company-specific data from ThyssenKrupp Acciai Speciali Terni S.p.A., an Italian producer, and ThyssenKrupp AST USA, Inc., a U.S. importer of subject merchandise. Because the Commission received an adequate response representing all production of subject stainless steel sheet and strip in Italy and all imports of subject merchandise from Italy to the United States, the Commission determined that the respondent interested party group response from Italy was adequate. Accordingly, the Commission determined to proceed to a full review in *Stainless Steel Sheet and Strip from Italy*.

In the review concerning subject imports from Korea, the Commission received an adequate joint response with company-specific data from POSCO, INI Steel Co., BNG Steel Co., Taihan Electric Wire Co., Ltd., and Dai Yang Metal Co., Ltd., Korean producers and exporters of subject merchandise. Because the

Commission received an adequate response representing a substantial percentage of the exports of subject merchandise from Korea to the United States, the Commission determined that the respondent interested party group response from Korea was adequate. Accordingly, the Commission determined to proceed to a full review in *Stainless Steel Sheet and Strip from Korea*.

In the review concerning subject imports from Mexico, the Commission received an adequate joint response with company-specific data from ThyssenKrupp Mexinox S.A. de C.V., a Mexican producer, and Mexinox USA, Inc., a U.S. importer of subject merchandise. Because the Commission received an adequate response representing all production of subject stainless steel sheet and strip in Mexico and all imports of subject merchandise from Mexico to the United States, the Commission determined that the respondent interested party group response from Mexico was adequate. Accordingly, the Commission determined to proceed to a full review in *Stainless Steel Sheet and Strip from Mexico*.

The Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from Japan, Taiwan, or the United Kingdom. Therefore, the Commission determined that the respondent interested party group responses from those countries were inadequate. However, the Commission determined to conduct full reviews with respect to Japan, Taiwan, and the United Kingdom to promote administrative efficiency in light of its decision to conduct full reviews with respect to *Stainless Steel Sheet and Strip from France, Germany, Italy, Korea, and Mexico*. A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's website (http://www.usitc.gov).

APPENDIX B

HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject:	Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan
Invs. Nos.:	701-TA-376, 377, & 379 and 731-TA-788-793 (Review)
Date and Time:	March 30, 2005 - 9:30 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room, 500 E Street (room 101), SW, Washington, D.C.

OPENING REMARKS:

In Support of Continuation of Orders (**David A. Hartquist**,
Collier Shannon Scott, PLLC)
In Support of Revocation of Orders (**Donald B. Cameron**,
Kaye Scholer LLP)

In Support of the Continuation of the Antidumping and Countervailing Duty Orders:

Collier Shannon Scott, PLLC
Washington, D.C.
on behalf of

The Domestic Industry

Jack W. Shilling, Executive Vice President, Corporate Development, *and* Chief Technical Officer, Allegheny Technologies, Inc.

Terrence Hartford, Senior Vice President, Commercial Allegheny Technologies, Inc.

Thomas Schmitt, General Sales Manager, North American Stainless

In Support of the Continuation of
the Antidumping and Countervailing Duty Orders (continued):

Thomas Conway, International Vice President,
United Steelworkers of America, AFL-CIO/CLC

Ed Blot, President, Ed Blot and Associates

Patrick J. Magrath, Managing Director, Georgetown
Economic Services

Michael T. Kerwin, Economic Consultant, Georgetown
Economic Services

Gina E. Beck, Economic Consultant, Georgetown
Economic Services

David A. Hartquist)
Kathleen W. Cannon) – OF COUNSEL
R. Alan Luberda)

In Support of the Revocation of
the Antidumping and Countervailing Duty Orders:

Shearman & Sterling LLP
Washington, D.C.
on behalf of

Ugine & ALZ Belgium N.V.
Arcelor Stainless USA LLC

Ralph Matera, Chief Executive Officer, Bristol
Metals LP and Synalloy Corporation

