

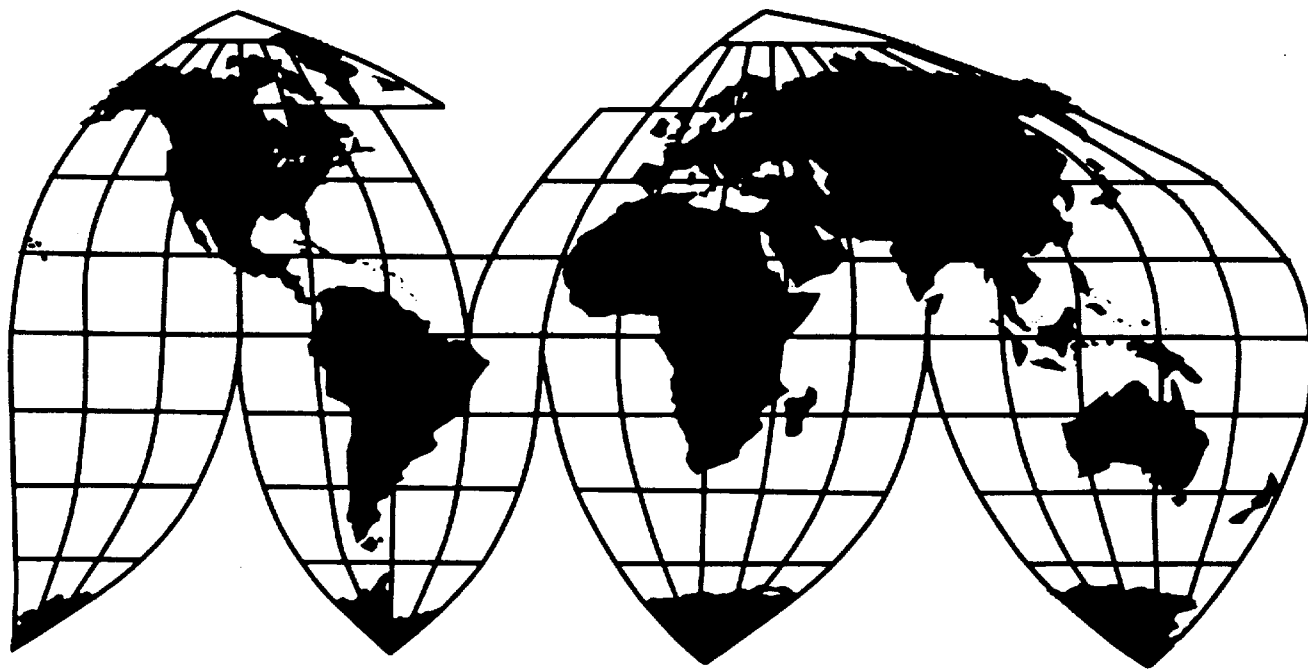
Brass Sheet and Strip From Brazil, Canada, France, Germany, Italy, and Japan

Investigation Nos. 701-TA-269 and 731-TA-311-314, 317,
and 379 (Second Review)

Publication 3842

March 2006

U.S. International Trade Commission



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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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-269 and 731-TA-311-314, 317, and 379 (Second Review)

BASS SHEET AND STRIP FROM BRAZIL, CANADA, FRANCE,
GERMANY, ITALY, AND JAPAN

DETERMINATIONS

On the basis of the record¹ 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 brass sheet and strip from France, Germany, Italy, and Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.² The Commission further determines that revocation of the countervailing duty order on brass sheet and strip from Brazil and the antidumping duty orders on brass sheet and strip from Brazil and 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 March 31, 2005 (70 F.R. 16519) and determined on July 5, 2005 that it would conduct full reviews (70 F.R. 41427, July 19, 2005). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on September 9, 2005 (70 F.R. 53688). The hearing was held in Washington, DC, on January 24, 2006, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

² On March 2, 2006, the Commission terminated the five-year review of the countervailing duty order concerning brass sheet and strip from France (investigation No. 701-TA-270 (Second Review)).

³ Chairman Stephen Koplan and Commissioner Charlotte R. Lane dissenting with respect to Brazil.

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 brass sheet and strip from France, Germany, Italy, and Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We further determine that revocation of the antidumping duty and countervailing duty orders on brass sheet and strip from Brazil and the antidumping duty order on brass sheet and strip 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.¹

I. BACKGROUND

In December 1986, the Commission determined that an industry in the United States was being materially injured by reason of imports of brass sheet and strip from Brazil that were being subsidized by the Government of Brazil and by reason of imports of brass sheet and strip from Brazil, Canada, and Korea that were being sold in the United States at less than fair value (LTFV).² In January 1987, the Department of Commerce (“Commerce”) issued a countervailing duty order on brass sheet and strip from Brazil and antidumping duty orders with respect to Brazil, Canada, and Korea.³ On February 19, 1987, the Commission determined that an industry in the United States was being materially injured by reason of subsidized imports of brass sheet and strip from France and LTFV imports of brass sheet and strip from France, Germany, Italy, and Sweden.⁴ In March 1987, Commerce issued a countervailing duty order on brass sheet and strip from France and antidumping duty orders on brass sheet and strip from France, Germany, Italy, and Sweden.⁵ On July 29, 1988, the Commission determined that an industry in the United States was being materially injured by reason of LTFV imports of brass sheet and strip from Japan and the Netherlands.⁶ In August 1988, Commerce issued antidumping duty orders with respect to brass

¹ Chairman Koplán and Commissioner Lane dissenting with respect to Brazil.

² Certain Brass Sheet and Strip from Brazil, Canada, and the Republic of Korea, Inv. No. 701-TA-269 (Final), 731-TA-311, 312, and 315 (Final), USITC Pub. 1930 (Dec. 1986) (“Original Brazil/Canada/Korea Determinations”).

³ Antidumping duty orders: Brazil, 52 Fed. Reg. 1214; Korea, 52 Fed. Reg. 1215; Canada, 52 Fed. Reg. 1217 (Jan. 12, 1987). Countervailing duty order: Brazil, 52 Fed. Reg. 698 (Jan. 8, 1987).

⁴ Certain Brass Sheet and Strip from France, Italy, Sweden, and West Germany, Inv. No. 701-TA-270 (Final) and 731-TA-313, 314, 316, and 317 (Final), USITC Pub. 1951 (Feb. 1987) (“Original France/Italy/Sweden/Germany Determinations”). The Commission’s determination with respect to Italy was affirmed in LMI-La Metalli Industriale, S.p.A. v. United States, 13 CIT 305, 712 F. Supp. 959 (1989), aff’d in part, rev’d in part, 912 F.2d 455 (Fed. Cir. 1990) (only Commerce issues were appealed to the Court of Appeals for the Federal Circuit). The Commission’s affirmative determination with respect to Sweden was affirmed in Granges Metallverken AB v. United States, 13 CIT 471, 716 F. Supp. 17 (1989).

⁵ Antidumping duty orders: France, 52 Fed. Reg. 6995; Italy, 52 Fed. Reg. 6997; Sweden, 52 Fed. Reg. 6998 (Mar. 6, 1987) (Italy amended 52 Fed. Reg. 11299 (Apr. 8, 1987)). Countervailing duty order: France, 52 Fed. Reg. 6966 (Mar. 6, 1987).

⁶ Certain Brass Sheet and Strip from Japan and the Netherlands, Inv. Nos. 731-TA-379 and 380 (Final), USITC Pub. 2099 (Jul. 1988) (“Original Japan/Netherlands Determinations”). The Commission’s determination with respect to Japan was affirmed in Cambridge Lee Industries v. United States, 13 CIT 1052, 728 F. Supp. 748 (1989).

sheet and strip from Japan and the Netherlands.⁷ In January 1990, the Commission determined again, on remand from the Court of International Trade, that an industry in the United States was being materially injured by reason of LTFV imports of brass sheet and strip from Japan and the Netherlands.⁸

On February 1, 1999, the Commission instituted reviews pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”), to determine whether revocation of the countervailing duty orders on brass sheet and strip from Brazil and France and the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden would likely lead to the continuation or recurrence of material injury to a domestic industry.⁹ On May 6, 1999, the Commission determined that the domestic interested party group response to its notice of institution was adequate with respect to all reviews and that the respondent interested party group responses for Canada and the Netherlands were adequate. The Commission further determined to conduct full reviews concerning Canada and the Netherlands based on the adequate responses and to conduct full reviews concerning Brazil, France, Germany, Italy, Japan, Korea, and Sweden to promote administrative efficiency in light of its decision to conduct full five-year reviews concerning Canada and the Netherlands.¹⁰

On April 18, 2000, the Commission determined under section 751(c) of the Act that revocation of the countervailing duty orders on brass sheet and strip from Brazil and France, and the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Germany, Italy, and Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission further determined that revocation of the antidumping duty orders on brass sheet and strip from Korea, the Netherlands, and Sweden 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.¹¹ Accordingly, Commerce revoked the orders on brass sheet and strip from Korea, the Netherlands, and Sweden.¹²

On March 31, 2005, the Commission instituted these reviews to determine whether revocation of the countervailing and antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Germany, Italy, and Japan would likely lead to continuation or recurrence of material injury.¹³ On July 5, 2005, the Commission determined that the domestic interested party group response to its notice of institution was adequate with respect to all reviews and that the respondent interested party group response for Germany was adequate. The Commission further determined to conduct a full review concerning Germany based on the adequate responses, and to conduct full reviews concerning Brazil,

⁷ Japan, 53 Fed. Reg. 30454; Netherlands, 53 Fed. Reg. 30455 (Aug. 12, 1988).

⁸ Certain Brass Sheet and Strip from Japan and the Netherlands, Inv. Nos. 731-TA-379 and 380 (Remand), USITC Pub. 2255 (Jan. 1990). The Commission’s remand determination with respect to the Netherlands was affirmed in large part in Metallverken Nederland B.V. and Outokumpu Metallverken, Inc. v. United States, 13 CIT 471, 716 F. Supp. 17 (1989), and remanded with respect to one Commissioner’s affirmative threat determination. The Commission’s affirmative remand result was affirmed by the Court in Metallverken Nederland B.V. and Outokumpu Metallverken, Inc. v. United States, 14 CIT 481, 744 F. Supp. 281 (1990).

⁹ 64 FR 4892 (Feb. 1, 1999).

¹⁰ See Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, Explanation of Commission Determinations of Adequacy (May 1999).

¹¹ Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-317 and 379-380 (Review), USITC Pub. 3290 (April 2000). The Commission’s affirmative determinations in those first five-year reviews were affirmed in Olin Corp. v. United States, 28 CIT ___, Slip Op. 04-04 (Jan. 9, 2004).

¹² 65 Fed. Reg. 25305 (May 1, 2000).

¹³ 70 Fed. Reg. 16519 (March 31, 2005).

Canada, France, Italy, and Japan to promote administrative efficiency in light of its decision to conduct a full five-year review concerning Germany.¹⁴

A number of respondent interested parties did not provide questionnaire responses and/or participate in these reviews. In particular, no foreign producer or exporter provided questionnaire responses or otherwise participated with respect to France, Italy, or Japan. Accordingly, where appropriate, we have relied on the facts available in these reviews, which consist primarily of the evidence in the record from the Commission's original investigations and the first five-year reviews, the information collected by the Commission since the institution of these reviews, and information submitted by parties in these reviews.

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."¹⁵ 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."¹⁶ The Commission's practice in five-year reviews is to look to the like product definition from the original determination and any previous reviews and consider whether the record indicates any reason to revisit that definition.¹⁷

Commerce described the merchandise subject to the antidumping and countervailing duty orders under review (using virtually identical terms in each of its investigations) as brass sheet and strip, coiled, wound-on-reels (traverse wound), and cut-to length, other than leaded and tinned, having a solid rectangular cross section over 0.006 inch (0.15 millimeter) through 0.1888 inch (4.8 millimeters) in finished thickness or gauge, regardless of width, currently defined in the Copper Development

¹⁴ See Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, and Japan, Explanation of Commission Determinations on Adequacy (July 2005). At the time of the decision to conduct full reviews, both a countervailing and an antidumping duty order were outstanding with respect to France. The Commission terminated its review of the countervailing duty order when Commerce terminated its concurrent review. 71 Fed. Reg. 12395 (Mar. 10, 2006), 71 Fed. Reg. 10651 (Mar. 2, 2006).

¹⁵ 19 U.S.C. § 1677(4)(A).

¹⁶ 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).

¹⁷ See Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan and the United Kingdom, Inv. No. 701-TA-380-382 and 731-TA-797-804 (Review), USITC Pub. 3788 (July 2005) at 6; Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 (July 2003) at 4; Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 (Feb. 2003) at 4.

Association (“CDA”) 200 Series or the Unified Numbering System (“UNS”) C20000 series.^{18 19} The distinction between brass sheet and brass strip is variously based on whether it is cut to length (sheet) or coiled or wound on reels (strip),²⁰ or on differences in the width of the product (*e.g.*, over 20 inches being sheet, not over 20 inches being strip²¹). The chief characteristics of C20000 series brass sheet and strip are ease of manufacture because of excellent forming and drawing properties, attractive surface appearance, fair electrical conductivity, good corrosion resistance, and good strength.²² Brass sheet and strip is used in electronics, electronic terminals, automotive parts, apparel fasteners, cable wrap, eyelets, jewelry and other ornamentation, building and lock hardware, radiators, transportation equipment, coinage, medical devices, ammunition, telecommunications equipment, household products, industrial machinery and equipment, stampers and component parts, welded tubes, and miscellaneous industrial applications.²³

The starting point of the Commission’s like product analysis in a five-year review is the like product definition in the Commission’s original determination.²⁴ In each of the original investigations, the Commission defined the domestic like product as all brass sheet and strip, coterminous with the scope of the subject merchandise.²⁵ In the Brazil/Canada/Korea investigations and the

¹⁸ 70 Fed. Reg. 45650, 45651 (Aug. 8, 2005) (final results of expedited sunset reviews of antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Italy, and Japan); 71 Fed. Reg. 4348, 4349 (Jan. 26, 2006) (final results of full sunset review of antidumping duty order on brass sheet and strip from Germany); 70 Fed. Reg. 61604 (Oct. 25, 2005) (preliminary results of full sunset review of countervailing duty order on brass sheet and strip from France); 70 Fed. Reg. 67139 (Nov. 4, 2005) (final results of expedited sunset review of countervailing duty order on brass sheet and strip from Brazil); 71 Fed. Reg. 10651 (Mar. 2, 2006) (final results of full sunset review and revocation of countervailing duty order on brass sheet and strip from France).

¹⁹ This is the same definition of the subject merchandise as in the first reviews. *See, e.g.*, 65 Fed. Reg. 735 (Jan. 6, 2000) (Netherlands) (Antidumping); 64 Fed. Reg. 66165 (Nov. 24, 1999) (Canada) (Antidumping); 64 Fed. Reg. 49767, 49768 (Sept. 14, 1999) (Germany) (Antidumping); 64 Fed. Reg. 49765 (Sept. 14, 1999) (Japan) (Antidumping); 64 Fed. Reg. 49444 (Sept. 13, 1999) (Sweden) (Antidumping); 64 Fed. Reg. 48369, 48370 (Sept. 3, 1999) (France) (Countervailing); 64 Fed. Reg. 48367 (Sept. 3, 1999) (Brazil) (Countervailing); 64 Fed. Reg. 48351 (Sept. 3, 1999) (Brazil, France, Korea) (Antidumping); 64 Fed. Reg. 48348 (Sept. 3, 1999) (Italy) (all included in Appendix A of USITC Pub. 3290). Commerce additionally stated that the scope of the orders does not include products the chemical compositions of which are defined by other C.D.A. or U.N.S. series, and that the merchandise is currently classifiable under item numbers 7409.21.00 and 7409.29.00 of the Harmonized Tariff Schedule of the United States (“HTSUS”). *Id.*

²⁰ CR at I-19, PR at I-16.

²¹ Certain Brass Sheet and Strip from Brazil, Canada, and the Republic of Korea, Inv. No. 701-TA-269 (Final), 731-TA-311, 312, and 315 (Final), USITC Pub. 1930 (Dec. 1986) at 6.

²² CR at I-19, PR at I-16.

²³ *Id.*

²⁴ In the like product analysis for an investigation, the Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes and production employees; (5) customer and producer perceptions; and, where appropriate, (6) price. *See The Timken Co. v. United States*, 913 F. Supp. 580, 584 (CIT 1996). No single factor is dispositive, and the Commission may consider other factors relevant to a particular investigation. The Commission looks for clear dividing lines among possible like products, and disregards minor variations. *See, E.g. S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979); Torrington*, 747 F. Supp. at 748-49.

²⁵ “Brass sheet and strip are products of a solid rectangular cross section that is over 0.006 inch but not over 0.188 inch thick, in coils or cut to length, whether or not corrugated or crimped. Sheet is over 20 inches wide, and strip is not over 20 inches wide. The articles under investigation are brass sheet and strip known as the CDA 200 or UNS C20000-series.” Certain Brass Sheet and Strip from Brazil, Canada, and the Republic of Korea, Inv. No. 701-

(continued...)

France/Italy/Sweden/Germany investigations, the Commission rejected arguments that brass sheet and strip sold for rerolling (reroll) and the finished product be defined as separate like products.²⁶ In the Brazil/Canada/Korea investigations, the Commission found that reroll and finished products are metallurgically identical and produced in the same manner.²⁷ In the France/Italy/Sweden/Germany investigations, the Commission explained that the majority of questionnaire responses stated that brass sheet and strip for reroll could not be distinguished on the basis of physical characteristics and that reroll could be used for something other than rerolling. It found that the degree of further processing, if any, required to convert the reroll material into finished product depends on the intended end use for the particular brass sheet or strip and, thus, there is no clear distinction between reroll and finished product.²⁸ In the Japan/Netherlands investigations, the Commission rejected arguments that 48-inch-wide Muntz metal and architectural bronze constituted a like product separate from other brass sheet and strip.²⁹

In the first five-year reviews, no party argued for a change in the domestic like product definition and the Commission found that nothing in the record indicated any significant changes that would warrant a different analysis. Accordingly, the Commission defined the domestic like product in those five-year reviews as all UNS C20000 series brass sheet and strip.

Again in these reviews, none of the parties proposes a definition of the domestic like product in terms different from the definition in the original investigations and nothing in the record indicates any significant changes that would warrant a different analysis. Accordingly, we define the domestic like product in the instant five-year reviews to be all UNS C20000 series brass sheet and strip.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product

²⁵ (...continued)

TA-269 (Final), 731-TA-311, 312, and 315 (Final), USITC Pub. 1930 (Dec. 1986) at 5-9. Accord, Certain Brass Sheet and Strip from France, Italy, Sweden, and West Germany, Inv. No. 701-TA-270 (Final), 731-TA-313, 314, 316, and 317 (Final), USITC Pub. 1951 (Feb. 1987) at 5-10; Certain Brass Sheet and Strip from Japan and the Netherlands, Inv. Nos. 731-TA-379 and 380 (Final), USITC Pub. 2099 (Jul. 1988) at 3-10 (as in the prior investigations, the like product defined as all U.N.S. C20000 domestically produced brass sheet and strip).

²⁶ Certain Brass Sheet and Strip from Brazil, Canada, and the Republic of Korea, Inv. No. 701-TA-269 (Final), 731-TA-311, 312, and 315 (Final), USITC Pub. 1930 (Dec. 1986) at 6-9. Accord, Certain Brass Sheet and Strip from France, Italy, Sweden, and West Germany, Inv. No. 701-TA-270 (Final), 731-TA-313, 314, 316, and 317 (Final), USITC Pub. 1951 (Feb. 1987) at 6-7. Certain Brass Sheet and Strip from Japan and the Netherlands, Inv. Nos. 731-TA-379 and 380 (Final), USITC Pub. 2099 (Jul. 1988) at 4, 10.

²⁷ Certain Brass Sheet and Strip from Brazil, Canada, and the Republic of Korea, Inv. No. 701-TA-269 (Final), 731-TA-311, 312, and 315 (Final), USITC Pub. 1930 (Dec. 1986) at 9.

²⁸ Certain Brass Sheet and Strip from France, Italy, Sweden, and West Germany, Inv. No. 701-TA-270 (Final), 731-TA-313, 314, 316, and 317 (Final), USITC Pub. 1951 (Feb. 1987) at 9.

²⁹ Certain Brass Sheet and Strip from Japan and the Netherlands, Inv. Nos. 731-TA-379 and 380 (Final), USITC Pub. 2099 (Jul. 1988) at 5-11. It found that, although there may be a consumer preference in some architectural applications for 48-inch widths, in light of the 16-inch distance between wall studs and similar supporting structures, a 32-inch width, also a multiple of 16 inches, is technically substitutable for the 48-inch imports; consumer preference alone is a poor basis for finding a separate like product; and there are no “clear dividing lines” between the 48-inch and other widths, just as there were none in prior brass sheet and strip investigations, e.g., on the basis of either the reroll/finished distinction or other quality and market considerations.

constitutes a major proportion of the total domestic production of the product.”³⁰ Current domestic producers of brass sheet and strip include integrated producers Olin Brass, Outokumpu American Brass (“OAB”), PMX Industries (“PMX”), and Revere Copper Products (“Revere”); rerollers Eagle Brass Co., Heyco Metals, and Wieland Metals; and integrated producer and reroller, Scott Brass.³¹

The only issue that arises in these second five-year reviews with respect to our definition of the domestic industry is whether any producer should be excluded under the related parties provision, section 771(4)(B) of the Act (19 U.S.C. § 1677(4)(B)).³² Section 771(4)(B) of the Act allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or which are themselves importers.³³

Wieland Metals, a reroller in the United States, is owned by Wieland-Werke AG (“Wieland-Werke”), a German producer and exporter of subject merchandise.³⁴ Based on this ownership interest, Wieland-Werke is “legally or operationally in a position to exercise restraint or direction over” Wieland Metals, and therefore, Wieland Metals is a related party.³⁵ No party has argued that Wieland Metals should be excluded from the industry. Wieland Metals’ U.S. production accounted for only *** percent of total U.S. production in 2004.³⁶ Wieland Metals had *** imports of subject merchandise during the period of review,³⁷ ***.³⁸ Wieland Metals opposes continuation of the orders.³⁹ Its performance was

³⁰ 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).