Robert Crandall, Senior Fellow, Economic Studies,
Brookings Institution

Robert S. LaRussa)
) – OF COUNSEL
Christopher M. Ryan)

In Support of the Revocation of
the Antidumping and Countervailing Duty Orders (continued):

Kaye Scholer LLP
Washington, D.C.
on behalf of

POSCO

Donald B. Cameron)
) – OF COUNSEL
Julie C. Mendoza)

Hogan & Hartson L.L.P.
Washington, D.C.
on behalf of

ThyssenKrupp Acciai Speciali Terni S.p.A. ("TKAST")
ThyssenKrupp Acciai Speciali Terni USA, Inc. ("TKASTUSA")

Lewis E. Leibowitz)
Craig A. Lewis) – OF COUNSEL
Helaine R. Perlman)

REBUTTAL/CLOSING REMARKS

In Support of Continuation of Orders (**David A. Hartquist**,
Collier Shannon Scott, PLLC)
In Support of Revocation of Orders (**Donald B. Cameron**,
Kaye Scholer LLP)

APPENDIX C

SUMMARY DATA

Table C-1
Certain stainless steel plate: Summary data concerning the U.S. market, 1998-2004

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

	Reported data							Period changes						
Item	1998	1999	2000	2001	2002	2003	2004	1998-2004	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
U.S. consumption quantity:														
Amount	123,209	120,328	109,457	101,037	118,633	***	***	***	-2.3	-9.0	-7.7	17.4	***	***
Producers' share (1)	80.5	89.0	88.9	93.3	89.3	***	***	***	8.5	-0.1	4.3	-3.9	***	***
Importers' share (1):													***	***
Belgium	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Canada	1.7	0.3	0.5	***	***	***	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***	***	***	***	***	***
South Africa	***	0.3	0.0	0.0	0.0	***	***	***	***	***	***	***	***	***
Taiwan	4.1	0.3	0.1	0.2	0.1	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	19.5	11.0	11.1	6.7	10.7	***	***	***	-8.5	0.1	-4.3	3.9	***	***
U.S. consumption value:														
Amount	184,872	171,009	209,554	142,815	166,280	***	***	***	-7.5	22.5	-31.8	16.4	***	***
Producers' share (1)	80.7	89.4	88.5	92.3	87.8	***	***	***	8.7	-0.9	3.8	-4.5	***	***
Importers' share (1):						***	***	***					***	***
Belgium	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Canada	1.6	0.3	0.6	***	***	***	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***	***	***	***	***	***
South Africa	***	0.2	0.0	0.1	0.0	***	***	***	***	***	***	***	***	***
Taiwan	3.4	0.2	0.1	0.2	0.1	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	19.3	10.6	11.5	7.7	12.2	***	***	***	-8.7	0.9	-3.8	4.5	***	***
U.S. shipments of imports from:														
Belgium:														
Quantity	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Canada:														
Quantity	2,123	374	595	***	***	***	***	***	-82.4	59.2	***	***	***	***
Value	3,049	522	1,271	***	***	***	***	***	-82.9	143.6	***	***	***	***
Unit value	$1,437	$1,397	$2,137	***	***	***	***	***	-2.8	53.1	***	***	***	***
Ending inventory quantity	0	0	0	***	***	***	***	***	(2)	(2)	***	***	***	***
Italy:														
Quantity	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Korea:														
Quantity	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
South Africa:														
Quantity	***	341	22	46	31	***	***	***	***	-93.6	113.0	-33.0	***	***
Value	***	354	32	84	30	***	***	***	***	-90.9	160.8	-64.0	***	***
Unit value	***	$1,038	$1,484	$1,816	$976	***	***	***	***	42.9	22.4	-46.2	***	***
Ending inventory quantity	***	0	0	0	0	***	***	***	***	(2)	(2)	(2)	***	***
Taiwan:						***	***							
Quantity	5,004	307	84	210	103	***	***	***	-93.9	-72.5	148.5	-50.7	***	***
Value	6,292	413	135	274	152	***	***	***	-93.4	-67.3	102.8	-44.4	***	***
Unit value	$1,257	$1,345	$1,597	$1,304	$1,471	***	***	***	7.0	18.8	-18.4	12.9	***	***
Ending inventory quantity	0	0	0	0	0	***	***	***	(2)	(2)	(2)	(2)	***	***
Subtotal:														
Quantity	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
All other sources:														
Quantity	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	*** *	***	***	***	***	***	***	***
All sources:														
Quantity	24,035	13,268	12,134	6,818	12,686	***	***	***	-44.8	-8.5	-43.8	86.1	***	***
Value	35,628	18,142	24,145	10,987	20,301	***	***	***	-49.1	33.1	-54.5	84.8	***	***
Unit value	$1,482	$1,367	$1,990	$1,611	$1,600	***	***	***	-7.8	45.5	-19.0	-0.7	***	***
Ending inventory quantity	1,659	1,532	3,019	3,193	4,488	***	***	***	-7.7	97.1	5.8	40.6	***	***

Table continued on next page.

Table C-1--Continued
Certain stainless steel plate: Summary data concerning the U.S. market, 1998-2004

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

	Reported data							Period changes						
Item	1998	1999	2000	2001	2002	2003	2004	1998-2004	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
U.S. producers':														
Average capacity quantity	223,917	213,000	213,222	277,609	270,404	***	***	***	-4.9	0.1	30.2	-2.6	***	***
Production quantity	83,208	110,406	98,229	96,316	115,707	***	***	***	32.7	-11.0	-1.9	20.1	***	***
Capacity utilization (1)	37.2	51.8	46.1	34.7	42.8	***	***	***	14.7	-5.8	-11.4	8.1	***	***
U.S. shipments:														
Quantity	99,174	107,060	97,323	94,219	105,947	***	***	***	8.0	-9.1	-3.2	12.4	***	***
Value	149,244	152,867	185,409	131,828	145,979	***	***	***	2.4	21.3	-28.9	10.7	***	***
Unit value	$1,505	$1,428	$1,905	$1,399	$1,378	***	***	***	-5.1	33.4	-26.6	-1.5	***	***
Export shipments:														
Quantity	2,799	3,389	1,924	2,070	7,103	***	***	***	21.1	-43.2	7.6	243.1	***	***
Value	4,486	4,307	3,340	2,690	8,334	***	***	***	-4.0	-22.5	-19.5	209.8	***	***
Unit value	$1,603	$1,271	$1,736	$1,300	$1,173	***	***	***	-20.7	36.6	-25.1	-9.7	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	211	227	258	229	221	***	***	***	7.6	13.7	-11.2	-3.5	***	***
Hours worked (1,000s)	417	490	541	470	463	***	***	***	17.6	10.4	-13.2	-1.5	***	***
Wages paid ($1,000s)	10,219	12,835	14,390	12,777	12,876	***	***	***	25.6	12.1	-11.2	0.8	***	***
Hourly wages	$24.53	$26.19	$26.59	$27.20	$27.82	***	***	***	6.8	1.5	2.3	2.3	***	***
Productivity (tons/1,000 hours)	199.7	225.3	181.5	205.0	250.0	***	***	***	12.8	-19.4	13.0	21.9	***	***
Unit labor costs	$122.81	$116.25	$146.49	$132.66	$111.28	***	***	***	-5.3	26.0	-9.4	-16.1	***	***
Net sales:														
Quantity	89,954	110,083	99,247	96,289	113,050	***	***	***	22.4	-9.8	-3.0	17.4	***	***
Value	133,149	156,868	188,749	134,518	154,313	***	***	***	17.8	20.3	-28.7	14.7	***	***
Unit value	$1,480	$1,425	$1,902	$1,397	$1,365	***	***	***	-3.7	33.5	-26.5	-2.3	***	***
Cost of goods sold (COGS)	127,291	141,826	158,585	136,885	182,518	***	***	***	11.4	11.8	-13.7	33.3	***	***
Gross profit or (loss)	5,858	15,042	30,164	(2,367)	(28,205)	***	***	***	156.8	100.5	(3)	-1091.6	***	***
SG&A expenses	7,275	8,989	8,700	8,297	6,750	***	***	***	23.6	-3.2	-4.6	-18.6	***	***
Operating income or (loss)	(1,417)	6,053	21,464	(10,664)	(34,955)	***	***	***	(3)	254.6	(3)	-227.8	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	$1,415	$1,288	$1,598	$1,422	$1,614	***	***	***	-9.0	24.0	-11.0	13.6	***	***
Unit SG&A expenses	$81	$82	$88	$86	$60	***	***	***	1.0	7.4	-1.7	-30.7	***	***
Unit operating income or (loss)	($16)	$55	$216	($111)	($309)	***	***	***	(3)	293.3	(3)	-179.2	***	***
COGS/sales (1)	95.6	90.4	84.0	101.8	118.3	***	***	***	-5.2	-6.4	17.7	16.5	***	***
Operating income or (loss)/ sales (1)	(1.1)	3.9	11.4	(7.9)	(22.7)	***	***	***	4.9	7.5	-19.3	-14.7	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