³¹ CR/PR at Table I-3.

³² No party argues that rerollers do not perform sufficient production-related activities to be considered domestic producers of the domestic like product. Consistent with our determinations in the original investigations and first reviews, we include rerollers in the domestic industry.

³³ The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation, i.e., whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and
- (3) the position of the related producer vis-a-vis the rest of the industry, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry.

See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int’l Trade 1992), aff’d without opinion, 991 F.2d 809 (Fed. Cir. 1993).

The Commission has also concluded that a domestic producer that does not itself import subject merchandise, or does not share a corporate affiliation with an importer, may nonetheless be deemed a related party if it controls large volumes of imports. The Commission has found such control to exist where the domestic producer was responsible for a predominant proportion of an importer’s purchases and the importer’s purchases were substantial. See, e.g., Foundry Coke from China, Inv. No. 731-TA-891 (Final), USITC Pub. 3449 (Sep. 2001) at 8-9.

³⁴ CR at I-25, PR at I-21.

³⁵ 19 U.S.C. § 1677(4)(B).

³⁶ CR at I-24, PR at I-20.

³⁷ ***. German Interested Parties’ response to notice of institution (May 23, 2005) at 6-7.

³⁸ CR at D-4, PR at D-3.

³⁹ CR/PR at Table I-3.

***,⁴⁰ suggesting that it did not derive any significant benefits, or operate in a manner that was significantly different from other domestic producers, as a result of its related party status. On balance, we find that appropriate circumstances do not exist to exclude Wieland Metals from the domestic industry.

Accordingly, we have included all domestic producers of brass sheet and strip, including Wieland Metals, in the domestic industry.⁴¹

III. CUMULATION

A. Overview

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.⁴²

Thus, cumulation is discretionary in five-year reviews. The Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. 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.⁴³ 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.⁴⁴ 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.⁴⁵

⁴⁰ CR/PR at Table III-8.

⁴¹ In the first reviews, the Commission determined PMX and OAB to be related parties based on a Korean producer’s ownership interest in PMX and a Dutch producer’s ownership interest in OAB. The Commission, however, determined that appropriate circumstances did not exist to exclude either PMX or OAB from the domestic industry. In these reviews, neither PMX nor OAB is a related party because the orders on Korea and the Netherlands have been revoked.

⁴² 19 U.S.C. § 1675a(a)(7).

⁴³ 19 U.S.C. § 1675a(a)(7).

⁴⁴ SAA, H.R. Rep. No. 103-316, vol. I (1994).

⁴⁵ For a discussion of the analytical framework of Chairman Koplan and Commissioner Hillman regarding the application of the “no discernible adverse impact” provision, see Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review) USITC Pub. 3274 (Feb. 2000). For a further discussion of Chairman Koplan’s analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review) USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as the Commission initiated all the reviews on March 31, 2005.⁴⁶

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.⁴⁷ Only a “reasonable overlap” of competition is required.⁴⁸ In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission’s traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.⁴⁹

B. Likelihood of No Discernible Adverse Impact

Canada. We find that revocation of the order with respect to brass sheet and strip from Canada would have no discernible adverse impact on the domestic industry and, therefore, we do not cumulate subject brass sheet and strip from Canada with subject brass sheet and strip from any of the other subject countries.

In 2002, Wolverine Ratcliffs, Inc., the last remaining brass sheet and strip producer in Canada, ceased all production of brass strip, liquidated substantially all of its inventory and net receivables, and began selling off its production equipment. By the first quarter of 2004, all of the plant’s production equipment had been sold. Accordingly, there are currently no known producers of brass sheet and strip in

⁴⁶ 70 Fed. Reg. 16519 (March 31, 2005).

⁴⁷ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (CIT 1989).

⁴⁸ 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).

⁴⁹ 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).

Canada and there is no information that would indicate that resumption of brass sheet and strip production in Canada is likely.⁵⁰

In light of the closure of facilities at which the subject merchandise was formerly produced in Canada, we find that removal of the order with respect to Canada will not result in any increased exports of subject merchandise to the United States within a reasonably foreseeable time. Accordingly, we find that subject brass sheet and strip from Canada is likely to have no discernible adverse impact on the producers of the domestic like product in the reasonably foreseeable future.

France. Record information with respect to the industry in France is limited in the absence of responses to the Commission's questionnaires from French interested parties. Information the Commission gathered in the original investigations regarding French production of rolled brass products generally indicated that French producers' capacity ranged from *** million pounds in 1983 to *** million pounds in 1985, and their production ranged from *** million pounds in 1985 to *** million pounds in 1984. French producers' total exports ranged from 42.9 million pounds in 1985 to 61.9 million pounds in 1984, more than *** percent of French production in each year of the period of investigation, with exports to the United States accounting for between *** percent and *** percent of the French producers' production from 1983 to 1985.⁵¹ The volume of imports from France has declined steeply since the orders were issued, from a peak in the original investigations of 23.0 million pounds in 1984 to relatively minimal current levels, ranging from 81,000 pounds in 1999 and zero in 2003, to 142,000 pounds in 2004.⁵² Six French brass sheet and strip producers were identified in the original investigations. In 1995, one French producer, Trefimetaux, combined with the Italian producer La Metalli and the German producer Kabelmetall AG to form KM Europa, with a combined sheet and strip capacity of approximately 600 million pounds annually. Public information obtained in the first five-year reviews indicated that this transnational firm planned to establish a presence in the U.S. market, either through exports or direct investment in a U.S. production facility.⁵³

United Nations data indicate significant volumes of exports by French producers of brass rolled products during the current period of review,⁵⁴ which data in themselves indicate substantial capacity and production in France.

Nothing on the record in these reviews indicates a limitation on the ability of the subject French producers to increase exports to the United States if the order is revoked. We also take into account other factors discussed below, including the vulnerability of the domestic industry, the substitutability of brass sheet and strip from different sources, and underselling in the original investigations,⁵⁵ which we find likely to recur if the order is revoked. Accordingly, we do not find that subject imports from France would likely have no discernible adverse impact on the domestic industry if the order were revoked.

Germany. The German interested parties contend that subject imports from Germany will have no discernible adverse impact on the domestic industry if the order on brass sheet and strip from Germany

⁵⁰ CR at IV-13, PR at IV-9 - IV-10.

⁵¹ CR at IV-13 - IV-14, PR at IV-10; *id.* CR at IV-14 n.17, PR at IV-10 n.17; and Original France/Italy/Sweden/Germany Determinations, USITC Pub. 1951, at A-41, Table 13.

⁵² CR/PR at Table I-1.

⁵³ First Review Determination at IV-4 - IV-5. At the time of the first five-year reviews, ***. First Review Determination at IV-4. It was unclear whether the firm produced brass sheet and strip outside the scope of the order.

⁵⁴ After declining from 33.7 million pounds in 1999 to 24.3 million pounds in 2001, French producers' exports of rolled brass products increased to 36.0 million pounds in 2002, 48.1 million pounds in 2003, and 57.3 million pounds in 2004. CR/PR at Table IV-9.

⁵⁵ Original France/Italy/Sweden/Germany Determinations at 15-16.

is revoked.⁵⁶ Although subject imports from Germany have been at low levels during the review period, information concerning the two largest German producers of subject merchandise indicates that they have a large production capacity and significant unused capacity, and that they are highly export oriented.

The volume of subject imports from Germany has declined steeply since the orders were issued, from a peak of 69.5 million pounds in 1984 to volumes in the current review period ranging from 5.3 million pounds in 2000 to 2.6 million pounds in 2004.⁵⁷ In the original investigations, the seven firms identified as producers of the subject merchandise reported combined capacity ranging from 543.9 million pounds in 1983 to 564.5 million pounds in 1984, production ranging from 533.2 million pounds in 1983 to 572.8 million pounds in 1984, and total exports ranging from 135.1 million pounds in 1985 to 162.8 million pounds in 1984. Of total German exports in the original period of investigation, those to the United States ranged from 43.9 million pounds in 1985 to 68.5 million pounds in 1984.⁵⁸

Three producers – Wieland-Werke, Prymetall GmbH & Co. KG (“Prymetall”), and Schwermetal Halbzeugwerk GmbH & Co. KG (“Schwermetal”) – accounted for *** percent of German production of brass sheet and strip in 2004. They report that four other producers account for the remainder of German production. Data for Wieland-Werke and Schwermetal⁵⁹ show that capacity was *** pounds in 1999, then peaked at *** pounds in 2002, and was *** pounds in 2004. Their production was *** pounds in 1999, then peaked at *** pounds in 2000, and was *** million pounds in 2004. Unused capacity was *** percent in 1999, then peaked at *** percent in 2003, and was *** percent in 2004.⁶⁰

Accordingly, the unused capacity allocated by those German producers to production of subject brass sheet and strip was *** pounds in 1999, *** pounds in 2003, and *** pounds in 2004.⁶¹ These totals are noteworthy in light of domestic producers’ total domestic shipments of 400.0 million pounds in 2003 and 428.9 million pounds in 2004.⁶²

The German producers’ capacity increases markedly when the capacity allocated to production of other products that can be produced on the same equipment and machinery is added. The two reporting producers’ casting capacity for all copper and copper alloy products was *** pounds in 2004, while their hot rolling capacity was *** pounds, their cold rolling capacity was *** pounds, and their annealing capacity was *** pounds.⁶³ Although Wieland-Werke operated ***,⁶⁴ This *** capacity could also be used to produce and export subject brass sheet and strip to the United States.

⁵⁶ German Interested Parties’ Prehearing Brief at 9-15.

⁵⁷ CR/PR at Table I-1. Statistics on imports from Germany under tariff subheadings that would include subject merchandise are believed to consist largely of nonsubject rolled brass products and, therefore, imports during the review period would be considerably less than the totals indicated by the broader tariff category. See CR/PR at Table I-4 and *id.* n.3.

⁵⁸ CR at IV-15, PR at IV-11, *id.* at n.21; and Original France/Italy/Sweden/Germany Determinations, USITC Pub. 1951, at A-45 - A-47, Table 16.

⁵⁹ Prymetall noted that it is ***. CR at IV-17 n.30, PR at IV-12 n.30.

⁶⁰ CR/PR at Table IV-10.

⁶¹ *Id.*

⁶² CR/PR at Table III-2.

⁶³ CR/PR at Table IV-11.

⁶⁴ Wieland-Werke and Schwermetal questionnaire responses, question II-6c. *** have the largest capacity to produce flat rolled copper and copper alloy in Germany. Domestic Interested Parties’ Prehearing Brief at 37 and Exhibit 6.

Total exports of the two reporting German producers ranged over this period of review from *** pounds in 2003 to *** pounds in 2000, with exports as a share of their total shipments ranging from *** percent in 2003 to *** percent in 2004.⁶⁵

Given the large size and export orientation of the German producers, we do not find that subject imports from Germany would likely have no discernible adverse impact on the domestic industry if the order were revoked. In so concluding, we also take into account other factors discussed below, including the vulnerability of the domestic industry, the substitutability of brass sheet and strip from different sources, and underselling in the original investigations,⁶⁶ which we find likely to recur if the order is revoked.

Italy. The volume of subject imports from Italy has declined steeply since the orders were issued, from a peak of 10.5 million pounds in 1985 to volumes in the current review period ranging from 297,000 pounds in 1999 to 114,000 pounds in 2003, and 182,000 pounds in 2004.⁶⁷ At the time of the first five-year reviews, five firms were identified as producers of subject merchandise in Italy: (1) Europa Metalli/LMI - La Metalli Industriale, SpA (“La Metalli”); (2) SA Eredi Gnutti Metalli SpA (“Gnutti”); (3) Dalmet SpA; (4) Metallurgica San Marco SpA (“San Marco”); and (5) Trafilerie Carlo Gnutti SpA (“Carlo Gnutti”). All of these except San Marco also were producers of some form of rolled brass products in the original investigations. In both the original investigations and the first five-year reviews, ***.

The only response from possible Italian producers received in these reviews was a statement from Carlo Gnutti that it ***. Information in the original investigations indicated that the capacity of subject producers in Italy ranged from *** million pounds in 1983 to *** million pounds in 1985, and that production ranged from *** million pounds in 1983 to *** million pounds in 1985. Italian exports of subject merchandise increased in the original investigations from *** million pounds in 1983 to *** million pounds in 1985, and accounted for *** percent of Italian producers’ production during the period of investigation. Italian exports to the United States accounted for at least *** to *** percent of the Italian producers’ production from 1983 to 1985.⁶⁸

Published reports in the first reviews indicated that La Metalli was to bring on line a new cold-rolling mill for copper and copper alloy strip at the end of 2000.⁶⁹ United Nations data show that Italian exports of brass rolled products more than doubled over the current period of review, from 42.5 million pounds in 1999 to 97.6 million pounds in 2004.⁷⁰

Nothing on the record in these reviews indicates a limitation on the ability of the subject Italian producers to increase exports to the United States if the order is revoked. We also take into account other factors discussed below, including the vulnerability of the domestic industry, the substitutability of brass sheet and strip from different sources, and underselling in the original investigation,⁷¹ which we find likely to recur if the order is revoked. Accordingly, we do not find that subject imports from Italy would likely have no discernible adverse impact on the domestic industry if the order were revoked.

⁶⁵ CR/PR at Table IV-10. Exports by those two producers as a share of their total shipments peaked in *** at *** percent, compared with *** percent in ***. Their major export markets are ***. Exports to other markets accounted for *** percent of their total shipments in 2004 and *** percent in interim 2005. Id.

⁶⁶ Original France/Italy/Sweden/Germany Determinations at 15-16.

⁶⁷ CR/PR at Table I-1.

⁶⁸ CR at IV-21 - IV-22, IV-21 n.32; PR at IV-13, IV-13 n.32; and staff report in original investigations on France/Italy/Sweden/Germany, INV-K-009 (Feb. 2, 1987) at A-62, Table 14.

⁶⁹ First Review Determination at IV-6.

⁷⁰ CR/PR at Table IV-12.

⁷¹ Original France/Italy/Sweden/Germany Determinations at 15-16.

Japan. The volume of subject imports from Japan has declined steeply since the orders were issued, from a peak of 22.9 million pounds in 1986 to volumes in the current review period ranging from 5.0 million pounds in 1999 to 2.8 million pounds in 2003.⁷² In the original investigations, questionnaire respondents reported that there were eight producers of brass sheet and strip in Japan: (1) Sambo Copper Alloy Co., Ltd. (“Sambo”); (2) Nippon Mining & Metals Co., Ltd.; (3) Mitsubishi Shindoh Co., Ltd.; (4) Mitsui Mining & Smelting Co., Ltd.; (5) Kobe Steel, Ltd.; (6) Furukawa Electric Co.; (7) Dowa Mining; and (8) Fuji Brass & Copper. At the time of the first five-year reviews, all of these producers, except Dowa Mining and Fuji Brass and Copper, continued to produce rolled brass products in Japan.⁷³

In response to questionnaires in these reviews addressed to Japanese producers of subject merchandise, the Commission received only a partial response from Sambo.⁷⁴ Information in the first five-year reviews indicated that the capacity of subject producers in Japan was 211.4 million pounds in 1997 and 189.4 million pounds in 1998, and that production was 193.3 million pounds in 1997 and 165.2 million pounds in 1998.⁷⁵ World Trade Atlas information shows Japanese producers’ total exports of brass rolled products during the current period of review ranging from 63.2 million pounds in 1999 to 35.7 million pounds in 2001.⁷⁶

Nothing on the record in these reviews indicates a limitation on the ability of the subject Japanese producers to increase exports to the United States if the order is revoked. We also take into account other factors discussed below, including the vulnerability of the domestic industry, the substitutability of brass sheet and strip from different sources, and underselling in the original investigation,⁷⁷ which we find likely to recur if the order is revoked. Accordingly, we do not find that subject imports from Japan would likely have no discernible adverse impact on the domestic industry if the order were revoked.⁷⁸

C. Likely Overlap of Competition

In the original France/Italy/Sweden/Germany determination, the Commission found that subject imports from France, Italy, and Germany competed with each other and with the domestic like product and cumulated the volume and price effects of those imports.⁷⁹ The record in these reviews provides no

⁷² CR/PR at Table I-1.

⁷³ CR at IV-22 - IV-23, PR at IV-14.

⁷⁴ CR at IV-23, PR at IV-14.

⁷⁵ First Review Determination at Table IV-5.

⁷⁶ CR/PR at Table IV-13.

⁷⁷ USITC Pub. 2099 at 19.

⁷⁸ Because we decline to exercise our discretion to cumulate subject imports from Brazil with subject imports from other countries (see discussion *infra*), it is not necessary for the Commission to determine separately whether subject imports from Brazil would be likely to have no discernible adverse impact in the event of revocation.

⁷⁹ USITC Pub. 1930 at 12; USITC Pub. 1951 at 12-13; USITC Pub. 2099 at 16 (although imports from Japan were cumulated in a subsequent review only with imports from the Netherlands, there was no indication there, and none is argued or appears here, that would lead us to a conclusion of no reasonable overlap with respect to Japan and these other subject countries).

reasons to depart from the prior overlap of competition findings concerning subject imports from France, Germany, Italy, and Japan.^{80 81}

Concerning fungibility, 20 of 29 purchasers identified price as the first or second most important factor in selecting a supplier.⁸² The majority of purchasers reported that the domestic like product is comparable to the subject merchandise from each subject country in meeting industry quality standards, although, in the two purchaser comparisons of the U.S. and French products, one purchaser reported that the U.S. product was comparable and one reported that it was inferior.⁸³ Domestic producers, importers, and purchasers reported in the majority of comparisons that imports from each of the subject countries are interchangeable with subject imports from the other subject countries and with the domestic like product.⁸⁴ The German producers contend that they have shifted production to higher value-added subject or nonsubject products and that this shift suggests that they will not compete with the domestic like product if the order is revoked.⁸⁵ However, the record indicates that the German producers produce a full range of subject merchandise, that any specialized products are a small share of total German production, and that the German product is interchangeable with other subject imports and the domestic like product.⁸⁶

Analysis of current and prospective overlap of geographic markets is limited by low current volumes of subject imports. Nonetheless, eight domestic producers report serving the national market. Five importers report serving the Northeast, two the Midwest, and one each the Southeast, Southwest, and West Coast.⁸⁷ Moreover, nothing in the record would indicate that subject imports would not again be marketed nationwide, as they were prior to issuance of the orders, should the orders be revoked.

With respect to channels of distribution, domestic producers sell to distributors (***) of shipments), end users (***), and rerollers (***), while importers shipped *** percent of the subject merchandise to distributors.⁸⁸ Analysis of current and prospective overlap of geographic markets and

⁸⁰ We decline to exercise our discretion to include subject imports from Brazil among cumulated imports (see discussion following), and would do so even if there were a reasonable overlap of competition among subject imports from Brazil, other subject imports, and the domestic like product, and therefore do not make a finding regarding likely competition with respect to Brazil.

⁸¹ Chairman Koplán and Commissioner Lane find that the subject imports from Brazil, France, Germany, Italy, and Japan are likely to compete with each other and the domestic like product in the U.S. market. See Dissenting Views of Chairman Stephen Koplán and Commissioner Charlotte R. Lane with Respect to Brazil.

⁸² CR/PR at Table II-4.

⁸³ CR/PR at Table II-6.

⁸⁴ CR at II-23, PR at II-16; CR/PR at Table II-7.

⁸⁵ E.g., Transcript at 152-155 (Traa).

⁸⁶ The German producers were asked at the hearing for the share of total production in Germany accounted for by the higher-value product. Tr. at 245. They responded that such specialty products were “a small segment of overall BSS (brass sheet and strip) production in Germany, around 10 percent,” (German Respondent Interested Parties’ Posthearing Brief at A-36), which leaves 90 percent of production in Germany that is presumably interchangeable with other subject imports and the domestic like product. Moreover, questionnaire response data identify the subject German merchandise as largely interchangeable with the domestic like product and other subject brass sheet and strip. CR at II-23, PR at II-16; CR/PR at Table II-7.

⁸⁷ CR at II-2, PR at II-1; CR/PR at Table II-1. Geographic overlap information for the current period is limited in light of the limited volumes of subject imports and the limits of record data. However, questionnaire responses indicate that the increasing volume of nonsubject imports compete nationwide and that there is some geographic overlap among the subject imports as well.

⁸⁸ CR/PR at II-1. Regarding likely competition, the German interested parties contend that domestic producers currently have substantial control over U.S. channels of distribution that would limit imports of the German product (continued...)

channels of distribution is limited by low current volumes of subject imports. However, nothing in the record would indicate that subject imports would not likely be marketed with a similar geographic overlap and through similar channels of distribution as prior to issuance of the orders, should the orders be revoked.

Overall, we find that the subject imports from France, Germany, Italy, and Japan are fungible with each other and with the domestic like product and that there will likely be a reasonable overlap of geographic markets and channels of distribution if the orders are revoked, and that the subject imports would be simultaneously present.⁸⁹

D. Other Considerations

As indicated above, the limited record in these five-year reviews does not indicate any significant change since imposition of the orders in the conditions of competition under which imports from France, Germany, Italy, and Japan would likely compete in the U.S. market if the orders were revoked. Accordingly, we exercise our discretion to cumulate subject imports from these countries.

However, we find that subject imports from Brazil would likely face different conditions of competition in the U.S. market than the subject imports from those four countries. Specifically, the Brazilian producers are not significantly export oriented; instead their production is largely directed at meeting increasing demand of the automotive, telecommunication equipment, and construction sectors in the Brazilian home market.⁹⁰ As a result, Brazilian producers' export shipments accounted for less than *** percent of their total shipments in each year since 2001. In 2004, Brazilian producers exported only *** pounds of brass sheet and strip to all markets, whereas French producers exported 57.3 million pounds of brass rolled products in 2004, German producers *** pounds of brass sheet and strip, Italian producers 97.6 million pounds of brass rolled products, and Japanese producers 40.3 million pounds of brass rolled products.⁹¹ On the basis of the very limited export orientation of the Brazilian producers,

⁸⁸ (...continued)

if the order were revoked. We find no indication of disproportionate control of the channels of distribution by the domestic producers or that channels in the United States would not be open to imports generally or imports from Germany specifically. Indeed, Wieland Metals, owned by Wieland Werke in Germany, is part of the domestic industry and therefore currently would have ready access to U.S. channels of distribution. Other German firms (e.g., Thyssen, owned by ThyssenKrupp of Dusseldorf, Germany) likewise have substantial interests in U.S. channels through which the subject merchandise could be sold. E-mail of Christopher Mapes (Jan. 27, 2006); see also Domestic Interested Parties' Posthearing Brief, Exhibit 1 at 67.

⁸⁹ Regarding likely simultaneous presence of the subject imports from France, Germany, Italy, and Japan and the domestic like product, we note that the current small volumes from the four countries were all present in 2004 and intersected in various months with other subject imports. CR/PR at Table IV-3.

⁹⁰ Eluma's Posthearing Brief at 3. We also note the incentive of the Brazilian producers, when they export, to focus on their Mercosul agreement partners (Argentina, Paraguay, and Uruguay) for which, in addition to being nearer, imports from Brazil are free of normal tariffs. See, e.g., id. at 8.

⁹¹ CR/PR at Tables IV-8 - IV-13. In the absence of information that would permit segregation of subject and nonsubject exports of brass rolled products from France, Italy, and Japan, these available data may overstate subject exports to some extent. Moreover, the record data for the current period of review do not include data for the French, Italian and Japanese producers' total shipments (home market and export), preventing a calculation of their exports as a share of total shipments. The German industry exported between *** percent of its shipments between 1999 and January–September 2005. CR/PR at Table IV-10.

contrasted with the high export orientation of the industries in France, Germany, Italy, and Japan, we do not exercise our discretion to cumulate subject imports from Brazil with other subject imports.^{92 93}

E. Summary of Cumulation Conclusions

As discussed above, we find that subject imports from Canada would be likely to have no discernible adverse impact on the domestic industry if that order were revoked. We also find significant differences in the conditions of competition with respect to the subject imports from Brazil and the conditions of competition with respect to subject imports from France, Germany, Italy, and Japan. Therefore, we do not exercise our discretion to cumulate the likely volume and price effects of subject imports from Brazil with those for subject imports from France, Germany, Italy, and Japan.⁹⁴

We do not find that subject imports from France, Germany, Italy, and Japan would be likely to have no discernible adverse impact on the domestic industry if the orders were revoked. We also find a likely reasonable overlap of competition among the subject imports from France, Germany, Italy, and Japan and the domestic like product if the orders were revoked.

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE COUNTERVAILING AND ANTIDUMPING DUTY 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 unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁹⁵ The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”⁹⁶ Thus, the

⁹² SINDICEL, the Brazilian trade association that covers brass producers in Brazil, submitted to the Commission aggregate capacity, production, and shipment data for the entire Brazilian BSS industry. The Brazilian producers represented by the SINDICEL data are Termomecanica, Eluma, Cecil S.A. Laminacao De Metais (“Cecil”), and Industria Brasileira De Metais S.A. (“IBRAME”), and consist of all known producers of brass sheet and strip in Brazil. CR at IV-9-IV-10, PR at IV-8 - IV-9. The President of SINDICEL certified to the accuracy of the response provided by SINDICEL on February 8, 2006. EDIS document 247333.

⁹³ Chairman Koplán and Commissioner Lane exercise their discretion to cumulate likely subject imports from Brazil with those from France, Germany, Italy, and Japan.

⁹⁴ Chairman Koplán and Commissioner Lane find that subject imports from Brazil would be likely to have a discernible adverse impact on the domestic industry if the orders were revoked and exercise their discretion to cumulate subject imports from Brazil with those from France, Germany, Italy, and Japan. See Dissenting Views of Chairman Stephen Koplán and Commissioner Charlotte R. Lane with Respect to Brazil.

⁹⁵ 19 U.S.C. § 1675a(a).

⁹⁶ 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.

likelihood standard is prospective in nature.⁹⁷ 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.^{98 99 100}

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.”¹⁰¹ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”^{102 103}

⁹⁷ 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.

⁹⁸ See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d without opinion, 05-1019 (Fed. Cir. August 3, 2005); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int’l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int’l Trade Dec. 20, 2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁹⁹ Vice Chairman Okun notes that, consistent with her dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” to mean “probable.” See Usinor Industeel, S.A. et. al. v. United States, No. 01-00006, Slip Op. 02-39 at 13 (Ct. Int’l Trade April 29, 2002). However, she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue. See also Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

¹⁰⁰ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade’s interpretation of “likely,” but she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

¹⁰¹ 19 U.S.C. § 1675a(a)(5).

¹⁰² 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.*

¹⁰³ In analyzing what constitutes a reasonably foreseeable time, Chairman Koplán 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

(continued...)

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”¹⁰⁴ 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).¹⁰⁵

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.”¹⁰⁶ The following conditions of competition are relevant to our determination.

Demand. Brass sheet and strip is used in a wide variety of end-use products. Brass is harder and stronger than either of its alloying elements, copper or zinc; it has high strength, corrosion resistance, excellent formability, and good electrical properties. Common fabrication processes include drawing, rolling, and stamping. The vast majority of the product is produced in a coil form known as brass strip, and the remainder is furnished in cut-to-length sheets. The largest sectors using brass sheet and strip are electrical and electronics (semiconductors, terminal connectors, flashlight shells, and lamp fixtures), automotive (radiator tanks, odometer contacts, and electrical connectors), building and construction (grillwork, door knobs, locks, and push and kick plates), ammunition (cartridge cases, shells, and mechanical housings for lighters), and coinage. Other products made of BSS include musical instruments, plumbing accessories, bathroom fixtures, fasteners, heat exchangers (and other industrial applications), washers, and stencils.¹⁰⁷

Apparent U.S. consumption in the original investigations fluctuated irregularly between a low of 521.2 million pounds in 1985 to a high of 639.9 million pounds in 1984. Apparent U.S. consumption remained in that range in the first five-year review period at 553.3 million pounds in 1997 and 554.2 million pounds in 1998. After increasing to 602.2 million pounds in 1999, apparent U.S. consumption decreased irregularly over the current period of review to 502.6 million pounds in 2004, and then declined further in interim 2005 to 345.7 million pounds, compared with 392.8 million pounds in interim 2004.¹⁰⁸ Reasons cited by U.S. producers for the decline in consumption over the period include

¹⁰³ (...continued)
occur in predicting events into the more distant future.

¹⁰⁴ 19 U.S.C. § 1675a(a)(1).

¹⁰⁵ 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the orders under review. CR at I-13 - I-14, PR at I-10 - I-12. 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.

¹⁰⁶ 19 U.S.C. § 1675a(a)(4).

¹⁰⁷ CR/PR at II-1.

¹⁰⁸ CR/PR at Table I-4. Apparent U.S. consumption stated in value terms increased by 11.4 percent between 1999 and 2004 and rose in interim 2005 compared with interim 2004. *Id.* The difference between the trend in quantity and value terms is attributable to increased average unit values, which have been affected by increased production
(continued...)

the movement of U.S. manufacturing to lower cost countries, particularly China, the high price of copper, and the manufacturing recession during 2001-2003.¹⁰⁹

Supply. The U.S. market is supplied by domestically produced brass sheet and strip and by brass sheet and strip imported from subject and non-subject countries. U.S. producers' share of the contracting U.S. market declined irregularly from 92.6 percent in 1999 to 85.3 percent in 2004. U.S. producers' market share was 86.2 percent in interim 2005, compared with 85.9 percent in interim 2004. Subject imports' share of apparent U.S. consumption, including Brazil and Canada, remained small over the review period, declining from 2.5 percent in 1999 to 1.2 percent in 2004, and was 1.2 percent in both the 2004 and the 2005 interim periods.¹¹⁰

The market share of nonsubject imports increased over the period of review from 4.9 percent in 1999 to 13.4 percent in 2004, then declined slightly in the interim period to 12.6 percent, compared with 12.9 percent in interim 2004.¹¹¹ Domestic producers variously attributed the increased share of nonsubject imports to the removal of the orders with respect to Korea, the Netherlands, and Sweden in 1999, and to the increased brass sheet and strip available from Bulgaria, Hungary, India, Mexico, Poland, Turkey, and the countries of the former Yugoslavia.¹¹²

As already noted, U.S. integrated producers shipped *** of their brass sheet and strip to end users, *** of their brass sheet and strip to distributors, and *** to rerollers during the period of review. Importers of subject merchandise from the cumulated subject countries shipped *** percent of their brass sheet and strip to distributors during the period, and importers of nonsubject merchandise shipped *** of their brass sheet and strip to end users in 2000 through 2005, although they did ship *** of their brass sheet and strip to distributors in 1999.¹¹³

There have been numerous structural changes in the domestic industry since the original investigations. Eight producers of brass sheet and strip were petitioners in the original investigations: American Brass; Bridgeport Brass Corp. ("Bridgeport"); Chase Brass and Copper Co. ("Chase"); Hussey Copper Ltd. ("Hussey"); The Miller Co. ("Miller"); North Coast Brass & Copper Co. ("North Coast"); Olin; and Revere. Wieland Metals began brass sheet and strip rerolling operations in 1987. Olin purchased Bridgeport in 1988. In 1990, Eagle Brass Co. began rerolling operations, and Outokumpu Copper Products Oy of Finland ("Outokumpu") purchased American Brass, which operated thereafter as Outokumpu American Brass ("OAB"). PMX was established as a greenfield operation in Cedar Rapids, Iowa, in 1992, by Poongsan Corp., a Korean producer.¹¹⁴

Chase, Miller, and North Coast had gone out of business or had ceased production of brass sheet and strip by the time of the first reviews and Hussey ceased production in 1999. OAB closed a plant in Kenosha, Wisconsin, in 1999, and, in December 2002, Olin announced the closure of its integrated Indianapolis plant because prolonged reduction in demand left it with unused capacity. In June 2005, Outokumpu sold its fabricated copper products business, which includes OAB, to Nordic Capital. OAB is reportedly allowed to operate under the Outokumpu Copper Products name for approximately a year

¹⁰⁸ (...continued)
costs, particularly raw material costs.

¹⁰⁹ CR at I-26, PR at I-24. Aluminum, steel, bronze, plastic, copper, and zinc are substitutes for brass sheet and strip in certain applications. However, the potential for substitution is often limited by the time and effort required to change the product design and manufacturing process. CR at II-12, PR at II-8.

¹¹⁰ CR/PR at Table I-5.

¹¹¹ Id.

¹¹² CR at II-8 - II-9, PR at II-6.

¹¹³ CR/PR at II-1, CR/PR at Table I-2. Distributors and service centers have increasingly consolidated over the last decades. See, e.g., ***.

¹¹⁴ CR at I-24 - I-25, PR at I-20 - I-21.

after the sale. In January 2006, Olin announced the closure of its Waterbury rolling mill facility in Waterbury, Connecticut, and the consolidation of its production activities into its East Alton, Illinois, mill.¹¹⁵ As such, by the end of January 2006, there were four integrated producers, three rerollers, and one integrated producer/roller remaining in the U.S. industry.

Raw material costs are an important component of the total cost of producing brass sheet and strip. Brass is an alloy of copper and zinc, and these metals, as well as scrap metal, comprise most of the raw material cost. Prices of copper and copper scrap rose substantially beginning in late 2003 and almost tripled in value between 1999 and late 2005. Zinc prices also rose in that period, and were approximately 60 percent higher in late 2005 than in 1999.¹¹⁶ Energy costs are another important factor in the production of brass sheet and strip. Both natural gas prices and electricity prices were higher in 2005 than in any of the full years between 1999 and 2004.

The metal price and the fabrication price for brass sheet and strip are generally determined separately. Energy and fuel surcharges are also used to some extent. Separate pricing for metal and other production costs does not necessarily result in producers' recovery of cost increases, however, because there is downward pressure on fabrication prices as material prices increase.¹¹⁷ In part as a response to increased material prices, tolling – in which the purchaser provides the metal to the producer for fabrication – has become less common in the industry than in the original investigations.¹¹⁸

Price is an important factor in brass sheet and strip purchasing decisions.¹¹⁹ There is a high degree of substitution between domestic and subject brass sheet and strip.¹²⁰ There are established industry standards for this product and, as already noted, producers, importers, and purchasers found all subject sources to be always or frequently interchangeable.¹²¹

C. Revocation of the Orders on Subject Imports from France, Germany, Italy, and Japan Is Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

1. Likely Volume of the Cumulated Subject Imports

In evaluating the likely volume of imports of subject merchandise if the antidumping and countervailing duty orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.¹²² 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

¹¹⁵ CR at I-25 - I-26, PR at I-20 - I-21.

¹¹⁶ CR/PR at V-1. All producers and importers reported that their metal prices tracked copper and zinc prices, generally from the COMEX division of the New York Mercantile Exchange or the London Metal Exchange (LME).

¹¹⁷ Tr. at 142-143 (Hartquist, Bartel). While certain domestic producers reported that they pass raw material costs along to their customers, others indicated that there is not a 100-percent pass-through for raw material, energy, and other price increases, and that the fabrication price may be reduced as a result of other price increases. CR/PR at V-1 n.5.

¹¹⁸ CR/PR at V-1 - V-2, *id.* nn.5-7.

¹¹⁹ CR/PR at Table II-5 (26 of 29 purchasers reported price as “very important” in their purchasing decisions).

¹²⁰ CR at II-14, PR at II-8 - II -9.

¹²¹ CR at II-23, PR at II-16; CR/PR at Table II-7.

¹²² 19 U.S.C. § 1675a(a)(2).

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.¹²³

In its original determinations, the Commission found that subject import volumes fluctuated throughout the periods examined, but deemed subject import volumes to be significant.¹²⁴ Cumulated subject import volume for these four subject countries was 84.8 million pounds in 1983, 118.9 million pounds in 1984, 90.4 million pounds in 1985, and 82.5 million pounds in 1986, the last full year before the first set of orders went into effect. In 1986, the cumulated market penetration for these four countries, measured by quantity, was 15.5 percent.^{125 126}

Current subject import volumes are much smaller than in the original investigations. Cumulated subject import volume for France, Germany, Italy, and Japan declined from 9.9 million pounds in 1999 to 6.1 million pounds in 2004. The cumulated subject imports were 4.1 million pounds in interim 2005 compared with 4.8 million pounds in interim 2004.¹²⁷

Although the volume of cumulated subject imports is only a fraction of what it was during the original investigations, we must nevertheless determine whether that volume is likely to be at significant levels if the restraining effect of the antidumping duty orders is eliminated. For the following reasons, we find that a significant import volume is likely if the orders were revoked.

The industries in the subject countries possess substantial capacity to produce brass sheet and strip. For 2004, responding German producers reported production capacity of *** million pounds, which is equivalent to over *** percent of U.S. consumption in that year.¹²⁸ Japanese producers did not provide data in the current reviews; during the first five-year reviews, Japanese producers reported capacity averaging approximately 200 million pounds.¹²⁹ French and Italian producers did not provide any capacity or production data during these reviews or the first five-year reviews. According to data in the original investigations, capacity averaged approximately *** million pounds in France and *** million pounds in Italy.¹³⁰ In the absence of current data for these producers, we find that substantial capacity exists in France and Italy with which to increase production for export, based on capacity

¹²³ 19 U.S.C. § 1675a(a)(2)(A-D).

¹²⁴ Original Brazil/Canada/Korea Determination, USITC Pub. 1930 at 14-15; Original France/Germany/Italy/Sweden Determination, USITC Pub. 1951 at 13-14; Original Japan/Netherlands Determination, USITC Pub. 2099 at 17-18.

¹²⁵ CR/PR at Table I-1.

¹²⁶ Chairman Koplman and Commissioner Lane note that cumulated import volume for the five countries, including Brazil, was 94.7 million pounds in 1983, 134.6 million pounds in 1984, 98.0 million pounds in 1985, and 88.6 million pounds in 1986. In 1986, cumulated imports from these five countries accounted for 16.7 percent of apparent U.S. consumption.

¹²⁷ CR/PR at Table I-4. We note that these figures are likely overstated because they include nonsubject product from Germany. CR/PR at Table IV-1 and note 3, CR/PR at Table I-5.

¹²⁸ CR/PR at Table IV-10. The reduction in reported German capacity over the period of review does not represent a physical reduction in capacity; rather, it reflects a greater share of capacity allocated to other products. E.g., German Interested Parties' Posthearing Brief at 5.

¹²⁹ USITC Pub. 3290 at Table IV-5. We did not use data on production of individual Japanese firms that was submitted by German producers because the cited source of the data, the Japan Copper and Brass Association, did not respond to a Commission staff request for data on Japanese capacity, production, home market shipments, inventories, and exports. CR at IV-23 - IV-24, PR at IV-15. Thus the Commission could not establish the reliability or accuracy of the data.

¹³⁰ CR at IV-14 n.17, IV-21 n.32; PR at IV-10 n.17, IV-13 at n.32; and staff report in the original France/Italy/Sweden/Germany investigation, INV-K-009 (Feb. 2, 1987)) at Tables 13 & 14. La Metalli was expected to bring on line a new cold-rolling mill in 2000. USITC Pub. 3290 at IV-6.

information in the original investigations, along with public information on evolution of those industries during the periods covered in the first five-year reviews and these reviews.¹³¹ We also find that significant capacity exists in those countries based on the substantial level of their exports described below.

The amount of capacity in the subject countries that is unused is significant as well. Capacity utilization rates in Germany fluctuated over the period of review, but were between *** percent and *** percent during the last three full years.¹³² German producers reported approximately *** million pounds of excess capacity in 2004.¹³³ During the first reviews, Japanese producers reported utilization rates averaging approximately 90 percent, including 24 million pounds of excess capacity in 1998.¹³⁴ In the absence of current data from producers in France and Italy, we find that they possess substantial excess capacity with which to increase production for export.¹³⁵

The brass sheet and strip industries in the cumulated subject countries are export oriented. Exports accounted for approximately *** percent of German shipments over the period of review, including *** million pounds of exports in 2004.¹³⁶ French and Italian exports of brass rolled products grew sharply over the period of review, to reach 57.3 million pounds and 97.6 million pounds in 2004, respectively.¹³⁷ Japanese exports of brass rolled products declined somewhat over the period but totaled a still significant 40.3 million pounds in 2004.¹³⁸ Thus each of the subject countries is focused on exports to a significant degree. Each has maintained at least some U.S. market presence during the period of review.¹³⁹

Despite some recent decline in consumption, the U.S. market remains a large and attractive one. There do not appear to be significant structural constraints on subject producers' ability to reenter the U.S. market in the event of revocation.¹⁴⁰ With respect to prices for brass sheet and strip in the United

¹³¹ CR at IV-14, PR at IV-10 (KM Europa in France and Italy, together with KM Europa in Germany, formed after the original investigations, have combined capacity of 600 million pounds); see also USITC Pub. 3290 at IV-6 (published reports in the first five-year reviews that La Metalli planned to add a cold-rolling mill in Italy at the end of 2000).

¹³² CR/PR at Table IV-10.

¹³³ To this amount should be added at least a portion of Schwermetall's total unused capacity that could be used to produce brass sheet and strip ***. Moreover, while KM Europa in Germany currently may not be using capacity to produce subject merchandise (CR at IV-16 n.25, PR at IV-11 - IV-12 n.25), it would be able to do so, as would its counterparts in France and Italy. See CR at IV-14, PR at IV-10 (KM Europa's combined subject and nonsubject capacity of 600 million pounds); see also CR at IV-16 n.25, PR at IV-11 - IV-12 n.25 (domestic interested parties contending that KM Europa in Germany is currently producing subject merchandise).

¹³⁴ USITC Pub. 3290 at Table IV-5.

¹³⁵ See also CR at IV-14 n.17, IV-21 n.32; PR at IV-10 n.17, IV-13 n.32 (significant excess capacity in France and Italy in the original investigations). We note that German producers reported *** inventories of brass sheet and strip. CR/PR at Table IV-10. Producers in France, Italy, and Japan did not supply data on their inventories.

¹³⁶ CR/PR at Table IV-10.

¹³⁷ CR/PR at Tables IV-9 and IV-12.

¹³⁸ CR/PR at Table IV-13.

¹³⁹ CR/PR at Table I-1.

¹⁴⁰ As noted above, we find that, notwithstanding assertions by German interested parties that they have shifted their product mix into higher-value subject and nonsubject brass products, and that these are the only products they would sell in the U.S. market if the order were revoked, those assertions are not borne out by the record and would not in any event limit German producers' ability to reenter the U.S. market in significant volumes if the order were revoked. Also as discussed above, distribution channels in the United States are not generally foreclosed to foreign producers and exporters.

(continued...)

States relative to other global markets, the evidence on the record is mixed. Some U.S. producers reported that fabrication prices in the United States are higher than fabrication prices in Brazil, China, and Germany.¹⁴¹ OAB reported that fabrication prices for brass sheet and strip in the United States and Europe are comparable. OAB and German producers reported, however, that, because of the current euro-dollar exchange rate and other factors, fabrication prices in Europe are currently relatively higher than fabrication prices in the United States.¹⁴² We find that this mixed information on relative prices indicates that subject producers will have some incentive to produce and export more of their product to the United States in order to use more fully their available capacity.