Table C-2
Hot-rolled stainless steel plate: Summary data concerning the U. S. market, 1998-2004

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Table C-3
Cold-rolled stainless steel plate: Summary data concerning the U. S. market, 1998-2004

* * * * * * *

APPENDIX D

GLOSSARY OF FIRM NAMES

Type of firm	Complete firm name	Abbreviated firm name[1]
U.S. producers	AK Steel Corp.	AK
	Allegheny Ludlum Corp.	Allegheny Ludlum
	Armco, Inc.	Armco
	Avesta Sheffield NAD, Inc.	Avesta
	J&L Specialty Steel, Inc./Jewel Acquisition LLC	J&L
	North American Stainless LP	NAS
	Washington Steel	Washington Steel
U.S. importers	Arcelor Stainless USA LLC	Arcelor USA
	***	***
	***	***
	***	***
	***	***
	***	***
	***	***
	POSCO America Corp.	POSCO America
	***	***
	***	***
	***	***
	ThyssenKrupp AST USA, Inc.	TKAST USA
	***	***
	***	***
Foreign firms for-- Belgium	ALZ N.V.	ALZ Belgium
	Arbed S.A.	Arbed
	Arcelor S.A.	Arcelor
	Ugine & ALZ Belgium N.V.	U&A Belgium
Canada	Atlas Stainless Steels	Atlas Stainless
Italy	Acciai Speciali Ternia SpA	AST
	ThyssenKrupp Acciai Speciali Ternia SpA	TKAST
Korea	Pohang Iron & Steel Co., Ltd.	POSCO
South Africa	Columbus Joint Venture	CJV
	Columbus Stainless Steel Co.	Columbus
Taiwan	Ta Chen Stainless Pipe Co.	Ta Chen
	Yieh United Steel Corp.	YUSCO

[1] Abbreviated firm names are used within this report where multiple references to firms are required unless the full firm name is required for clarity.

APPENDIX E

SIGNIFICANCE OF THE EXISTING ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS AND THE LIKE EFFECTS OF REVOCATION

Table E-1
Certain stainless steel plate: Reported significance by domestic producers of the existing countervailing duty and antidumping duty orders

* * * * * * *

Table E-2
Certain stainless steel plate: Reported anticipated changes by domestic producers to firm operations if the countervailing duty and antidumping duty orders were to be revoked

* * * * * * *

Table E-3
Certain stainless steel plate: Reported significance by U.S. importers of the existing countervailing duty and antidumping duty orders

* * * * * * *

Table E-4
Certain stainless steel plate: Reported anticipated changes by U.S. importers to firm operations if the countervailing duty and antidumping duty orders were to be revoked

* * * * * * *

Table E-5
Certain stainless steel plate: Reported significance by foreign manufacturers of the existing countervailing duty and antidumping duty orders

* * * * * * *

Table E-6
Certain stainless steel plate: Reported anticipated changes by foreign manufacturers to firm operations if the countervailing duty and antidumping duty orders were to be revoked

* * * * * * *

APPENDIX F

REPORTED DATA FOR PRODUCTS PRODUCED ON THE SAME EQUIPMENT AND MACHINERY USED IN THE PRODUCTION OF STAINLESS STEEL PLATE

Table F-1
Stainless steel: Products produced on the same equipment and machinery used in the production of stainless steel plate by U.S. producer AK, 1998-2004

* * * * * * *

Table F-2
Stainless steel: Products produced on the same equipment and machinery used in the production of stainless steel plate by domestic producer Allegheny Ludlum, 1998-2004

* * * * * * *

Table F-3
Stainless steel: Products produced on the same equipment and machinery used in the production of stainless steel plate by domestic producer NAS, 1998-2004

* * * * * * *

Table F-4
Stainless steel: Products produced on the same equipment and machinery used in the production of certain stainless steel plate by Belgian producer U&A Belgium, 1998-2004

* * * * * * *

Table F-5
Stainless steel: Products produced on the same equipment and machinery used in the production of certain stainless steel plate by Italian producer TKAST, 1998-2004

* * * * * * *

Table F-6
Stainless steel: Products produced on the same equipment and machinery used in the production of certain stainless steel plate by Korean producer POSCO, 1998-2004

* * * * * * *

Table F-7
Stainless steel: Products produced on the same equipment and machinery used in the production of certain stainless steel plate by South African producer Columbus, 1998-2004

* * * * * * *

APPENDIX G

SUBJECT MANUFACTURERS' OPERATIONS ON HOT-ROLLED STAINLESS STEEL PLATE AND ON COLD-ROLLED STAINLESS STEEL PLATE

Table G-1
Certain hot-rolled stainless steel plate: Data for the Belgian producer U&A Belgium, 1998-2004

* * * * * * *

Table G-2
Certain cold-rolled stainless steel plate: Data for the Belgian producer U&A Belgium, 1998-2004

* * * * * * *

Table G-3
Certain hot-rolled stainless steel plate: Data for the Italian producer TKAST, 1998-2004

* * * * * * *

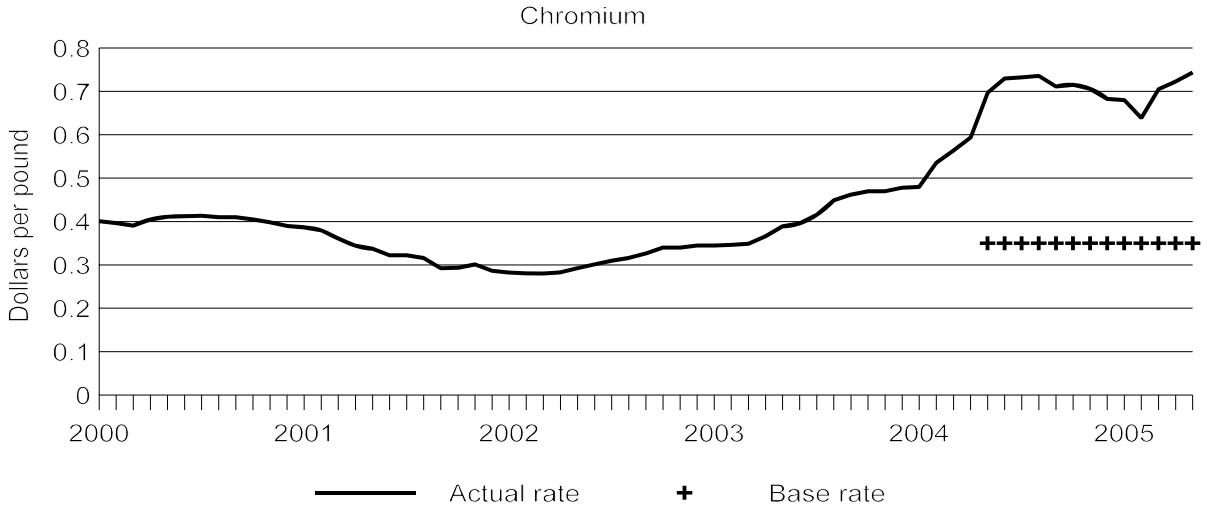
Table G-4
Certain cold-rolled stainless steel plate: Data for the Italian producer TKAST, 1998-2004