Thus, if the orders were revoked, producers in these subject countries would have the ability and motivation to increase exports to the United States. Accordingly, we find that imports of brass sheet and strip from these subject countries into the United States would be likely to increase significantly in the reasonably foreseeable future if the antidumping and countervailing duty orders were revoked.¹⁴³

2. Likely Price Effects of the Cumulated Subject Imports

In evaluating the likely price effects of cumulated subject imports if the antidumping and countervailing duty orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.¹⁴⁴

In the original determinations, the Commission found widespread underselling by the subject imports from France, Germany, Italy, and Japan. In the original France investigation, the data showed underselling in all but one of the 35 direct quarterly price comparisons. In the original Germany investigation, there was underselling in 43 of 58 direct quarterly price comparisons. In the original Italy

¹⁴⁰ (...continued)

***, and that Wieland-Werke should be deemed to be operating at full capacity even when it is operating, e.g., at only 90 percent capacity. German Interested Parties' Posthearing Brief at A-5 - A-8. We do not find Wieland's arguments persuasive. In the original investigation period, when no order was in place, the volume of subject German imports increased significantly and undersold the domestic like product in most comparisons. ***, Wieland-Werke is not the only potential exporter of subject German merchandise to the United States, Wieland Metals is not the only potential importer of subject German merchandise, and Wieland Metals' imports would not necessarily be limited to feedstock for its own operations. Indeed, Wieland Metals explains elsewhere on the record that, with the order in place, it imported ***. See German Interested Parties' response to notice of institution (May 23, 2005) at 6-7.

¹⁴¹ Domestic Producers' Posthearing Brief, Exhibit 1 at 24-28 and Exhibits 11 and 12.

¹⁴² Hearing transcript (Bartel), pp. 135-136 and German Interested Parties' Posthearing Brief at 10.

¹⁴³ Chairman Koplan and Commissioner Lane concur in the majority's analysis with regard to France, Germany, Italy, and Japan, and find the same analysis equally applicable to likely import volumes from Brazil in the event of revocation. See Dissenting Views of Chairman Stephen Koplan and Commissioner Charlotte R. Lane with Respect to Brazil.

¹⁴⁴ 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.

investigation, there was underselling in all 30 quarterly price comparisons.¹⁴⁵ In the original Japan investigation, price comparisons showed underselling in 74 of 100 instances.^{146 147}

In light of the significantly reduced volume of imports from all of the subject countries since the orders were issued and the low questionnaire response rate from some countries, price comparison data for the current period of review are quite limited.¹⁴⁸ As discussed above in the section on Conditions of Competition, the U.S. brass sheet and strip market is fairly price competitive and the domestic like product, subject imports, and nonsubject imports are substitutable. Because of this, if the orders were revoked the imports would need to be priced aggressively to regain market share. Thus, the pricing patterns observed in the original investigations are likely to recur and the subject imports would likely undersell the domestic like product so as to significantly depress or suppress domestic prices. As noted above, we find that subject imports from France, Germany, Italy, and Japan are likely to increase significantly in the reasonably foreseeable future if the antidumping duty and countervailing duty orders are revoked. At these likely volumes, the subject imports from these countries would be likely to have significant depressing or suppressing effects on the prices of the domestic like product.

We find that the significant volumes of cumulated subject imports are also likely to suppress the price increases necessary to compensate for the domestic industry's increasing costs. Domestic producers' prices have not kept up with increases in cost of goods sold in recent years, and producers' conversion margins have declined.¹⁴⁹ We note in this regard that currently high average prices in the U.S. market are indicative of high material costs.¹⁵⁰ In the event of revocation, those high prices would not be likely to be maintained due to increased volumes of dumped or subsidized imports.

We therefore find that there likely would be underselling by the subject imports that, when combined with increased volumes of subject imports, would likely lead to significant adverse price effects.

3. Likely Impact of the Cumulated Subject Imports

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

¹⁴⁵ USITC Pub. 1951 A-66 - A-77.

¹⁴⁶ USITC Pub. 2099 at 19.

¹⁴⁷ Chairman Koplman and Commissioner Lane note that in the original Brazil investigation, there was underselling in 23 of 27 direct quarterly comparisons. USITC Pub. 1930 at A-59.

¹⁴⁸ Of the six products, comparison data were available only with respect to product 3 (wiring devices, lamp shells, and sockets of certain specifications), only with respect to imports from Japan. Those data, reflecting both the metal and the fabrication components of prices, show that imports from Japan oversold the domestic like product, with metal prices similar in most quarters but fabrication prices *** higher for imports from Japan than for the U.S. product. CR at V-14, PR at V-11; CR/PR at Table V-3. Because the available comparisons occurred under the discipline of the orders, and related only to product 3 and only to very small quantities of imports from Japan, we do not consider those comparisons particularly probative of likely pricing of the cumulated subject imports if the orders were revoked.

¹⁴⁹ CR at III-21 n.25, PR at III-12 n.25.

¹⁵⁰ See, e.g., CR/PR at Table C-1.

product.¹⁵¹ 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.¹⁵² As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the orders are revoked.¹⁵³

We conclude that the domestic industry is currently vulnerable to injury by increased subject imports. Several factors highlight the weakened condition of the industry. As discussed below, the industry's capacity, production, market share, operating income, unit operating income, and employment all declined between 1999 and 2004.

The basic (integrated) producers' capacity decreased from 634.8 million pounds in 1999 to 607.0 million pounds in 2004, and their capacity declined to 448.1 million pounds in interim 2005 compared with 456.4 million pounds in interim 2004.¹⁵⁴ The basic producers' production declined from 574.0 million pounds in 1999 to 441.1 million pounds in 2004, and to 302.9 million pounds in interim 2005 compared with 347.0 million pounds in interim 2004. Accordingly, capacity utilization of the basic producers dropped from 90.4 percent in 1999 to 72.7 percent in 2004, and declined further to 67.6 percent in interim 2005 compared with 76.0 percent in interim 2004.¹⁵⁵

U.S. producers' market share declined from 92.6 percent in 1999 to 85.3 percent in 2004, then increased somewhat to 86.2 percent in interim 2005 compared with 85.9 percent in interim 2004.¹⁵⁶

¹⁵¹ 19 U.S.C. § 1675a(a)(4).

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

Commerce found the following dumping and net subsidy margins (for Brazil and Canada as well as the cumulated imports): Brazil (dumping) 40.62 percent; Brazil (subsidy) no basis on which to determine; Canada (dumping) 8.10 - 11.54 percent; France (dumping) 42.24 percent; Germany (dumping) 3.81 - 7.30 percent; Italy (dumping) 5.44 percent; Japan (dumping) 13.30 - 57.98 percent. CR at I-13 - I-14, PR at I-11 - I-12.

¹⁵³ 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.

¹⁵⁴ CR/PR at Table III-1. Capacity was affected by the fact that, as noted above, OAB closed a plant in Kenosha, Wisconsin, in 1999, Olin announced the closure of its integrated Indianapolis plant in December 2002, and, in January 2006, Olin announced the closure of its Waterbury rolling mill facility in Waterbury, Connecticut, and the consolidation of its production activities into its East Alton, Illinois, mill. CR at I-25 - I-26, PR at I-21.

¹⁵⁵ CR/PR at Table III-1. Rerollers, on the other hand, experienced a modest net increase in capacity over the period, from 58.9 million pounds in 1999 to 60.3 million pounds in 2004, and constant capacity of 45.2 million pounds in interim 2004 and 2005. Rerollers' production declined, however, from 45.3 million pounds in 1999 to 30.1 million pounds in 2004, and declined further to 20.6 million pounds in interim 2005 compared with 24.5 million pounds in interim 2004. Rerollers also experienced a net decrease in their capacity utilization, from 77.0 percent in 1999 to 50.0 percent in 2004, and to 45.6 percent in interim 2005 compared with 54.1 percent in interim 2004. Id.

¹⁵⁶ CR/PR at Table I-5. German interested parties argue that domestic producers' declining capacity utilization and market share are not evidence of vulnerability because, they point out, domestic producers were responsible for nearly all of the increase in nonsubject imports. German Interested Parties' Posthearing Brief at 3-4. Nonsubject import volume increased from 29.5 million pounds in 1999 to 67.4 million pounds in 2004, and grew in market share from 4.9 percent in 1999 to 13.4 percent in 2004. CR/PR at Table I-5. We note that a majority of the increase in nonsubject imports was product from the Netherlands, consisting of radiator strip brass sheet and strip, a product which, while within the scope of the now-revoked order, is not produced domestically. See USITC Pub. 3290 at

(continued...)

Domestic producers' operating income decreased from \$48.9 million in 1999 to \$14.2 million in 2004, then declined further, to \$2.3 million in interim 2005 compared with \$11.0 million in interim 2004. Four of eight domestic producers reported losses in interim 2005. Operating income as a percent of net sales decreased from 7.4 percent in 1999 to 2.1 percent in 2004, then declined further to 0.4 percent in interim 2005 compared with 2.1 percent in interim 2004.¹⁵⁷ The number of production workers in the industry decreased from 1,682 workers in 1999 to 1,299 in 2004, then decreased further to 1,207 in interim 2005 compared with 1,313 in interim 2004.¹⁵⁸ Capital expenditures also declined significantly over the period, while research and development expenses were nearly ***.¹⁵⁹

Domestic producers' prices have not kept pace with cost increases, notwithstanding the domestic industry's use of various surcharges to offset higher costs and the practice of separating the price for conversion from material costs.¹⁶⁰ The practice of separating metal prices from fabrication or conversion prices does not insulate the domestic producers from pricing pressure.¹⁶¹ Producers' profitability was considerably lower in 2004 than in 2000, primarily because of reduced conversion margins.¹⁶² Thus, the industry is vulnerable to continuation or recurrence of material injury in the event of revocation.¹⁶³

We have concluded that revocation of the antidumping duty orders with respect to France, Germany, Italy, and Japan would lead to significant increases in the volume of cumulated subject imports

¹⁵⁶ (...continued)

19-21. The next largest source of increased non-subject imports was Poland, with the largest volume entering in 2004, which ***. See Domestic Interested Parties' Posthearing Brief, Exhibit 1 at 20.

¹⁵⁷ CR/PR at Table III-8.

¹⁵⁸ CR/PR at Table III-5.

¹⁵⁹ CR/PR at Table III-9.

¹⁶⁰ E.g., CR at III-21 n.25, PR at III-12 n.25.

¹⁶¹ As domestic producers testified at the hearing : "At the end of the day, the customer is concerned about what is the total acquisition price that they're going to pay, and that's what they're taking to the market to our competitors . . . Everything that is above the commodity price is negotiated, and it is the total of the value that is above the commodity price that is subject to negotiation." Tr. at 67-68 (Bartel).

¹⁶² Id. and CR/PR at Table III-6.

¹⁶³ German interested parties claim that the domestic industry is insulated from the effects of subject imports by virtue of the substantial share of its shipments that is not sold in the commercial market. They point to domestic industry shipments made to toll producers, or via internal consumption or transfers to related firms to be further processed into downstream products. German Interested Parties' Posthearing Brief at 11-12. We note that the domestic industry had substantial toll, internal consumption and related firm shipments during the original investigations, but this did not prevent the industry from being materially injured by the subject imports. Compare INV-J-186 (Dec. 9, 1986) at Table 4 with CR/PR at Table III-2. In both the original period of investigation and current period of review, a substantial share of domestic shipments was non-toll commercial shipments. Moreover, the share of domestic shipments that was toll shipments declined from the original period of investigation to the current period of review. Compare INV-J-186, Dec. 9, 1986 at Table 4 (toll shipments accounted for *** percent of domestic shipments in 1985) with CR/PR at Table III-2 (toll shipments accounted for *** percent of domestic shipments in 2004).

German respondents also assert that improved U.S. demand conditions in late 2005 and early 2006 make the domestic industry less vulnerable. German Respondents' Posthearing Brief at 14. Any very recent uptick in demand would not outweigh the longer-term decline in consumption that occurred over the period of review. For example, apparent U.S. consumption fell 16.5 percent from 1999 to 2004, and 12.0 percent from interim 2004 to interim 2005. CR/PR at Table I-5. These declining trends help explain the domestic industry's relatively weak performance over the period of review.

from those subject countries that would undersell the domestic like product and significantly depress or suppress U.S. prices. In addition, the volume and price effects of the cumulated subject imports would have a significant negative impact on the production, shipments, sales, market share, and revenues of the domestic industry. This reduction in the industry's production, shipments, sales, market share, and revenues would adversely impact the industry's profitability and ability to raise capital and maintain necessary capital investments.¹⁶⁴

Indeed, in the original investigations the Commission found that the increasing volumes of imports that were underselling the domestic like product caused declines in the domestic industry's market share and material injury to the domestic industry.¹⁶⁵ Based on the facts available in these reviews, we conclude that if the orders were revoked, these circumstances would recur and there would be a significant adverse impact on the domestic industry.

D. Revocation of the Order on Subject Imports from Canada Is Not Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

In the original investigations, the volume of imports from Canada increased from 9.7 million pounds in 1983, to 13.4 million pounds in 1984, and then declined to 7.5 million pounds in 1985. After the petitions were filed, imports from Canada were 4.0 million pounds in 1986 and 6.8 million pounds in 1987. In the period of review, the volume of subject imports from Canada decreased from 4.2 million pounds in 1999 to 72,000 pounds in 2004. Subject imports from Canada declined to 18,000 pounds in interim 2005 compared with 52,000 pounds in interim 2004.¹⁶⁶

In our no discernible adverse impact finding concerning Canada, *supra*, we noted that the Canadian facilities that previously produced subject brass sheet and strip have been shut down and the productive assets have been liquidated. We also find no indication that the facilities would resume subject production within a reasonably foreseeable time in the event of revocation. Consistent with those findings, we find that the volume of subject imports from Canada would not likely be significant within a reasonably foreseeable time if the order were revoked. We also find, therefore, that significant price effects would not be likely and that subject imports from Canada would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investment, if the order were revoked. We, therefore, find that revocation of the antidumping duty order on Canada is not likely to lead to the continuation or recurrence of material injury to the U.S. brass sheet and strip industry within a reasonably foreseeable time if the order were revoked.

¹⁶⁴ Chairman Koplán and Commissioner Lane concur in the majority's analysis with regard to France, Germany, Italy, and Japan, and find the analysis equally applicable to likely cumulated import volumes from Brazil, France, Germany, Italy, and Japan in the event of revocation.

¹⁶⁵ USITC Pub. 1930 at 16, USITC Pub. 1951 at 17 (also citing impact of imports on U.S. producers' shipments and financial performance).

¹⁶⁶ CR/PR at Tables I-1, I-4. With no production in Canada, recent U.S. imports from Canada are likely shipments from inventories.

E. Revocation of the Orders on Subject Imports from Brazil Is Not Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time¹⁶⁷

1. Likely Volume of Subject Imports from Brazil

In the original investigations, the volume of imports from Brazil increased from 9.9 million pounds in 1983 to 15.8 million pounds in 1984, and then declined to 7.6 million pounds in 1985. After the petitions were filed, imports from Brazil declined to 6.0 million pounds in 1986 and to 654,000 pounds in 1987. The volume of subject imports in the review period declined from 697,000 pounds in 1999 to 12,000 pounds in 2004. Subject imports from Brazil were zero pounds in interim 2005 compared with 12,000 pounds in interim 2004.¹⁶⁸

As explained in our decision not to cumulate subject imports from Brazil with those from other subject countries, Brazilian producers are not significantly export oriented. While both capacity and production increased throughout the review period, these increases were directed largely at meeting increasing demand in the Brazilian home market in the automotive, telecommunication equipment, and construction sectors.¹⁶⁹ Capacity to produce the subject product increased from *** million pounds in 1999 to *** million pounds in 2004, an increase of *** percent; production likewise increased, from *** million pounds in 1999 to *** million pounds in 2004, an increase of *** percent. Nevertheless, although Brazilian producers reported unused capacity throughout the review period, that excess capacity has not been used to increase exports to other markets; instead, home market shipments consistently accounted for the *** of total Brazilian shipments, even as new capacity was introduced annually. Total Brazilian exports declined over the period of review such that export shipments accounted for less than *** percent of total Brazilian shipments each year since 2001.¹⁷⁰ Indeed, virtually all Brazilian production is dedicated either to the home market or to Latin America.¹⁷¹ We do not agree with domestic interested parties' arguments that a decline in home market sales in interim 2005, and an increase in unused capacity, compared to interim 2004 levels, suggests a trend away from the growth in home market demand seen throughout the rest of the review period.¹⁷² Particularly given the strong growth in home

¹⁶⁷ Chairman Koplman and Commissioner Lane do not join the majority views with respect to the likely volume, price, and impact of subject imports from Brazil, in the event of revocation.

¹⁶⁸ CR/PR at Tables I-1, I-4.

¹⁶⁹ Eluma's Posthearing Brief at 3 and Exhibit 1 (chart showing automobile production in Brazil increased by 58 percent during the review period, 1999-2004); Transcript at 210-211 (Baialuna and Bruno).

¹⁷⁰ CR/PR at Table IV-8. We also find no evidence of an incentive for Brazilian producers to shift production from nonsubject to subject rolled products in the event of revocation. See, e.g., CR/PR at Table IV-7; Transcript at 176 (Baialuna) ("Eluma has always produced these three products {(copper, bronze and brass alloys)} and intends to continue to produce them. Shifting production among these products is limited by the product blend that we must maintain to supply our customers in all three markets"); Transcript at 202-203 (Baialuna). Nor are there any third country trade barriers that would increase the likelihood of the United States becoming a destination for any Brazilian exports if the orders were revoked. CR/PR at Table IV-8.

¹⁷¹ Transcript at 172-173 (Baialuna). We note that the incentive of the Brazilian producers, when they export, is to focus on their Mercosul agreement partners (Argentina, Paraguay, and Uruguay). These destinations are more attractive to Brazilian producers due to their proximity as well as the fact that exports from Brazil are not subject to normal customs duties. See, e.g., Transcript at 250 (Bruno); Eluma Posthearing Brief at 8; Transcript at 175 (Baialuna) ("... exports to Latin America have absorbed any unused capacity that was not devoted to the domestic market. It is our view that this trend will continue in the future").

¹⁷² Domestic Interested Parties' Posthearing Brief at 5-6.

market demand in Brazil during 1999-2004, we do not find that the decline in the interim period is indicative of the beginning of a longer-term trend.¹⁷³

On the basis of the strong demand in the Brazilian home market and the limited export orientation of the Brazilian producers, we find that the likely volume of subject imports from Brazil will not be significant if the antidumping duty and countervailing duty orders were revoked.

2. Likely Price Effects of the Subject Imports from Brazil

In the original investigations, subject imports from Brazil undersold the domestic product in 23 of 27 comparisons.¹⁷⁴ There is no information on this record concerning whether or not subject imports from Brazil undersold the domestic like product during either the first or second five-year review period.

Notwithstanding the high incidence of underselling in the original investigations, we find that subject imports from Brazil are not likely to affect significantly domestic producers' prices if the orders are revoked. Rather, on the basis of our finding with respect to the likely volume of subject imports from Brazil in the event of revocation, we also find that significant price effects would not be likely.

3. Likely Impact of the Subject Imports from Brazil

In line with our findings regarding the likely volume and price effects of subject imports from Brazil, we find that subject imports from Brazil would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investment, if the orders were revoked. The small volume of subject imports from Brazil that would be likely upon revocation would not be likely to have a significant adverse impact on the domestic industry. We, therefore, find that revocation of the antidumping duty and countervailing duty orders on Brazil is not likely to lead to the continuation or recurrence of material injury to the U.S. brass sheet and strip industry within a reasonably foreseeable time if the orders were revoked.¹⁷⁵

CONCLUSION

For the foregoing reasons, we conclude that revocation of the antidumping duty orders on brass sheet and strip from France, Germany, Italy, and Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We further conclude that revocation of the antidumping duty and countervailing duty orders on brass sheet and strip from Brazil and the antidumping duty order on brass sheet and strip 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.

¹⁷³ Respondents did not report data for end-of-period inventories. Counsel for Eluma, in a letter dated January 20, 2006, stated that it is SINDICEL's understanding that shipments were ***. We do not find, however, that this affects our finding on likely volume.

¹⁷⁴ USITC Pub. 1930 at A-59.

¹⁷⁵ Chairman Koplán and Commissioner Lane dissenting.

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

CUMULATION

A. Overview

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.¹

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.² 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.³ 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.⁴

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as all of these five year reviews were initiated on the same day.

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.⁵ Only a

¹ 19 U.S.C. § 1675a(a)(7).

² 19 U.S.C. § 1675a(a)(7).

³ SAA, H.R. Rep. No. 103-316, vol. I (1994).

⁴ For a discussion of the analytical framework of Chairman Koplan regarding the application of the “no discernible adverse impact” provision, see Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review), USITC Pub. 3274 (Feb. 2000). For a further discussion of Chairman Koplan’s analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review), USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

⁵ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are

(continued...)

“reasonable overlap” of competition is required.⁶ In five-year reviews, the relevant inquiry is whether there likely would be a reasonable overlap of competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission’s traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.⁷

In the original investigations, the Commission cumulated subject imports from Brazil, Canada, France, Germany, Italy, and Japan for purposes of material injury analysis.⁸ The Commission found a moderate-to-high degree of substitutability between subject imports and the domestic like product. In the first review, the Commission found nothing on the record to indicate that subject imports would not again be marketed nationwide, in channels of distribution similar to those for the domestic like product, if the orders were revoked.⁹ In these reviews, the domestic interested parties argue that the Commission should exercise its discretion to cumulate subject imports from all subject countries except Canada. The Brazilian respondent Eluma contends that the Commission should exercise its discretion not to cumulate subject imports from Brazil with those from the other subject countries, and maintains that revocation of the orders on subject imports from Brazil will likely have no discernible adverse impact on the domestic industry. It also argues that likely conditions of competition differ with respect to subject imports from Brazil, and imports from other subject countries.

B. Likelihood of No Discernible Adverse Impact

We do not find that revocation of the antidumping duty order and the countervailing duty order on subject imports from Brazil would be likely to have no discernible adverse impact on the domestic industry.

Subject imports from Brazil fell precipitously from 1984-1986 levels following the filing of antidumping and countervailing duty petitions in March 1986 and imposition of the duties in January

⁵ (...continued)

simultaneously present in the market. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

⁶ See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int’l Trade 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 (Ct. Int’l Trade 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 (Ct. Int’l Trade 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).

⁷ 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); Metallwerken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (Ct. Int’l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int’l Trade 1988).

⁸ Commissioner Thelma J. Askey dissenting with respect to Brazil and Canada.

⁹ First Review Determinations, USITC Pub. 3290 at 11-12.

1987.¹⁰ During the current period of review, which encompasses January 1999 through September 2005, subject imports have remained in the U.S. market at very low levels. The market penetration of subject imports from Brazil has not reached 0.1 percent since 1999.¹¹

The record indicates that during the period of review capacity utilization in Brazil ranged from a high of *** percent in *** to a low of *** percent in ***.¹² The level of excess capacity available to producers in Brazil in the first nine months of 2005 was *** million pounds, or *** million pounds when annualized. This available excess capacity *** the volume of subject imports from Brazil in any year of the original period of investigation.

Eluma argues that Brazilian producers are responsive to the home market and would not be likely to divert sales to the United States if the orders were revoked.¹³ Shipments to the Brazilian home market represented more than *** percent of Brazilian domestic production and shipments in most years during the period of review. Eluma asserts that capacity increases were to serve the home market, and that without such increases, producers in Brazil would not have been capable of filling demand in the home market.

However, prior to imposition of the orders, the U.S. market served as a significant alternate market for capacity and production in excess of that demanded by the Brazilian home market. Regardless of the reason for the added capacity, in interim 2005, capacity utilization in Brazil declined to *** percent. Excess capacity to produce the subject BSS exceeded *** million pounds on an annual basis. Additionally, producers in Brazil, like those in the other subject countries, have some excess capacity that is nominally allocated to nonsubject copper and copper alloys that could be shifted to produce the subject BSS without decreasing production of nonsubject products.¹⁴

Further, the average unit value of sales in the Brazilian home market was *** in most years of the period of review.¹⁵ The Department of Commerce has found that revocation of the antidumping and countervailing duty orders on BSS from Brazil would result in sales at less than fair value, with the dumping margin found by Commerce to be in excess of 40 percent. Consequently, we find it likely that imports from Brazil would likely increase, given the current excess capacity and prevailing prices.

In light of the restraining effects of the orders on imports from Brazil during the period of review, and the moderate-to-high substitutability between brass sheet and strip produced in Brazil and the domestic like product, revocation of the orders will likely result in a significant increase in imports. We also take into account the current vulnerability of the domestic industry, and underselling in the original investigation, which we find likely to reoccur if the orders are revoked. Therefore, we cannot conclude that revocation of the antidumping and countervailing duty orders on subject imports from Brazil would likely have no discernible adverse impact on the domestic industry.

C. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors in determining whether the imports compete with each other and with the domestic like product: (1) fungibility; (2) sales or offers in the

¹⁰ CR/PR at Table I-1.

¹¹ CR/PR at Table I-1.

¹² CR/PR at Table IV-8.

¹³ Eluma's Prehearing Brief at 7-8.

¹⁴ ***. Counsel for Eluma clarified that capacity for different products that are produced on the same equipment is allocated in proportion to relative production volume. Posthearing Brief, Responses to Questions from the Commission, at 2.

¹⁵ CR/PR at Table IV-8.

same geographic markets; (3) common or similar channels of distribution; and (4) simultaneous presence in the market. Based on these factors, we find a likely reasonable overlap of competition among subject imports from Brazil and other subject countries and between subject imports and the domestic like product if the orders were to be revoked.

In the original determinations, the Commission considered these same four factors and determined that imports from each subject country generally competed with each other and with the domestic like product. In the current reviews, the majority of responding producers, importers, and purchasers characterized the domestic like product and subject imports from Brazil as always or frequently interchangeable.¹⁶

In the first reviews, the Commission noted that its analysis of the overlap in geographic markets was limited by the low volume of current imports, but that there was nothing in the record to indicate that subject imports would not again be marketed nationally. Also, in the first reviews, the Commission noted that domestic producers sell to distributors, end users, and re-rollers, with direct sales generally to larger end users, but that there was no indication of significant differences in channels of distribution among subject imports or between subject imports and the domestic like product.¹⁷ In the current reviews, domestic producers reported *** of sales to end users, *** of sales to distributors, and the remainder to re-rollers. Importers of the subject product reported *** percent of sales to distributors, and importers of nonsubject brass sheet and strip reported *** of sales were to distributors in 1999, with *** of sales to end users since that time.¹⁸

In its initial determinations, the Commission found that there was a reasonable overlap in competition among imports of brass sheet and strip from all countries subject to these reviews, and between subject imports and the domestic like product. There is no information on the record that the range of products produced in the subject countries has narrowed over the period of review. Nothing in the record suggests that, if the orders are revoked, subject imports from Brazil would be so limited in product range, geographic presence, or simultaneous presence in the market as to prevent a reasonable overlap of competition between imports from Brazil and either domestic merchandise or other subject imports.

D. Other Considerations

In determining whether to exercise our discretion to cumulate subject imports from Brazil with imports from the other subject countries, we assess whether the subject imports from each country are likely to compete under similar or different conditions of competition in the U.S. market.

The Brazilian interested party has pointed to several considerations that it maintains support a conclusion that subject imports from Brazil will likely compete under different conditions of competition. They first assert that subject imports from Brazil began declining prior to imposition of the orders, and that therefore, the decline was not due to imposition of the orders.¹⁹ In fact, imports of brass sheet and strip from all countries subject to these reviews except Japan were higher in 1984 than in 1983, and subject imports from all except Italy and Japan declined from 1984 to 1985.²⁰ In the original

¹⁶ CR/PR at Table II-7.

¹⁷ First Review Determinations, USITC Pub. 3290 at 12.

¹⁸ CR/PR at II-1.

¹⁹ Eluma Posthearing Brief at 2.

²⁰ Domestic Interested Parties' Prehearing Brief at Exhibit 2.

investigation, the Commission noted that demand for the subject brass was higher in 1984 than in either 1983 or 1985. U.S. domestic production also increased from 1983 to 1984, and then declined in 1985.²¹

Next, the Brazilian interested party argues that imports from Brazil declined to an insignificant level during the period of investigation, and have remained at low levels during the period of review, while imports from Canada, Germany, and Japan have continued to enter at “commercially significant levels.”²² Following the imposition of the antidumping orders, subject imports from Brazil declined significantly. Subject imports from Brazil were 7.6 million pounds in 1985, the last full year before filing of antidumping and countervailing duty petitions, fell to 6.0 million pounds in 1986, and were less than 1 million pounds in each year since that time.²³ We note that Commerce found lower dumping margins for producers in Germany and Canada, as well as Italy, and one producer in Japan than for producers in Brazil.²⁴ Consequently, the difference in import levels since imposition of the orders is likely due to differences in the dumping margins.

In sum, we find that there is a reasonable overlap of competition among subject imports from Brazil, France, Germany, Italy, and Japan, and the domestic like product during the period of review. Accordingly, we have exercised our discretion to cumulate the subject imports from Brazil with subject imports from France, Germany, Italy, and Japan.

²¹ Original Determinations, USITC Pub. 1930 at 10.

²² Eluma Prehearing Brief at 10.

²³ CR/PR at Table I-1.

²⁴ CR at I-3, I-4; PR at I-3.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On March 31, 2005, the International Trade Commission (“Commission”) 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 countervailing duty orders on brass sheet and strip¹ (“BSS”) from Brazil and France and the antidumping duty orders on BSS from Brazil, Canada, France, Germany, Italy, and Japan would likely lead to the continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time. On July 5, 2005, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Information relating to the background and schedule of the reviews is provided in the following tabulation.²

¹ A complete description of the product subject to investigation is presented in *The Subject Product* section of this part of the report.

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. Commerce’s notices of final results of expedited and full reviews also appear in app. A.

| Effective date | Action |
|--|---|
| January 8, 1987 | Commerce's countervailing duty order on Brazil (52 FR 698) |
| January 12, 1987 | Commerce's antidumping duty orders on Brazil, Canada, and Korea (52 FR 1214) |
| March 6, 1987 | Commerce's countervailing duty order on France (52 FR 6995) |
| March 6, 1987 | Commerce's antidumping duty orders on France, Germany, Italy, and Sweden (52 FR 6995) ¹ |
| August 12, 1988 | Commerce's antidumping duty orders on Japan and the Netherlands (53 FR 30454) |
| November 8, 1991 | Commerce's partial revocation of the antidumping duty order with respect to Canada (56 FR 57317) |
| February 1, 1999 | Commission's institution of first five-year reviews (64 FR 4892) |
| January 1, 2000 | Commerce's revocation of the antidumping duty orders with respect to Korea, the Netherlands, and Sweden (65 FR 25305, May 1, 2000) |
| May 1, 2000 | Commerce's continuation of the antidumping duty orders and countervailing duty orders with respect to Brazil, Canada, France, Italy, Germany, and Japan (65 FR 25304) |
| March 31, 2005 | Commission's institution of second five-year reviews (70 FR 16519) |
| July 5, 2005 | Commission's decision to conduct full reviews (70 FR 41427, July 19, 2005) |
| August 8, 2005 | Commerce's final results of expedited reviews of the antidumping duty orders with respect to Brazil, Canada, France, Italy, and Japan (70 FR 45650) |
| September 1, 2005 | Commission's scheduling of the reviews (70 FR 53688, September 9, 2005) |
| November 4, 2005 | Commerce's final results of expedited review of the countervailing duty order with respect to Brazil (70 FR 67139) |
| January 24, 2006 | Commission's hearing ² |
| January 26, 2006 | Commerce's final results of full review of the antidumping duty order with respect to Germany (71 FR 4348) |
| March 2, 2006 | Commerce's final results of full review of the countervailing duty order with respect to France (71 FR 10651) |
| March 6, 2006 | Commission's vote |
| March 21, 2006 | Commission's determinations transmitted to Commerce |
| ¹ The order on Italy was subsequently amended (52 FR 11299, April 8, 1987). | |
| ² App. B contains a list of witnesses who appeared at the hearing. | |

THE ORIGINAL INVESTIGATIONS AND THE FIRST FIVE-YEAR REVIEWS

On March 10, 1986, Commerce and the Commission received countervailing duty and antidumping petitions on behalf of American Brass, Buffalo, NY; Bridgeport Brass Corp., Indianapolis, IN; Chase Brass and Copper Co., Cleveland, OH; Hussey Copper Ltd., Leetsdale PA; The Miller Co., Meriden, CT; Olin Corp. (Brass Group), East Alton, IL; Revere Copper Products, Inc., Rome, NY; the Copper and Brass Fabricators Council, Inc.; the International Association of Machinists and Aerospace Workers; the International Union, Allied Industrial Workers of America (AFL-CIO); the Mechanics Educational Society of America (Local 56); and the United Steelworkers of America (AFL-CIO/CLC).³

³ North Coast Brass & Copper Co. was added as a petitioner in 1988.

The petitions alleged that BSS was being subsidized by the Governments of Brazil and France and that such BSS from Brazil, Canada, France, Germany, Italy, Korea, and Sweden was being sold in the United States at less than fair value (“LTFV”). Final margins found by Commerce in its respective determinations are shown in the following tabulation.

| Date of final determination | Country | Type of investigation | Margin |
|-----------------------------|---------|-----------------------|-------------------------|
| November 3, 1986 | Brazil | Antidumping | 40.62 |
| | Brazil | Countervailing duty | 3.47 ¹ |
| | Korea | Antidumping | 7.17 |
| December 3, 1986 | Canada | Antidumping | 2.51-11.54 ² |
| January 5, 1987 | France | Antidumping | 42.24 |
| | France | Countervailing duty | 7.24 |
| | Germany | Antidumping | 5.31-15.94 ³ |
| | Italy | Antidumping | 12.08 |
| | Sweden | Antidumping | 9.49 |

¹ Cash deposit or bond rate; Commerce found subsidies amounting to 6.13 percent.

² “All others” rate was 8.10 percent.

³ “All others” rate was 8.87 percent.

Source: Staff Report to the Commission on Investigations Nos. 701-TA-269-270 (Review) and 731-TA-311-317 and 379-80 (Review), March 8, 2000.

The Commission reached final affirmative determinations on December 22, 1986 (for Brazil, Canada, and Korea), and on February 19, 1987 (for France, Germany, Italy, and Sweden).⁴ Commerce issued countervailing duty orders on Brazil and France on January 8, 1987, and March 6, 1987, respectively.⁵ Commerce issued antidumping duty orders on January 12, 1987 (for Brazil, Canada, and Korea), and March 6, 1987 (for France, Germany, Italy, and Sweden).⁶

On July 20, 1987, Commerce and the Commission received petitions on behalf of the same petitioners alleging that imports of BSS from Japan and the Netherlands were being sold in the United States at LTFV. On June 21, 1988, Commerce made its final affirmative determination with respect to Japan, with margins ranging from 13.10 to 57.98 percent.⁷ On June 22, 1988, Commerce made its final affirmative determination with respect to the Netherlands, finding a margin of 16.99 percent. The Commission made its final affirmative determinations concerning Japan and the Netherlands on July 29,

⁴ *Certain Brass Sheet and Strip from Brazil, Canada, and the Republic of Korea*, Inv. Nos. 701-TA-269 (Final) and 731-TA-311, 312, and 315 (Final), USITC Publication 1930, December 1986; *Certain Brass Sheet and Strip from France, Italy, Sweden, and West Germany*, Inv. Nos. 701-TA-270 (Final) and 731-TA-313, 314, 316, and 317 (Final), USITC Publication 1951, February 1987.

⁵ 52 FR 698, January 8, 1987; 52 FR 6995, March 6, 1987.

⁶ 52 FR 1214, January 12, 1987; 52 FR 6995, March 6, 1987.

⁷ The “all others” rate was 45.72 percent. 53 FR 23296, June 21, 1988.

1988.⁸ Accordingly, antidumping duty orders were issued by Commerce on August 12, 1988, for both countries.⁹

The Commission's affirmative determination with respect to BSS from Sweden was affirmed in Granges Metallverken AB v. United States, 13 CIT 471, 716 F. Supp. 17 (1989). The Commission's affirmative determination with respect to BSS from Japan was affirmed by the Court of International Trade in Cambridge Lee Industries v. United States, 13 CIT 1052, 728 F. Supp. 748 (1989). The Commission's affirmative determination with respect to BSS from the Netherlands was affirmed in large part in Metallverken Netherland B.V. and Outokumpu Metallverken, Inc. v. United States, 13 CIT 471, 716 F. Supp. 17 (1989), and was remanded with respect to certain aspects of the determination of one Commissioner. The Commission determined on remand that an industry in the United States was being materially injured by reason of LTFV imports of BSS from Japan and the Netherlands.¹⁰ The Commission's remand results were affirmed by the Court in Metallverken Netherland B.V. and Outokumpu Metallverken, Inc. v. United States, 14 CIT 481, 744 F. Supp. 281 (1990).

The Commission instituted the first five-year reviews on February 1, 1999, and determined on May 6, 1999, that it would conduct full five-year reviews. On September 3, 1999, Commerce found that revocation of the countervailing duty orders on BSS from Brazil and France and the antidumping duty orders on BSS from Brazil, France, Italy, and Korea would likely lead to continuation or recurrence of countervailable subsidies and dumping.¹¹ The margins found, by country and type of order, are presented in the following tabulation.

| Country | Type of order | Margin (percent) |
|---------|---------------------|-----------------------------|
| Brazil | Antidumping | 40.62 |
| | Countervailing duty | Undeterminable ¹ |
| France | Antidumping | 42.24 |
| | Countervailing duty | 7.24 |
| Italy | Antidumping | 5.44 |
| Korea | Antidumping | 7.17 |

¹ Commerce stated that it was unable to determine the net countervailable subsidy likely to prevail in the event of revocation because all known countervailable programs had been terminated.

On September 13, 1999, Commerce found that revocation of the antidumping duty order on BSS from Sweden would likely lead to continuation or recurrence of dumping. Commerce found a margin of 9.49 percent for all exporters.¹² On September 14, 1999, Commerce found that revocation of the

⁸ *Certain Brass Sheet and Strip from Japan and the Netherlands*, Inv. Nos. 731-TA-379 and 380 (Final), USITC Publication 2099, July 1988.

⁹ 53 FR 30454, August 12, 1988.

¹⁰ *Certain Brass Sheet and Strip from Japan and the Netherlands*, Inv. Nos. 731-TA-379 and 380 (Final) (Remand), USITC Publication 2255, January 1990.

¹¹ 64 FR 48348 and 48367, September 3, 1999.

¹² 64 FR 49444, September 13, 1999.

antidumping duty orders on BSS from Germany and Japan would likely lead to continuation or recurrence of dumping.¹³ In the review involving Germany, Commerce found margins of 32.36 percent for Wieland-Werke AG (“Wieland”), and 7.30 percent for all other firms.¹⁴ In the review involving Japan, Commerce found margins of 13.30 percent for Sambo Copper Alloy Co., Ltd. (“Sambo Copper”), 57.98 percent for Nippon Mining Co., Mitsubishi Shindoh Co., Ltd., and Kobe Steel, Ltd., and 45.72 percent for all other firms. Finally, on November 24, 1999, and January 6, 2000, Commerce found that revocation of the antidumping duty orders on BSS from Canada and the Netherlands, respectively, would likely lead to continuation or recurrence of dumping.¹⁵ With respect to Canada, the final margins were 11.54 percent for Wolverine Tube Canada, Inc. and 8.10 percent for all other producers and/or exporters.¹⁶ With respect to the Netherlands, the final margin was 16.99 percent for Outokumpu Copper Strip B.V. and all other producers and/or exporters.

On April 18, 2000, the Commission determined that revocation of the countervailing duty orders on brass sheet and strip from Brazil and France and the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Germany, Italy, and Japan, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission further determined that revocation of the antidumping duty orders on brass sheet and strip from Korea, the Netherlands, and Sweden 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.¹⁷ Consequently, on May 1, 2000, the orders with respect to Brazil, Canada, France, Germany, Italy, and Japan were continued, and the orders with respect to Korea, the Netherlands, and Sweden were revoked.¹⁸

Table I-1 presents a summary of data from the original investigations,¹⁹ the first five-year reviews, and the current (second) reviews. Data in this table are limited to those submitted by integrated producers of BSS (basic producers), i.e., firms that cast, roll, and finish BSS. Data presented here do not include data from “rerollers,” or the rerolling operations of integrated producers.²⁰ Rerollers are firms that do not cast brass, but rather process unfinished products cast or rolled by other producers.

¹³ 64 FR 49765, September 14, 1999.

¹⁴ The margin for Wieland reflected a finding of duty absorption by Commerce. Because Commerce found that duty absorption existed on all of Wieland’s exports to the United States in the most recent administrative review, the adjusted margin was double the administrative review margin of 16.18 percent.

¹⁵ 64 FR 66165, November 24, 1999; 65 FR 735, January 6, 2000.

¹⁶ The order on Canada was revoked with respect to Ratcliffs on November 8, 1991 (56 FR 57317, November 8, 1991).

¹⁷ 65 FR 20832, April 18, 2000.

¹⁸ 65 FR 25304, May 1, 2000.

¹⁹ The data for 1983 are from Investigation Nos. 701-TA-269 and 270 (Final) and 731-TA-311 through 317 (Final), *Brass Sheet and Strip from Brazil, Canada, France, Italy, Korea, Sweden, and West Germany*, final staff report, December 9, 1986, INV-J-186. The data for 1984-87 are from the staff report to the Commission on Investigation Nos. 731-TA-379 and 380 (Final), *Certain Brass Sheet and Strip from Japan and the Netherlands*, July 18, 1988, INV-L-051. Data for 1983 are thus not strictly comparable with data for 1984-87. The data for 1984-87 are the same historical data used in the staff report to the Commission in the first five-year reviews on BSS from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, March 8, 2000.

²⁰ For the period 1999-2004, however, the financial data include the operations of both basic producers and rerollers.