* * * * * * *

APPENDIX H

MONTHLY RAW MATERIAL COST DATA

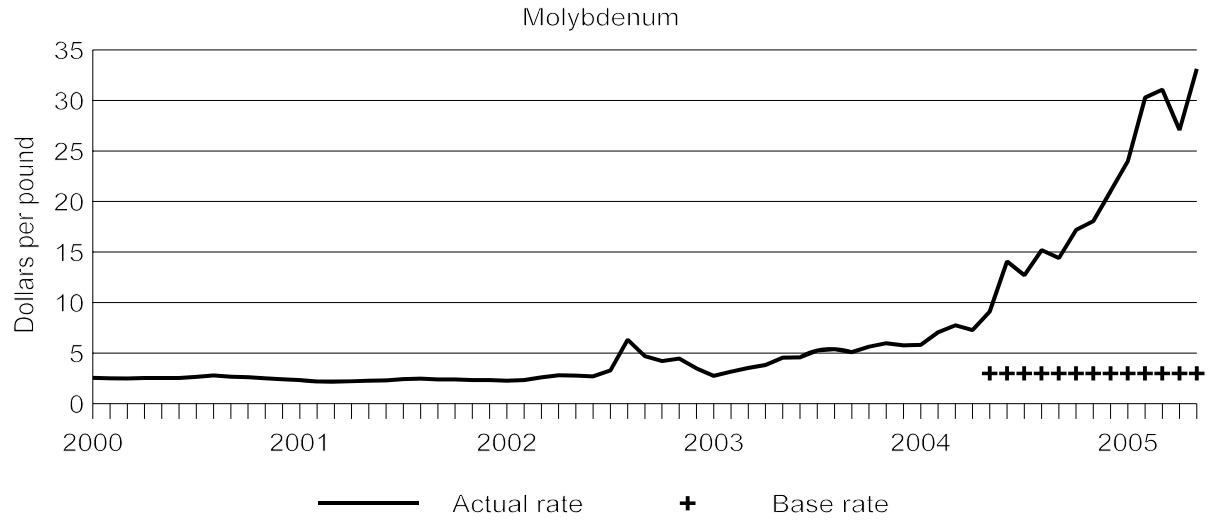
Figure H-1
Monthly prices of chromium, per pound, as reported by AK Steel's average monthly costs, January 2000-May 2005



Note.– This surcharge is applied to all pricing products.