Table I-1

BSS: Summary data from the original investigations, first reviews, and current reviews, 1983-87, 1997-98, and 1999-2004

(Quantity= 1,000 pounds; value= 1,000 dollars; and unit values are per pound)

| Item | 1983 | 1984 | 1985 | 1986 | 1987 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|--------------------------------|---------|---------|---------|---------|------------------|---------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| U.S. consumption quantity | 532,002 | 639,900 | 521,220 | 530,687 | 570,361 | 553,303 | 554,247 | 602,176 | 616,895 | 448,434 | 495,450 | 458,962 | 502,582 |
| Producers' share ¹ | 76.7 | 71.2 | 72.3 | 75.1 | 82.7 | 93.9 | 91.8 | 92.6 | 89.6 | 85.2 | 88.1 | 87.1 | 85.3 |
| Importers' share: ¹ | | | | | | | | | | | | | |
| Brazil | 1.9 | 2.4 | 1.5 | 1.1 | 0.1 | 0.0 | 0.0 | 0.1 | (²) | 0.0 | (²) | (²) | (²) |
| Canada | 1.8 | 2.0 | 1.4 | 0.8 | 1.2 | 0.5 | 2.4 | 0.7 | 0.8 | 1.0 | 0.3 | (²) | (²) |
| France | 1.5 | 3.6 | 2.3 | 1.6 | (²) | 0.0 | (²) | (²) | (²) | (²) | (²) | 0.0 | (²) |
| Germany | 9.7 | 10.9 | 9.4 | 8.3 | 5.2 | 0.7 | 0.9 | 0.8 | 0.9 | 0.8 | 0.8 | 0.7 | 0.5 |
| Italy | 0.7 | 1.3 | 2.0 | 1.3 | 0.5 | 0.1 | 0.1 | (²) | (²) | (²) | 0.1 | (²) | (²) |
| Japan | 4.0 | 2.8 | 3.7 | 4.3 | 3.5 | 0.6 | 0.9 | 0.8 | 0.8 | 0.8 | 0.7 | 0.6 | 0.6 |
| Subtotal | 19.6 | 23.0 | 20.3 | 17.4 | 10.5 | 1.9 | 4.3 | 2.5 | 2.4 | 2.7 | 1.9 | 1.3 | 1.2 |
| All other | 3.7 | 5.7 | 7.4 | 7.5 | 6.9 | 4.2 | 3.9 | 4.9 | 8.0 | 12.1 | 10.0 | 11.5 | 13.4 |
| Total imports | 23.3 | 28.7 | 27.7 | 24.9 | 17.4 | 6.1 | 8.2 | 7.4 | 10.4 | 14.8 | 11.9 | 12.9 | 14.7 |
| U.S. imports from-- | | | | | | | | | | | | | |
| Brazil: | | | | | | | | | | | | | |
| Quantity | 9,867 | 15,793 | 7,590 | 6,048 | 654 | 0 | 0 | 697 | 43 | 0 | 115 | 44 | 12 |
| Value | 8,618 | 13,860 | 6,735 | 5,043 | 579 | 0 | 0 | 735 | 52 | 0 | 95 | 52 | 12 |
| Unit value | \$0.87 | \$0.88 | \$0.89 | \$0.83 | \$0.89 | -- | -- | \$1.05 | \$1.20 | -- | \$0.83 | \$1.19 | \$1.02 |
| Canada: | | | | | | | | | | | | | |
| Quantity | 9,656 | 13,354 | 7,502 | 4,016 | 6,823 | 2,498 | 13,424 | 4,193 | 4,756 | 4,478 | 1,435 | 37 | 72 |
| Value | 10,020 | 13,639 | 7,554 | 3,826 | 7,344 | 4,478 | 14,335 | 5,233 | 7,693 | 5,843 | 1,528 | 44 | 172 |
| Unit value | \$1.04 | \$1.02 | \$1.01 | \$0.95 | \$1.08 | \$1.79 | \$1.07 | \$1.25 | \$1.62 | \$1.31 | \$1.06 | \$1.20 | \$2.39 |
| France: | | | | | | | | | | | | | |
| Quantity | 7,990 | 22,952 | 11,775 | 8,328 | 47 | 0 | 83 | 81 | 41 | 54 | (³) | 0 | 142 |
| Value | 6,592 | 19,193 | 9,973 | 7,402 | 43 | 0 | 120 | 99 | 53 | 62 | 4 | 0 | 231 |
| Unit value | \$0.83 | \$0.83 | \$0.85 | \$0.89 | \$0.91 | -- | \$1.46 | \$1.23 | \$1.29 | \$1.15 | \$350.99 | -- | \$1.62 |

Table continued on next page.

Table I-1--Continued

BSS: Summary data from the original investigations, first reviews, and current reviews, 1983-87, 1997-98, and 1999-2004

(Quantity=1,000 pounds; value=1,000 dollars; and unit values are per pound)

| Item | 1983 | 1984 | 1985 | 1986 | 1987 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|-------------------------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|---------|
| U.S. imports from-- | | | | | | | | | | | | | |
| Germany: | | | | | | | | | | | | | |
| Quantity ⁴ | 51,850 | 69,525 | 48,913 | 44,229 | 29,392 | 4,117 | 4,978 | 4,575 | 5,272 | 3,665 | 4,044 | 3,006 | 2,648 |
| Value ⁴ | 50,656 | 68,357 | 49,888 | 44,810 | 31,351 | 6,469 | 6,785 | 5,983 | 7,399 | 5,350 | 5,079 | 4,317 | 4,464 |
| Unit value ⁴ | \$0.98 | \$0.98 | \$1.02 | \$1.01 | \$1.07 | \$1.57 | \$1.36 | \$1.31 | \$1.40 | \$1.46 | \$1.26 | \$1.44 | \$1.69 |
| Italy: | | | | | | | | | | | | | |
| Quantity | 3,749 | 8,444 | 10,502 | 7,031 | 3,107 | 648 | 564 | 297 | 296 | 178 | 287 | 114 | 182 |
| Value | 3,406 | 8,077 | 10,946 | 6,613 | 3,193 | 1,074 | 901 | 395 | 456 | 278 | 445 | 218 | 364 |
| Unit value | \$0.91 | \$0.96 | \$1.04 | \$0.94 | \$1.03 | \$1.66 | \$1.60 | \$1.33 | \$1.54 | \$1.56 | \$1.55 | \$1.90 | \$2.00 |
| Japan: | | | | | | | | | | | | | |
| Quantity | 21,233 | 17,934 | 19,194 | 22,919 | 19,968 | 3,527 | 4,945 | 4,994 | 4,666 | 3,672 | 3,547 | 2,824 | 3,163 |
| Value | 20,800 | 18,672 | 19,706 | 22,128 | 21,328 | 7,009 | 8,521 | 9,156 | 9,204 | 6,599 | 5,979 | 4,876 | 6,620 |
| Unit value | \$0.98 | \$1.04 | \$1.03 | \$0.97 | \$1.07 | \$1.99 | \$1.72 | \$1.83 | \$1.97 | \$1.80 | \$1.69 | \$1.73 | \$2.09 |
| Subtotal: | | | | | | | | | | | | | |
| Quantity | 104,345 | 148,002 | 105,476 | 92,571 | 59,991 | 10,790 | 23,994 | 14,837 | 15,074 | 12,046 | 9,428 | 6,025 | 6,218 |
| Value | 100,092 | 141,798 | 104,802 | 89,822 | 63,838 | 19,030 | 30,662 | 21,602 | 24,857 | 18,132 | 13,129 | 9,507 | 11,863 |
| Unit value | \$0.96 | \$0.96 | \$0.99 | \$0.97 | \$1.06 | \$1.76 | \$1.28 | \$1.46 | \$1.65 | \$1.51 | \$1.39 | \$1.58 | \$1.91 |
| All other sources: | | | | | | | | | | | | | |
| Quantity | 19,738 | 36,041 | 39,063 | 39,542 | 38,954 | 22,896 | 21,311 | 29,526 | 49,097 | 54,121 | 49,501 | 52,975 | 67,425 |
| Value | 20,266 | 37,740 | 39,433 | 37,597 | 39,509 | 31,404 | 25,606 | 32,854 | 57,742 | 64,254 | 56,168 | 62,242 | 101,568 |
| Unit value | \$1.03 | \$1.05 | \$1.01 | \$0.95 | \$1.01 | \$1.37 | \$1.20 | \$1.11 | \$1.18 | \$1.19 | \$1.13 | \$1.17 | \$1.51 |
| All sources: | | | | | | | | | | | | | |
| Quantity | 124,083 | 184,043 | 144,539 | 132,113 | 98,945 | 33,686 | 45,305 | 44,363 | 64,171 | 66,167 | 58,930 | 58,999 | 73,643 |
| Value | 120,358 | 179,538 | 144,235 | 127,419 | 103,347 | 50,434 | 56,268 | 54,456 | 82,599 | 82,386 | 69,297 | 71,749 | 113,431 |
| Unit value | \$0.97 | \$0.98 | \$1.00 | \$0.96 | \$1.04 | \$1.50 | \$1.24 | \$1.23 | \$1.29 | \$1.25 | \$1.18 | \$1.22 | \$1.54 |

Table continued on next page.

Table I-1--Continued

BSS: Summary data from the original investigations, first reviews, and current reviews, 1983-87, 1997-98, and 1999-2004

(Quantity=1,000 pounds; value=1,000 dollars; and unit values are per pound)

| Item | 1983 | 1984 | 1985 | 1986 | 1987 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| U.S. producers ¹ -- | | | | | | | | | | | | | |
| Capacity | 604,838 | 616,695 | 586,327 | 549,364 | 543,176 | 653,987 | 715,429 | 634,779 | 644,373 | 587,613 | 628,599 | 598,991 | 606,983 |
| Production | 411,929 | 455,783 | 382,206 | 404,681 | 462,286 | 545,128 | 514,907 | 573,981 | 558,227 | 387,191 | 446,192 | 407,574 | 441,125 |
| Capacity utilization ¹ | 68.1 | 73.9 | 65.2 | 73.7 | 85.1 | 83.4 | 72.0 | 90.4 | 86.6 | 65.9 | 71.0 | 68.0 | 72.7 |
| U.S. shipments: ⁵ | | | | | | | | | | | | | |
| Quantity | 407,919 | 455,857 | 376,681 | 398,574 | 471,416 | 519,617 | 508,942 | 557,813 | 552,724 | 382,267 | 436,520 | 399,963 | 428,939 |
| Value | 326,224 | 319,070 | 273,973 | 275,359 | 350,229 | 597,821 | 525,158 | 579,105 | 623,848 | 434,505 | 476,451 | 447,739 | 592,521 |
| Export shipments: | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | 22,473 | 7,736 | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | 26,266 | 6,741 | *** | *** | *** | *** | *** | *** |
| Production workers | 1,728 | 1,745 | 1,435 | 1,472 | 1,481 | 2,838 | 2,829 | 1,560 | 1,466 | 1,281 | 1,348 | 1,308 | 1,203 |
| Hours worked (000) | 3,568 | 3,728 | 2,891 | 3,201 | 3,225 | 4,337 | 4,206 | 3,433 | 3,250 | 2,695 | 2,855 | 2,719 | 2,624 |
| Net sales (value) ⁶ | *** | 343,561 | 278,123 | 278,108 | 352,874 | 628,162 | 536,197 | 659,604 | 710,815 | 502,923 | 538,653 | 498,797 | 662,630 |
| COGS ⁶ | *** | 304,472 | 254,290 | 262,453 | 319,609 | 566,529 | 477,976 | 585,341 | 634,186 | 468,186 | 497,114 | 460,339 | 625,773 |
| Gross profit or (loss) ⁶ | *** | 39,089 | 23,833 | 15,655 | 33,265 | 61,633 | 58,221 | 74,263 | 76,629 | 34,737 | 41,539 | 38,458 | 36,857 |
| Operating income or (loss) ⁶ | *** | 19,236 | 2,092 | (9,124) | 6,828 | 28,121 | 23,590 | 48,933 | 43,709 | 5,340 | 9,961 | 9,423 | 14,236 |
| Operating income or (loss)/sales ¹ | *** | 5.6 | 0.8 | (3.3) | 1.9 | 4.5 | 4.4 | 7.4 | 6.1 | 1.1 | 1.8 | 1.9 | 2.1 |

¹ In percent.

² Less than 0.05 percent.

³ Less than 500 pounds.

⁴ Based on information provided by German interested parties and by U.S. Customs and Border Protection ("Customs"), it appears that only a small portion of the official Commerce statistics for imports of brass sheet and strip from Germany is accounted for by C20000-series BSS.

⁵ Average unit values for U.S. shipments are not presented because U.S. shipments include both toll shipments and nontoll shipments.

⁶ Financial data for the original investigations and the first reviews include data only from basic producers; financial data for the current reviews include data from both basic producers and rerollers.

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

Note.--The data for 1983 are from Investigation Nos. 701-TA-269 and 270 (Final) and 731-TA-311 through 317 (Final), *Brass Sheet and Strip from Brazil, Canada, France, Italy, Korea, Sweden, and West Germany*, final staff report, December 9, 1986, INV-J-186. The data for 1984-87 are from the staff report to the Commission on Investigation Nos. 731-TA-379 and 380 (Final), *Certain Brass Sheet and Strip from Japan and the Netherlands*, July 18, 1988, INV-L-051. Data for 1983 are thus not strictly comparable with data for 1984-87. The data for 1984-87 are the same historical data used in the staff report to the Commission in the first five-year reviews on BSS from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, March 8, 2000.

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

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Section 751(c) of the Act requires the Department of Commerce (“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.”

Information obtained during the course of these reviews that relates to the above factors is presented throughout this report. A summary of data collected in these reviews is presented in appendix C. U.S. industry data are based on questionnaire responses of eight firms (see table I-3) that accounted for virtually all U.S. production of BSS during the review period. U.S. import data are based on official Commerce statistics. Responses by U.S. producers, importers, purchasers, and foreign producers of BSS to a series of questions concerning the significance of the existing countervailing duty orders and the antidumping duty orders and the likely effects of revocation are presented in appendix D. Foreign producers’ comments regarding changes in factors affecting supply are also presented in appendix D.

COMMERCE’S RESULTS OF EXPEDITED REVIEWS

Dumping Margins Applicable to Subject Countries Other Than Germany

On August 8, 2005, Commerce determined that revocation of the antidumping duty orders on BSS from Brazil, Canada, France, Italy, and Japan would likely lead to the continuation or recurrence of dumping.²¹ Commerce has not issued duty absorption determinations with respect to these orders. The weighted-average dumping margins (in percent *ad valorem*), as reported by Commerce, that would occur if the antidumping duty orders were to be revoked, are presented in the following tabulation.

²¹ Commerce’s notice is presented in app. A.

| Country and firm | Weighted-average margin (percent) |
|---------------------------------|-----------------------------------|
| Brazil: | |
| Eluma Corporation | 40.62 |
| All others | 40.62 |
| Canada: | |
| Wolverine Tube, Inc. | 11.54 |
| All others | 8.10 |
| France: | |
| Trefimetaux S.A. | 42.24 |
| All others | 42.24 |
| Italy: | |
| LMI-La Metalli Industriale, SpA | 5.44 |
| All others | 5.44 |
| Japan: | |
| Nippon Mining Co., Ltd. | 57.98 |
| Sambo Copper Alloy Co., Ltd. | 13.30 |
| Mitsubishi Shindoh Co., Ltd. | 57.98 |
| Kobe Steel, Ltd. | 57.98 |
| All others | 45.72 |

Countervailable Subsidy in Brazil

On November 4, 2005, Commerce determined that revocation of the countervailing duty order on BSS from Brazil would likely lead to the continuation or recurrence of a countervailable subsidy.²² However, as a result of the termination of all known countervailable programs, Commerce was unable to determine the net countervailable subsidy likely to prevail.

COMMERCE'S RESULTS OF FULL REVIEWS

Countervailable Subsidy in France and Dumping Margins Applicable to Germany

On March 2, 2006, Commerce determined that revocation of the countervailing duty order on BSS from France would not likely lead to the continuation or recurrence of a countervailable subsidy. Commerce, therefore, revoked the countervailing duty order on BSS from France.²³

²² Commerce's notice is presented in app. A.

²³ Commerce's notice is presented in app. A.

On January 26, 2006, Commerce determined that revocation of the antidumping duty order on BSS from Germany would likely lead to the continuation or recurrence of dumping.²⁴ The weighted-average dumping margins (in percent *ad valorem*) that would occur if the antidumping duty order were to be revoked are 3.81 for Wieland and 7.30 for all others. Commerce has not issued a duty absorption determination with respect to this order.

COMMERCE'S ADMINISTRATIVE REVIEWS

Brazil

Commerce has conducted one administrative review of the countervailing duty order on BSS from Brazil, as shown in the following tabulation. Commerce has not completed any administrative reviews of the antidumping duty order with regard to BSS from Brazil.

| Period of review | Date results published | Margin (<i>percent</i>) |
|--------------------------------------|--------------------------------|---------------------------|
| January 1, 1990 to December 31, 1990 | November 6, 1991 (56 FR 56631) | 0 |

²⁴ Commerce's notice is presented in app. A.

Canada

Commerce has conducted ten administrative reviews of the antidumping duty order on BSS from Canada, as shown in the following tabulation.

| Period of review | Date results published | Firms and margins (<i>percent</i>) | |
|--|----------------------------------|--------------------------------------|-------------------|
| August 22, 1986 to December 31, 1987 | August 2, 1990 (55 FR 31414) | Arrowhead | 5.7 |
| | | Noranda | 21.32 |
| | | Ratcliffs | 0.04 |
| January 1, 1988 to December 31, 1988 | August 2, 1990 (55 FR 31414) | Ratcliffs | 0 |
| January 1, 1989 to December 31, 1989 | November 8, 1991 (56 FR 57317) | Ratcliffs | 0.46 |
| January 1, 1990 to December 31, 1990 | May 13, 1992 (57 FR 20460) | Wolverine | 21.32 |
| January 1, 1992 to December 31, 1992 | September 26, 1995 (60 FR 49582) | Wolverine | 25.49 |
| January 1, 1994 to December 31, 1994 | September 4, 1996 (61 FR 46618) | Wolverine | 0 |
| January 1, 1995 to December 31, 1995 | April 8, 1997 (62 FR 16759) | Wolverine | 0.22 |
| January 1, 1996 to December 31, 1996 | June 17, 1998 (63 FR 33037) | Wolverine | 0.67 ¹ |
| January 1, 1997 to December 31, 1997 | August 25, 1999 (64 FR 46344) | Wolverine | 0.83 ² |
| January 1, 1998 to December 31, 1998 | June 15, 2000 (65 FR 37520) | Wolverine Tube (Canada) Inc. | 3.38 |
| ¹ Amended rate (65 FR 10048). ² Amended rate (65 FR 280). | | | |

France

Commerce has not completed any administrative reviews of either the countervailing duty order or the antidumping duty order with regard to BSS from France.

Germany

Commerce has conducted eight administrative reviews of the antidumping duty order on BSS from Germany, as shown in the following tabulation.

| Period of review | Date results published | Margins (percent) |
|--|----------------------------------|--------------------------|
| August 22, 1986 to February 29, 1988 | November 27, 1991 (56 FR 60087) | 14.65 ¹ |
| March 1, 1990 to February 28, 1991 | July 27, 1995 (60 FR 38542) | 2.57 ² |
| March 1, 1991 to February 29, 1992 | July 27, 1995 (60 FR 38542) | 2.37 ² |
| March 1, 1992 to February 28, 1993 | July 27, 1995 (60 FR 38542) | 0.46 |
| March 1, 1993 to February 28, 1994 | July 25, 1995 (60 FR 38031) | 0.495 |
| March 1, 1994 to February 28, 1995 | September 23, 1996 (61 FR 49727) | 0 |
| March 1, 1996 to February 28, 1997 | August 11, 1998 (63 FR 42823) | 16.18 |
| March 1, 1997 to February 28, 1998 | August 10, 1999 (64 FR 43342) | 16.18 |
| ¹ Most recently amended rate (62 FR 38256). ² Amended rate (61 FR 18720). | | |

Italy

Commerce has conducted three administrative reviews of the antidumping duty order on BSS from Italy, as shown in the following tabulation.

| Period of review | Date results published | Margins (percent) |
|--------------------------------------|---------------------------------|--------------------------|
| August 22, 1986 to February 29, 1988 | March 17, 1992 (57 FR 9235) | 9.49 |
| March 1, 1989 to February 28, 1990 | March 17, 1992 (57 FR 9235) | 4.70 |
| March 1, 1991 to February 29, 1992 | November 23, 1992 (57 FR 54969) | 9.49 |

Japan

Commerce has not completed any administrative reviews of the antidumping duty order on BSS from Japan.

DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

Under the provisions of the Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”), commonly known as the “Byrd Amendment,” duties assessed pursuant to an antidumping or countervailing duty order are distributed on an annual basis by Customs to “affected domestic firms.”²⁵ Since the enactment of the CDSOA, one U.S. producer of BSS and one union have received fiscal year disbursements as shown in the following tabulation.

| Item | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---------|---------|---------|---------|--------|
| U.S. dollars (actual) | | | | | |
| Olin Brass | 622,124 | 966,172 | 269,921 | 122,166 | 75,946 |
| United Steelworkers of America | 4,131 | 8,675 | 603 | 193 | 130 |
| Source: Compiled from Customs CDSOA <i>Annual Reports</i> . Retrieved at www.cbp.gov/xp/cgov/import/add_cvd/ . | | | | | |

These disbursements, broken out by country, are shown in the following tabulation.

| Item | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---------|---------|---------|--------|--------|
| U.S. dollars (actual) | | | | | |
| Brazil | 0 | 0 | 0 | 0 | 0 |
| Canada | 139,543 | 431,979 | 146,022 | 992 | 4,298 |
| France | 0 | 0 | 2,458 | 333 | 0 |
| Germany | 82,243 | 7,089 | 17,741 | 1,568 | 5,062 |
| Italy | 64,280 | 0 | 0 | 19,949 | 0 |
| Japan | 340,189 | 535,779 | 104,303 | 99,517 | 66,716 |
| Source: Compiled from Customs CDSOA <i>Annual Reports</i> . Retrieved at www.cbp.gov/xp/cgov/import/add_cvd/ . | | | | | |

THE SUBJECT PRODUCT

The imported product subject to the countervailing duty and antidumping duty orders under review, as defined by Commerce, is BSS, other than leaded and tinned BSS. The chemical composition of the covered product is currently defined in the Copper Development Association (CDA) 200 Series or the Unified Numbering System (UNS) C20000. These orders do not cover products the chemical compositions of which are defined by other CDA or UNS series. In physical dimensions, the product covered by these orders has a solid rectangular cross section over 0.006 inches (0.15 millimeters) through 0.188 inches (4.8 millimeters) in finished thickness or gauge, regardless of width. Coiled, wound-on-reels (traverse wound), and cut-to-length products are included. The merchandise is currently provided for under Harmonized Tariff Schedule of the United States (HTS) subheadings 7409.21.00 and

²⁵ Under the provisions of the CDSOA (19 U.S.C. 1675(c)), the term “affected domestic producer” refers to any producer or worker representative that (1) was a petitioner or interested party in support of the petition leading to imposition of an antidumping or countervailing duty order, or antidumping finding, and (2) remains in operation.

7409.29.00.²⁶ BSS entered under HTS subheadings 7409.21.00 and 7409.29.00 has a normal trade relations duty of 1.9 percent *ad valorem*, applicable to Brazil, France, Germany, Italy, and Japan. BSS entered from Canada is eligible for duty-free entry under the North American Free Trade Agreement, upon proper importer claim. Eligible products of Brazil may enter free of duty under the Generalized System of Preferences under both subheadings, also upon proper importer claim.

Physical Characteristics and Uses²⁷

The subject product is wrought²⁸ sheet and strip of brass,²⁹ of solid rectangular cross section, over 0.006 inch (0.15 millimeters) but not over 0.188 inch (4.8 millimeters) in thickness,³⁰ in coils or cut to length, whether or not corrugated or crimped, but not cut, pressed, or stamped to non-rectangular shape, meeting the composition specifications of the UNS C20000 series or the CDA 200 series.³¹ The chief characteristics of C20000 series BSS are ease of manufacture because of excellent forming and drawing properties, attractive surface appearance, fair electrical conductivity, good corrosion resistance, and good strength. The generally accepted industry distinction between brass sheet and brass strip is that brass strip consists of brass that is coiled or wound on reels of whatever gauge and width, and brass sheet consists of brass that is no longer coiled or wound but has been cut to length.

BSS end uses include electronics, automotive parts, apparel fasteners, cablewrap, eyelets, jewelry and other ornamentation, building and lock hardware, radiators, transportation equipment, coinage, medical devices, ammunition, telecommunications equipment, electronic terminals, household products, industrial machinery and equipment, stampers and component parts, and miscellaneous industrial applications. BSS is also used to make welded tube, which is an intermediate product.

²⁶ 70 FR 45650, August 8, 2005.

²⁷ The following discussion is from the first five-year reviews, unless otherwise noted. *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Publication 3290, April 2000, pp. I-15-I-16.

²⁸ The term “wrought” refers to products that have been rolled, forged, drawn, or extruded, and also refers to cast or sintered products that have been machined or processed otherwise than by simple trimming, scalping, or descaling. These products, however, are not sufficiently machined or processed to cause them to be treated as articles of brass.

²⁹ Brass is an alloy of copper (not including nickel silver) in which zinc is the principal alloying element, with or without small quantities of other elements. There are three general categories of brasses: copper-zinc alloys (brasses) covered by the UNS C20000 series; copper-zinc-lead alloys (leaded brasses) covered by the UNS C30000 series; and copper-zinc-tin alloys (tin brasses) covered by the UNS C40000 series. According to the Copper Development Association, the UNS C20000 series represents the bulk (roughly 90 percent, and most of this is 26000 series “cartridge brass,” which is 70 percent copper and 30 percent zinc) of U.S. production of BSS. In the original investigations, petitioners stated that leaded and tin brasses are essentially not competitive with UNS C20000 series brasses.

³⁰ Gauges of 0.006 inch and below are considered foil, and gauges over 0.188 inch are considered plate.

³¹ The UNS is managed jointly by the American Society for Testing and Materials (“ASTM”) and the Society of Automotive Engineers (“SAE”).

Manufacturing Process³²

The manufacturing process for BSS consists of casting, rolling, and finishing operations. Prior to casting, copper, zinc, and other metal raw materials (in unwrought or scrap form) are acquired by purchase or through a “tolling” arrangement whereby customers provide the raw materials and pay a fee for converting the materials into sheet and strip. Scrap is also obtained from captive operations, from scrap dealers or scrap brokers, or from customers in buy-back arrangements.

In the most common casting process, the raw materials³³ are melted in a furnace and then cast into ingots measuring 5 to 9 inches thick, 26 to 30 inches wide, and 25 feet long, and weighing over 10,000 pounds. Rolling consists of reducing the material’s thickness by a succession of passages through heavy steel rollers. The first rolling, called hot-breakdown rolling, takes place when the metal is heated, and rolls it down to a thickness of less than 0.5 inch. The material is then allowed to cool and is coil milled to eliminate surface irregularities and remove oxides. While cool, it is again rolled (in a process called cold-breakdown rolling) to reduce its thickness to 0.188 inch or less. The product may then undergo a number of finishing operations, such as cleaning, annealing,³⁴ slitting (cutting to smaller widths), coating, or tinning,³⁵ depending on customer specifications. It is then packed and shipped, usually in coiled form, although it may be cut to length. The typical process used by downstream industries to fabricate products from BSS is stamping, whereby the material is punched with a die to form the desired shape.

³² The following discussion is from the first five-year reviews, unless otherwise noted. *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Publication 3290, April 2000, pp. I-15-I-16.

³³ Raw materials include copper cathodes, super high-grade zinc ingots, and high-grade brass scrap. When the mix is remelted in a furnace, a sample will be taken to determine composition and quality. It then proceeds to a holding furnace before being poured into a rectangular mold. The mold is then cooled with water and solidifies to form 25-foot ingots. Most brass ingots are produced using this method; however, newer vertical casting technology allows creation of near-continuous cast operations utilizing the direct chill technique. This overall procedure will vary for each alloy of brass produced, in terms of the melt-down temperature, the type of cast, the cover used on the molds, the “drop rate,” and the degree of cooling desired. ***.

³⁴ According to a brochure on the production process published by Olin Corp., in order to allow continued cold reduction or to soften the metal for forming, it is necessary to anneal (or temper) the metal by heating. In strip annealing, a coil of metal is unwound and fed continuously through a furnace. It is then cleaned, dried, and recoiled in line with the furnace. In the bell annealing process, coils of metal are placed on a platform and covered by a retort or bell; the metal is then heated in a protective atmosphere by a furnace placed over the bell. The choice of annealing process is determined by such factors as strip thickness, alloy, and final product specifications.

³⁵ Tinning, or coating brass with tin, can be done in two ways: by dipping brass into molten tin (“hot-dip”), or by dipping it and then running an electro-magnetic current through the bath in order for the tin to adhere in a more even way (“electro-reverse corrosion”). With hot-dip methods, the tin must be made even on the brass once the brass is pulled out of the molten tin. There are two ways of doing this: by wiping the surface with metal knives (“mechanical wiping”) or by spraying hot air on the surface. The hot-air method is sometimes called HALT (hot air levelled tin). European manufacturers generally favor the hot-dip/air-dry method, according to the CDA. Electro-reverse corrosion tinning results in tin adhering more evenly to the brass, but in time can form a problem called “whiskering,” when hairs of tin develop on the surface, ultimately conducting their own currents. The method of preventing whiskering is “reflow” tinning: electrocoating and then heating the tinned piece so that the tin on the surface becomes liquid again and pools. This removes whiskering, and it also gives the tinned piece a very shiny mirror-like surface. Japanese manufacturers, in particular, use this method, according to the CDA, and Toyota and Honda use reflow-tinned copper in their cars. Few American manufacturers use electrocoating production, preferring hot-dipped methods, but some that supply Japanese car companies use the reflow-tin method.

Channels of Distribution

Information relating to U.S. producers' and importers' U.S. shipments of BSS by channels of distribution is shown in table I-2. During the review period, roughly *** of U.S. producers' U.S. shipments of BSS went to end users, and ***. ***.

Table I-2

BSS: Channels of distribution for U.S. producers' and U.S. importers' U.S. shipments, 1999-2004, January-September 2004, and January-September 2005

| Item | Calendar year | | | | | | Jan.-Sept. | |
|--|---------------|------|------|------|------|------|------------|------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Share of quantity (percent) | | | | | | | | |
| U.S. producers' U.S. shipments-- | | | | | | | | |
| To rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| To distributors | *** | *** | *** | *** | *** | *** | *** | *** |
| To end users | *** | *** | *** | *** | *** | *** | *** | *** |
| U.S. importers' U.S. shipments from subject countries-- | | | | | | | | |
| To rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| To distributors | *** | *** | *** | *** | *** | *** | *** | *** |
| To end users | *** | *** | *** | *** | *** | *** | *** | *** |
| U.S. importers' U.S. shipments from nonsubject countries-- | | | | | | | | |
| To rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| To distributors | *** | *** | *** | *** | *** | *** | *** | *** |
| To end users | *** | *** | *** | *** | *** | *** | *** | *** |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | | | |

Interchangeability, Customer and Producer Perceptions, and Price

Information on the interchangeability of BSS from U.S. producers and subject and nonsubject sources, and on customer and producer perceptions, is presented in Part II of this report. Information on the pricing of BSS is presented in Part V.

DOMESTIC LIKE PRODUCT FINDINGS

In its original countervailing duty determinations concerning BSS from Brazil and France, and antidumping duty determinations concerning BSS from Brazil, Canada, France, Germany, Italy, Korea, and Sweden, the Commission found one like product to include brass material to be re-rolled (reroll) and

finished BSS (finished products).³⁶ In its original antidumping duty determinations³⁷ concerning BSS from Japan and the Netherlands, the Commission found the like product to be all UNS C20000 domestically produced BSS. In the first five-year reviews, the Commission found that the definition of the domestic like product remained unchanged from that in the original determinations.³⁸ In response to the Commission's notice of institution for these second five-year reviews, petitioners did not comment on the definition of the domestic like product set forth in the previous investigations' determinations.³⁹ Counsel for German respondents also did not comment on the definition of the domestic like product.⁴⁰

U.S. MARKET PARTICIPANTS

U.S. Producers

The Commission sent producers' questionnaires to nine firms, which accounted for virtually all U.S. production of BSS during the period of review. Eight of these firms provided responses.⁴¹ Four firms are basic producers of BSS; three firms are rerollers of BSS; and one firm is a basic producer and a reroller of BSS.⁴² Table I-3 presents the list of U.S. producers with each company's U.S. production location(s), share of U.S. production in 2004, and position on the continuation of the countervailing duty orders and the antidumping duty orders.

³⁶ *Certain Brass Sheet and Strip from Brazil, Canada, and the Republic of Korea*, Inv. Nos. 701-TA-269 (Final) and 731-TA-311, 312, and 315 (Final), USITC Publication 1930, December 1986, p. 9; *Certain Brass Sheet and Strip from France, Italy, Sweden, and West Germany*, Inv. Nos. 701-TA-270 (Final) and 731-TA-313, 314, 316, and 317 (Final), USITC Publication 1951, February 1987, p. 10.

³⁷ *Certain Brass Sheet and Strip from Japan and the Netherlands*, Inv. Nos. 731-TA-379 and 380 (Final), USITC Publication 2099, July 1988, p. 10.

³⁸ *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Publication 3290, April 2000, p. 7.

³⁹ Domestic interested parties' submission of May 23, 2005.

⁴⁰ German interested parties' submission of May 23, 2005.

⁴¹ The ninth firm, Hussey Copper Ltd., ceased production of BSS in 1999.

⁴² A basic producer casts, rolls, and finishes BSS. A reroller purchases intermediate-to-heavy gauge BSS for additional processing (which includes at least a series of rolling and annealing steps) into finished (final gauge) BSS.

Table I-3

BSS: U.S. producers, type of producer, U.S. production locations, shares of U.S. production in 2004, and positions on the continuation of the countervailing duty orders and the antidumping duty orders

| Firm | Type of producer | Production location(s) | Share of 2004 production ¹ (percent) | Position on continuation of the orders |
|---|-----------------------------|---|---|--|
| Eagle Brass Co. | Reroller | Leesport, PA | *** | Support |
| Heyco Metals | Reroller | Reading, PA | *** | Support |
| Olin Brass | Basic producer | East Alton, IL Waterbury, CT Bryan, OH Seymour, CT | *** | Support |
| Outokumpu American Brass | Basic producer | Buffalo, NY | *** | Support |
| PMX Industries | Basic producer | Cedar Rapids, IA | *** | Support |
| Revere Copper Products | Basic producer | Rome, NY | *** | Support |
| Scott Brass | Basic producer and reroller | Cranston, RI Mishawaka, IN New Carlisle, IN | *** | Support |
| Wieland Metals | Reroller | Wheeling, IL | *** | Oppose |
| ¹ Includes rerolled product. Source: Compiled from data submitted in response to Commission questionnaires. | | | | |

All the domestic producers other than Wieland Metals are “domestic interested parties” in these reviews. Included in the domestic interested parties are the International Association of Machinists and Aerospace Workers (“IAMAW”), Upper Marlboro, MD; the United Auto Workers (“UAW”) (Local 1024), Waterloo, IA; the UAW (Local 2367), Rome, NY; and the United Steelworkers of America (AFL-CIO/CLC) (“USW”), Pittsburgh, PA. The large majority of workers at Olin Brass (“Olin”) is affiliated with the IAMAW and a minority is affiliated with the USW. Workers at Outokumpu American Brass (“OAB”) are affiliated with the USW, workers at PMX Industries (“PMX”) are affiliated with the UAW (Local 1024), and workers at Revere Copper Products (“Revere”) are affiliated with the UAW (Local 2367).

Changes have occurred in the industry over the past 20 years. Eight producers of BSS (American Brass; Bridgeport Brass Corp.; Chase Brass and Copper Co. (“Chase Brass”); Hussey Copper Ltd.; The Miller Co.; North Coast Brass & Copper Co. (“North Coast”); Olin; and Revere) were petitioners in the original investigations. Chase Brass, The Miller Co., and North Coast had gone out of business or had ceased production of BSS by the time of the first reviews.⁴³ Hussey Copper Ltd. ceased

⁴³ Two other U.S. producers of BSS at the time of the original investigations (APD-Quincy Brass Mill and Plume & Atwood) had also gone out of business or had ceased production of BSS by the time of the first reviews. *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Pub. 3290, April 2000, p. I-20.

production of BSS in 1999.⁴⁴ Olin purchased Bridgeport Brass Corp. in 1988. In 1990, American Brass was purchased by Outokumpu Copper Products Oy of Finland (“Outokumpu”), which continued to operate it as a wholly owned subsidiary (OAB).⁴⁵ The only completely new basic producer of BSS since the time of the original investigations is PMX. This firm, established as a greenfield operation in Cedar Rapids, IA, in 1992, is owned by Poongsan Corp., Seoul, Korea, a Korean producer.⁴⁶ Wieland Metals began rerolling of BSS in 1987.⁴⁷ It is owned by a German producer and exporter of BSS, Wieland.⁴⁸ Eagle Brass Co. (“Eagle Brass”) began operations in 1990.⁴⁹ OAB closed a plant in Kenosha, WI, in 1999, and in December 2002, Olin announced the closure of its fully integrated Indianapolis plant due to a prolonged reduction in market demand which resulted in excess capacity.⁵⁰ In June 2005, Outokumpu sold its fabricated copper products business, which includes OAB, to Nordic Capital. OAB is reportedly allowed to operate under the Outokumpu Copper Products name for approximately a year after the sale.⁵¹ In January 2006, Olin announced the closure of its Waterbury rolling mill facility in Waterbury, CT, and the consolidation of its production activities into its East Alton, IL, mill.⁵²

U.S. Importers

For these second five-year reviews, counsel for petitioners identified 39 importers believed to be importing BSS from Brazil, Canada, France, Germany, Italy, and Japan.⁵³ The Commission identified another 14 importers through proprietary Customs data that may have imported BSS from the subject countries during the period. The Commission sent importer questionnaires to all of these importers, as well as to all U.S. producers. Useable responses were received from 12 of these firms. Sixteen firms reported that they had not imported BSS during the period of review.

U.S. Purchasers

Staff mailed 78 purchaser questionnaires. In response, 29 purchasers supplied useable data.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table I-4 presents apparent U.S. consumption of BSS for the review period, and table I-5 presents U.S. market shares. Apparent U.S. consumption of BSS decreased irregularly during the period, from 602.2 million pounds in 1999 to 502.6 million pounds in 2004. Apparent consumption declined by

⁴⁴ Domestic interested parties’ submission of May 23, 2005, p. 17.

⁴⁵ OAB has a sister company, Outokumpu Copper Strip B.V., which is a producer and exporter of BSS in the Netherlands. ***.

⁴⁶ *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Publication 3290, April 2000, p. I-20.

⁴⁷ Retrieved at <http://www.wielandus.com>.

⁴⁸ German interested parties’ submission of May 23, 2005.

⁴⁹ ***.

⁵⁰ ***.

⁵¹ *Outokumpu to sell its fabricated copper products business to Nordic Capital*, Outokumpu Copper press release, www.outokumpucopper.com, retrieved October 13, 2005.

⁵² *Olin announces fourth quarter 2005 results*, Olin press release, www.olin.com, retrieved February 1, 2006.

⁵³ Domestic interested parties’ submission of May 23, 2005, exh. 2.

Table I-4

BSS: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 1999-2004, January-September 2004, and January-September 2005

| Item | Calendar year | | | | | | Jan.-Sept. | |
|--|---------------|---------|---------|------------------|---------|---------|------------|---------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Quantity (1,000 pounds) | | | | | | | | |
| U.S. producers' U.S. shipments | 557,813 | 552,724 | 382,267 | 436,520 | 399,963 | 428,939 | 337,473 | 298,001 |
| U.S. imports from-- | | | | | | | | |
| Brazil | 697 | 43 | 0 | 115 | 44 | 12 | 12 | 0 |
| Canada ¹ | 4,193 | 4,756 | 4,478 | 1,435 | 37 | 72 | 52 | 18 |
| France | 81 | 41 | 54 | (²) | 0 | 142 | 113 | 33 |
| Germany ³ | 4,575 | 5,272 | 3,665 | 4,044 | 3,006 | 2,648 | 1,948 | 1,736 |
| Italy | 297 | 296 | 178 | 287 | 114 | 182 | 123 | 160 |
| Japan | 4,994 | 4,666 | 3,672 | 3,547 | 2,824 | 3,163 | 2,591 | 2,165 |
| Subtotal ¹ | 14,837 | 15,074 | 12,046 | 9,428 | 6,025 | 6,218 | 4,840 | 4,112 |
| All other sources | 29,526 | 49,097 | 54,121 | 49,501 | 52,975 | 67,425 | 50,479 | 43,600 |
| Total imports | 44,363 | 64,171 | 66,167 | 58,930 | 58,999 | 73,643 | 55,318 | 47,712 |
| Apparent consumption | 602,176 | 616,895 | 448,434 | 495,450 | 458,962 | 502,582 | 392,791 | 345,713 |
| Value (\$1,000) | | | | | | | | |
| U.S. producers' U.S. shipments | 579,105 | 623,848 | 434,505 | 476,451 | 447,739 | 592,521 | 463,234 | 481,621 |
| U.S. imports from-- | | | | | | | | |
| Brazil | 735 | 52 | 0 | 95 | 52 | 12 | 12 | 0 |
| Canada ¹ | 5,233 | 7,693 | 5,843 | 1,528 | 44 | 172 | 135 | 42 |
| France | 99 | 53 | 62 | 4 | 0 | 231 | 183 | 63 |
| Germany ³ | 5,983 | 7,399 | 5,350 | 5,079 | 4,317 | 4,464 | 3,329 | 3,847 |
| Italy | 395 | 456 | 278 | 445 | 218 | 364 | 243 | 353 |
| Japan | 9,156 | 9,204 | 6,599 | 5,979 | 4,876 | 6,620 | 5,425 | 5,039 |
| Subtotal ¹ | 21,602 | 24,857 | 18,132 | 13,129 | 9,507 | 11,863 | 9,327 | 9,343 |
| All other sources | 32,854 | 57,742 | 64,254 | 56,168 | 62,242 | 101,568 | 74,822 | 75,838 |
| Total imports | 54,456 | 82,599 | 82,386 | 69,297 | 71,749 | 113,431 | 84,148 | 85,182 |
| Apparent consumption | 633,561 | 706,447 | 516,891 | 545,748 | 519,488 | 705,952 | 547,382 | 566,803 |
| <p>¹ Import data for Canada for 1999 include an unknown quantity and value of nonsubject merchandise produced by Ratcliffs. The order on Canada was revoked with respect to Ratcliffs in 1991.</p> <p>² Less than 500 pounds.</p> <p>³ Believed to consist principally of nonsubject brass sheet and strip.</p> | | | | | | | | |
| Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics. | | | | | | | | |

Table I-5

BSS: U.S. market shares, 1999-2004, January-September 2004, and January-September 2005

| Item | Calendar year | | | | | | Jan.-Sept. | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Quantity (1,000 pounds) | | | | | | | | |
| Apparent consumption | 602,176 | 616,895 | 448,434 | 495,450 | 458,962 | 502,582 | 392,791 | 345,713 |
| Value (\$1,000 dollars) | | | | | | | | |
| Apparent consumption | 633,561 | 706,447 | 516,891 | 545,748 | 519,488 | 705,952 | 547,382 | 566,803 |
| Share of quantity (percent) | | | | | | | | |
| U.S. producers' U.S. shipments | 92.6 | 89.6 | 85.2 | 88.1 | 87.1 | 85.3 | 85.9 | 86.2 |
| U.S. imports from-- | | | | | | | | |
| Brazil | 0.1 | (¹) | 0.0 | (¹) | (¹) | (¹) | (¹) | 0.0 |
| Canada ² | 0.7 | 0.8 | 1.0 | 0.3 | (¹) | (¹) | (¹) | (¹) |
| France | (¹) | (¹) | (¹) | (¹) | 0.0 | (¹) | (¹) | (¹) |
| Germany ³ | 0.8 | 0.9 | 0.8 | 0.8 | 0.7 | 0.5 | 0.5 | 0.5 |
| Italy | (¹) | (¹) | (¹) | 0.1 | (¹) | (¹) | (¹) | (¹) |
| Japan | 0.8 | 0.8 | 0.8 | 0.7 | 0.6 | 0.6 | 0.7 | 0.6 |
| Subtotal ² | 2.5 | 2.4 | 2.7 | 1.9 | 1.3 | 1.2 | 1.2 | 1.2 |
| All other sources | 4.9 | 8.0 | 12.1 | 10.0 | 11.5 | 13.4 | 12.9 | 12.6 |
| Total imports | 7.4 | 10.4 | 14.8 | 11.9 | 12.9 | 14.7 | 14.1 | 13.8 |
| Share of value (percent) | | | | | | | | |
| U.S. producers' U.S. shipments | 91.4 | 88.3 | 84.1 | 87.3 | 86.2 | 83.9 | 84.6 | 85.0 |
| U.S. imports from-- | | | | | | | | |
| Brazil | 0.1 | (¹) | 0.0 | (¹) | (¹) | (¹) | (¹) | 0.0 |
| Canada ² | 0.8 | 1.1 | 1.1 | 0.3 | (¹) | (¹) | (¹) | (¹) |
| France | (¹) | (¹) | (¹) | (¹) | 0.0 | (¹) | (¹) | (¹) |
| Germany ³ | 0.9 | 1.0 | 1.0 | 0.9 | 0.8 | 0.6 | 0.6 | 0.7 |
| Italy | 0.1 | 0.1 | 0.1 | 0.1 | (¹) | 0.1 | (¹) | 0.1 |
| Japan | 1.4 | 1.3 | 1.3 | 1.1 | 0.9 | 0.9 | 1.0 | 0.9 |
| Subtotal ² | 3.4 | 3.5 | 3.5 | 2.4 | 1.8 | 1.7 | 1.7 | 1.6 |
| All other sources | 5.2 | 8.2 | 12.4 | 10.3 | 12.0 | 14.4 | 13.7 | 13.4 |
| Total imports | 8.6 | 11.7 | 15.9 | 12.7 | 13.8 | 16.1 | 15.4 | 15.0 |

¹ Less than 0.05 percent.² Import data for Canada for 1999 include an unknown quantity and value of nonsubject merchandise produced by Ratcliffs.³ Believed to consist principally of nonsubject brass sheet and strip.