Source: http://www.aksteel.com/markets_products/stainless.asp

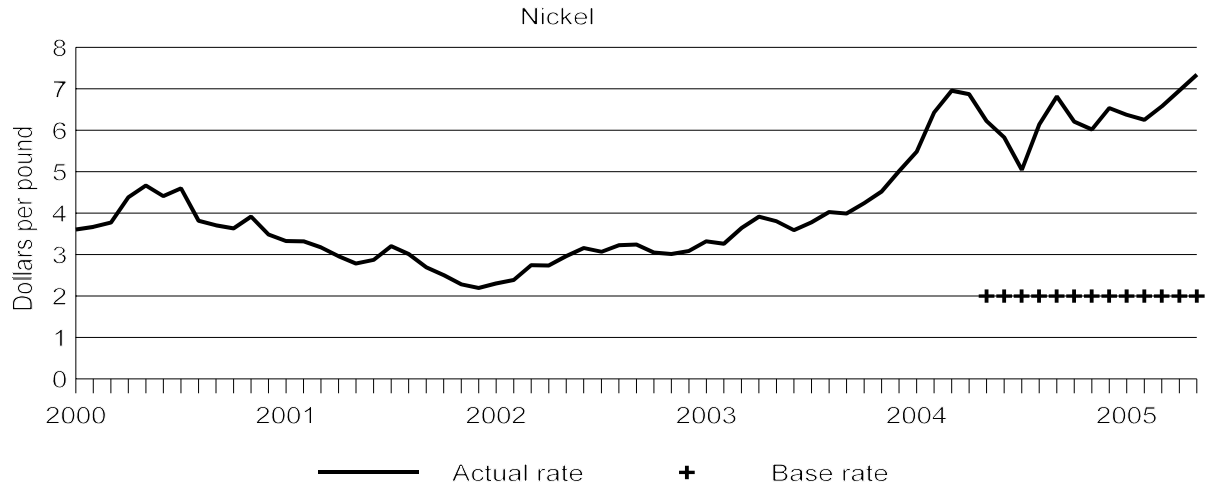
Figure H-2
Monthly prices of molybdenum, per pound, as reported by AK Steel's average monthly costs, January 2000-May 2005



Note.– This surcharge is applied to pricing products 6 and 7.

Source: http://www.aksteel.com/markets_products/stainless.asp

Figure H-3
Monthly prices of nickel, per pound, as reported by AK Steel's average monthly costs, January 2000-May 2005

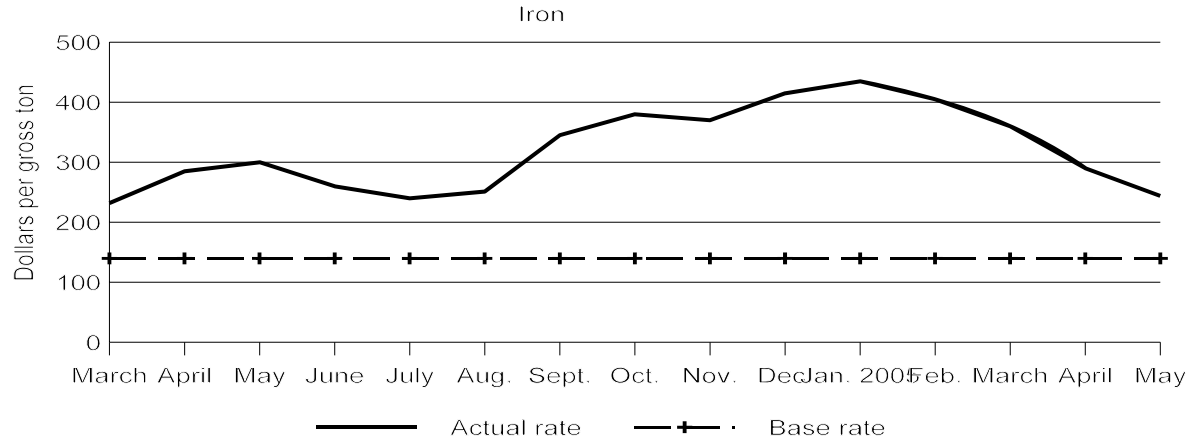


Note.– This surcharge is applied to all pricing products.

Source: http://www.aksteel.com/markets_products/stainless.asp

In addition to surcharges for chromium, molybdenum, and nickel, AK started including surcharges for iron and manganese in 2004. Manganese surcharges were not applied to any of the pricing products in Part V, but iron surcharges were applied to all pricing products beginning in March 2004. AK also began listing "Base rates" for its surcharges starting in May 2004. These are shown in figures H-1 to H-3. Iron prices starting in March 2004 are presented in figure H-4.

Figure H-4
Monthly prices of iron, per gross ton, as reported by AK Steel's average monthly costs, March 2004-May 2005



Note.– This surcharge is applied to all pricing products.

Source: http://www.aksteel.com/markets_products/stainless.asp