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

12.0 percent in January-September 2005 compared with January-September 2004. Reasons cited by U.S. producers for the decline in consumption during the period include the movement of U.S. manufacturing to lower cost countries, particularly China, the high price of copper, and the manufacturing recession during 2001-03.⁵⁴ The value of apparent U.S. consumption of BSS, however, increased by 11.4 percent between 1999 and 2004. The value of apparent consumption rose in interim 2005 compared with interim 2004. U.S. producers' share of the market for BBS on a quantity basis declined from 92.6 percent in 1999 to 86.2 percent in January-September 2005. Subject imports' share of the U.S. market also declined, from 2.5 percent in 1999 to 1.2 percent in interim 2005. Nonsubject imports' share of the U.S. market, meanwhile, grew from 4.9 percent in 1999 to 12.6 percent in interim 2005.

⁵⁴ ***.

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

U.S. MARKET SEGMENTS

BSS is used in a wide variety of end-use products. Brass is harder and stronger than either of its alloying elements copper or zinc; it has high strength, corrosion resistance, excellent formability, and good electrical properties.¹ Common fabrication processes include drawing, rolling, and stamping. The vast majority of the subject product is produced in a coil form known as brass strip, and the remainder is furnished in cut-to-length sheets. The largest sectors for BSS are concentrated in electrical and electronics (semiconductors, terminal connectors, flashlight shells, and lamp fixtures), automotive (radiator tanks, odometer contacts, and electrical connectors), building and construction (grillwork, door knobs, locks, and push and kick plates), ammunition (cartridge cases, shells, and mechanical housings for lighters), and coinage.² Other products made of BSS include musical instruments, plumbing accessories, bathroom fixtures, fasteners, heat exchangers (and other industrial applications), washers, and stencils.

CHANNELS OF DISTRIBUTION

U.S. producers of BSS sell to distributors, end users, and rerollers. U.S. producers shipped *** of their BSS to end users, *** of their BSS to distributors,³ and *** to rerollers during the period of review (see table I-2). Importers from subject countries shipped *** percent of their BSS to distributors during the period, and importers from nonsubject countries shipped *** of their BSS to end users in 2000 through 2005, although they did ship *** of their BSS to distributors in 1999. Producers tend to have big production runs, so direct sales to end users are usually for large-volume customers. Producers tend to leave smaller volume customers and specialized requests to the reroller and distributor market.

Rerollers buy thicker, rougher, “reroll” product, which they then roll down into a thinner gauge product. Distributors,⁴ rather than mills, tend to supply smaller quantities of material because it is more cost-effective for the mills to make runs of large quantities and distribute these to the various distributors.⁵ Distributors themselves may have different specialties relating to different alloys and gauges of BSS, and many are able to offer cutting to size or other services as required.

U.S. producers and importers, as a whole, reported nationwide sales. All eight responding producers reported serving the national market, and importers reported primarily serving the Northeast and Midwest regions. Two importers reported serving the national market (see table II-1).

The responding producers and importers reported no sales of BSS over the internet, with the exception of ***, which reported that internet sales are less than 5 percent of total sales. Only one, ***, of the 29 responding purchasers reported buying BSS over the internet.

¹ Copper Development Association, <http://www.copper.org/>, retrieved December 1, 2005.

² According to the U.S. Mint, the “golden dollar,” issued in 2000, is the only brass-based U.S. coin now in circulation. See http://www.usmint.gov/about_the_mint/index.cfm?flash=yes&action=coin_specifications, retrieved December 2, 2005. A move to create a new dollar coin to eventually replace the dollar bill has some support in Congress. ***.

³ A.J. Oster is a wholly-owned subsidiary of Olin and accounts for approximately *** percent of the U.S. distribution network for BSS. A.J. Oster has ***. Domestic producers’ posthearing brief, ex. 1, p. 67.

⁴ After growing throughout the 1990s, the distributors’ share of the BSS market has reached a plateau, and today, distributors and service centers supply approximately 20 to 25 percent of the BSS market. ***.

⁵ Copper Development Association, http://www.copper.org, retrieved December 1, 2005.

Table II-1

BSS: Geographic market areas in the United States served by domestic producers and importers¹

| Region | Producers | Importers |
|-----------------|-----------|-----------|
| National | 8 | 2 |
| Northeast | -- | 5 |
| Mid-Atlantic | -- | -- |
| Midwest | -- | 2 |
| Southeast | -- | 1 |
| Southwest | -- | 1 |
| Rocky Mountains | -- | -- |
| West Coast | -- | 1 |
| Northwest | -- | -- |

¹ In the original investigations, domestic producers as a whole generally served the national market, and importers reported serving the national market as well as specific states and regions.

Note.—Eight producers and seven importers responded to this question. Firms were not limited to the number of market areas that they could report.

Source: Compiled from data submitted in response to Commission questionnaires and *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, Inv. Nos. 701-TA-269-270 (Review) and 731-TA-311-317 and 379-380 (Review)*, USITC Publication No. 3290 (April 2000).

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Raw materials, finished BSS, and scrap move back and forth among the producers, distributors, and end users in the BSS market. Domestic producers generally use raw materials to make BSS and sell to purchasers. However, some purchasers also have tolling arrangements in which they supply the producer with at least some of the raw materials and the purchaser then buys only the finished BSS. Tolling purchasers only pay the fabrication price and not the metal price. This method is generally preferred by large-volume customers.⁶ Some purchasers participate in scrap buy-back programs where a producer arranges to buy back a certain percentage of scrap that a purchaser creates in its end use of BSS.

Toll arrangements have an effect on pricing (see part V of this report), as well as an effect on competition between domestic and foreign producers. Three producers and two importers reported that tolling gives U.S. producers advantages over foreign suppliers.⁷ *** reported that it is not feasible to ship scrap overseas to be processed and then shipped back to the United States because transportation costs would be prohibitively expensive.

⁶ *** reported that tolling has become less of a factor in the BSS market since the price of copper has increased dramatically since 2003. ***.

⁷ However, OAB, Olin, and PMX reported that they do not have an advantage from tolling because they do so little of it. Hearing transcript (Bartel, Rupp, and Burkhardt), p. 124.

Supply of the Domestic Product

Based on available information, U.S. producers are likely to respond to changes in demand with moderate-to-large changes in the quantity of shipments of U.S.-produced BSS to the U.S. market. The main contributing factors to the moderate-to-high degree of responsiveness of supply are the availability of some unused capacity, few export shipments, low levels of inventories, and numerous production alternatives.

Industry capacity

Both basic producers and rerollers reported some excess capacity throughout the period for which data were collected in these reviews. U.S. basic producers' capacity utilization for BSS decreased irregularly from 90.4 percent in 1999 to 72.7 percent in 2004 and was lower in January-September 2005 than it was in January-September 2004 (see table III-1). U.S. rerollers' reported capacity utilization decreased from 77.0 percent in 1999 to 50.0 percent in 2004.

Alternative markets

U.S. basic producers' export shipments, as a share of total shipments, decreased from *** percent in 1999 to *** percent in 2004 (see table III-2), but export shipments in January-September 2005 were higher, at *** percent, than at any point during the period of review. Rerollers' export shipments, as a share of total shipments, decreased from *** percent in 1999 to *** percent in 2004. These relatively low levels of exports during the period indicate that domestic basic producers and rerollers may be somewhat constrained in their ability to shift shipments between the United States and other markets in response to price changes. Indeed, *** producers and six responding importers reported that they are unable or limited in their ability to shift sales of BSS between the U.S. market and alternative country markets. *** reported that factors such as import duties, freight costs, logistics, and value-added taxes make it difficult to shift sales of BSS between the U.S. market and alternative country markets. *** reported that exchange rates, labor markets, credit risk, import duties, and environmental issues make it difficult to shift sales. *** reported that it is not geared toward export sales. *** reported that they only sell in the United States or that they do not export.

Four producers and one importer reported that U.S. exports of BSS are subject to tariffs or non-tariff barriers in other countries. *** reported that Brazil and China have import duties on U.S.-produced BSS; *** reported that Brazil, China, the EU, India, South Korea, and Taiwan have import duties ranging from 3.7 to 20 percent on U.S.-produced BSS; *** reported that many countries have a value-added tax; and *** reported that Canada has a goods-and-services tax.

Inventory levels

U.S. basic producers' inventories, as a share of total shipments, increased from *** percent in 1999 to *** percent in 2004 (see table III-3). U.S. rerollers' inventories, as a share of total shipments, increased from *** percent in 1999 to *** percent in 2004 and were higher in January-September 2005 than during the same period in 2004.

Production alternatives

All eight responding producers reported that they produce other products, such as various other copper and brass series, on the same equipment and machinery used in the production of BSS.⁸ Six producers also reported that they are able to switch production to these other products in response to relative price changes. *** reported simultaneous production of other alloys. *** reported that it is able to switch, but that it would take time and money to switch one of its casting stations to other products. *** reported that it can switch easily but not to non-brass products.

Other factors affecting supply

Three producers and two importers reported that transportation costs, specifically diesel fuel, have increased since 1999 and affected the availability of U.S.-produced BSS. Other producers and importers reported that the availability of scrap, the relocation of customers to Asia, increased energy costs, increased nonsubject imports, and increased demand and production in China have affected supply since 1999. Five of the eight responding producers and six of the seven responding importers reported that they do not anticipate any change in the availability of U.S.-produced BSS in the U.S. market in the future. *** reported that they expect a decrease in the availability of BSS in the U.S. market in the future, and *** reported that it expects an increase in availability.⁹

Purchasers also were asked if there have been changes in any factors that affected the availability of BSS in the U.S. market since 1999. Thirteen of the 28 responding purchasers reported that there had been changes, including increased raw material, energy, and transportation costs and increased global demand, especially in China, which strained U.S. capacity. *** reported that in 2000 and 2004, U.S. mills were allocating the amount of brass that customers could purchase,¹⁰ and *** reported that it was able to export BSS in 2005.

Purchasers were asked to identify any improvements or changes in the U.S. BSS industry since 1999 and if any are anticipated in the future. Only two purchasers responded. *** reported that Wieland AG is the only supplier able to meet its strip requirements, which exceed the industry standard by 50 percent or more. *** also reported that since it cannot purchase material from Wieland AG due to the AD and CVD orders, it has been forced to stop making some of its long-range products, because it believes the U.S. producers may not ever be capable of supplying gilding metal strip of the quality that it requires.¹¹ *** reported that improvements center on the U.S. mills' investment in equipment and methods to improve quality in order to become more competitive, considering the shrinking market due to the shift to low-cost manufacturers who make parts outside the United States.

⁸ Domestic producers reported that the subject product is a "baseload" product and that lost volumes are not necessarily replaced by other products, leading to decreased capacity utilization and decreased profitability. Hearing transcript (Rupp), p. 22 and (Bartel) pp. 29-30.

⁹ *** reported that some existing producers are likely to fail if the orders are removed, and *** reported that as imports gain market share, U.S. producers are likely to suffer consolidations and closures, but *** did not specify if it was referring to subject or nonsubject imports.

¹⁰ Olin, OAB, and PMX reported that some U.S. producers placed customers on allocation in 2000 and 2004, primarily due to a ramp-up in production in response to increased demand. Hearing transcript (Rupp, Burkhardt, and Bartel), pp. 112-114. Olin also reported that it had an outage in 2004 due to a fire and thus placed some customers on allocation for a short period of time. Hearing transcript (Rupp), p. 113. Wieland reported that Olin refused to supply its additional orders beginning in October 2005. Hearing transcript (Schuler), pp. 166-167, and German respondents' posthearing brief, p. A-30 and ex. 16.

¹¹ *** also reported that it has worked with *** to develop a comparable substitute but none has succeeded, despite increased fabrication prices.

Producers and importers reported that, generally, there have been no significant changes in the product range, product mix, or marketing of BSS since 1999. However, *** reported that service centers have bought increasing amounts of foreign BSS and formed depots of the material with lower prices; *** reported that raw materials have been going to China for the production of finished products, which are then shipped to end users in the U.S. market; and *** reported that the Internet is increasing competition in the BSS market.

Supply of Subject Imports

The sensitivity of supply of subject imported BSS to changes in price depends upon such factors as the existence of excess capacity, the levels of inventories, and the existence of export markets. Relevant information for Brazil and Germany follows, but there was not enough information from questionnaire responses for producers from Canada, France, Italy, and Japan.

Brazil

Based on available information, Brazilian producers are likely to respond to changes in demand with low-to-moderate changes in the quantity of shipments of BSS to the U.S. market. The main contributing factors to the low-to-moderate degree of responsiveness of supply are *** exports and some excess capacity. Reported Brazilian export shipments, as a share of total shipments, decreased from *** percent in 1999 to *** percent in 2004 (see table IV-8).¹² Brazilian producers' capacity utilization for BSS increased irregularly from *** percent in 1999 to *** percent in 2004. Reported capacity utilization was *** percent in January to September 2005, down from *** percent during the same period in 2004. Data on Brazilian producers' inventories were not available.

Germany

Based on available information, German producers are likely to respond to changes in demand with moderate-to-large changes in the quantity of shipments of BSS to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the existence of alternate markets, low levels of inventories, and some excess capacity. German export shipments, as a share of total shipments of BSS, were relatively constant over the period, increasing from *** percent in 1999 to *** percent in 2004 (see table IV-10).¹³ German inventories were reportedly *** percent during the entire period. Capacity utilization was approximately the same in 1999, *** percent, and in 2004, *** percent, and was *** percent in January to September 2005, down from *** percent during the same period in 2004.

¹² Brazilian export shipments, as a share of total shipments, *** (see table IV-8). Brazilian producers reported that almost all of Brazilian capacity to produce BSS is dedicated to their domestic market and to exports to other Latin American countries. Hearing transcript (Baialuna), pp. 171-178.

¹³ ***, in its foreign producer questionnaire response, reported that BSS products are covered by different standards in different parts of the world, and production has to be adjusted for the product to comply with the various standards when attempting to shift sales to different export markets.

Supply of Nonsubject Imports

Seven of the eight responding producers and three of the seven responding importers reported that the availability of nonsubject BSS has changed since 1999. *** reported that the revocation of the orders on imports from the Netherlands,¹⁴ Korea,¹⁵ and Sweden in 1999 has resulted in significant increases in imports from those countries. Other producers cited increased BSS available from Hungary, India, Mexico, Poland, Turkey, and the countries of the former Yugoslavia. *** reported that nonsubject BSS availability has increased and will continue, citing a new brass mill in Bulgaria in 2006. German and Brazilian producers reported that the increase in BSS imports from nonsubject countries during the period is primarily due to increased imports or purchases by U.S. producers.¹⁶

U.S. Demand

Demand Characteristics

The overall demand for BSS primarily depends upon the demand for a variety of end-use applications (see table II-2). When asked if the BSS market is subject to business cycles or conditions of competition distinctive to BSS, 6 of the 28 responding purchasers reported that it is, explaining that the market moves in tandem with the global business cycle, and more specifically, the overall copper market. *** reported that the BSS market is affected by both building/housing starts and automotive sales. Five of the 28 responding purchasers reported that the emergence of new markets for BSS since 1999 affected the business cycle or conditions of competition distinctive to BSS, with four of the five reporting that the emergence of China as both a producer and consumer of BSS has affected the BSS market. *** reported that Chinese growth has come at an expense to the U.S. market, but *** reported that the U.S. mills appear to have benefitted from increased demand for BSS in China and other Asian economies.

Table II-2

BSS: Apparent consumption by end-use market, 1999-2005

* * * * *

Producers, importers, and purchasers were asked to list the end uses of BSS. The most commonly reported uses were for electrical connectors and terminals, automotive electronics, ammunition, drawn metal fasteners, plumbing hardware, fittings, ferrules, stampings, and fuse caps and end plates. When asked if there had been any changes in the end uses of BSS since 1999, one producer reported that the use of BSS in architectural applications has grown; one importer reported that there has been a switch from BSS to aluminum for use in radiators; and one purchaser reported that it modified its product design to use BSS. The vast majority of producers, importers, and purchasers do not anticipate any changes in the end uses of BSS in the future, but one producer and one importer reported expecting a continual switch to other products, another producer reported that there is a promising antimicrobial initiative from the Copper Development Association, and one purchaser reported that technology may eliminate some end uses for brass in the field of electronics.

¹⁴ OAB reported that the Netherlands is supplying brass sheet and strip for automotive radiator applications. Hearing transcript (Bartel), p. 91.

¹⁵ PMX reported importing BSS from Korea in 2004 for a short period of time in response to an increase in U.S. demand. Hearing transcript (Burkhardt), p. 92.

¹⁶ German respondents' posthearing brief, pp. 3-4, A-18, A-19, and A-20. Respondent Eluma's prehearing brief, p. 14 and ex. 1.

Ten purchasers reported that demand for their final products using BSS has decreased since 1999, with some reporting reduced consumption of the end-use products due, in part, to manufacturing leaving the United States for low-cost countries. Three purchasers reported that demand for their end-use products that use BSS increased, four reported that demand was unchanged, and one reported that demand has varied during the period of review. Purchasers who distribute, reroll, or resell BSS listed job-shop stampers; machine shops; hose manufacturers; stamping and sheet metal fabricators; other distributors; and manufacturers of hardware, lighting, motors, automotive connectors, telecommunications, and computer applications as consumers of their BSS.

Apparent U.S. consumption of BSS fluctuated in a generally downward trend from 1999 through 2003, and decreased from 602 million pounds in 1999 to 503 million pounds in 2004 (see table I-4). Apparent U.S. consumption was lower in January-September 2005 than during the same period in 2004. Seven producers, 2 importers, and 9 purchasers reported that demand decreased between 1999 and 2005, while 1 importer and 11 purchasers reported that demand increased. Two importers and four purchasers reported that demand has been unchanged during the period.

Of those reporting that demand decreased, most cited the relocation of BSS customers to lower-cost countries, specifically China, as a factor.¹⁷ Other factors cited relating to a decrease in demand included a slowdown in manufacturing in the United States, the high price of copper, and a conversion of end-use applications to other materials. Of those reporting that demand increased, factors cited included economic growth in other markets, specifically China, and the growth in end-use markets such as electronics, cellular communications, and computers.

When asked if they anticipate future changes in BSS demand in the United States and the rest of the world, 7 producers,¹⁸ 2 importers, and 17 purchasers responded yes, and many explained that demand will continue to decline as manufacturing continues to relocate from the United States to low-cost countries and with increased use of substitute products in certain end-use applications.¹⁹ Others reported that there will be increased demand as the global economy continues to grow and as the trend to automation continues.

Purchasers were asked whether their purchasing patterns for BSS from domestic, subject, and nonsubject sources had changed since 1987. Five purchasers reported that the relative share of their total purchases of BSS from domestic mills increased, and two stated that the relative share decreased. Two purchasers noted that their purchases from German producers decreased due to the orders, one reported that its purchases from German suppliers increased because of the pricing for fabrication, and three reported that their purchases from nonsubject producers increased due to price and availability. Six of the nine responding purchasers reported purchasing BSS from at least one of the subject countries prior to 1987. Five reported that they discontinued purchases from subject countries because of the orders, and one reported that its purchasing pattern has been essentially unchanged.

¹⁷ Olin reported that end users that manufacture electrical products and home building products have moved offshore, but that end users that manufacture coinage and ammunition have remained in North America. Hearing transcript (Rupp), pp. 57-58.

¹⁸ U.S. producers reported that they estimate that *** per year of U.S. demand for BSS will be lost in the foreseeable future. Domestic producers' posthearing brief, ex. 1, pp. 59-60. German producers reported that demand for BSS changes with changes in the overall economic cycle. German respondents' posthearing brief, p. A-49.

¹⁹ Olin reported that the financial troubles in the automotive industry may cause auto manufacturers to make more of their component parts, including those that use BSS, outside of the United States due to cost pressures, and OAB reported that changing fuel and emission standards are causing a shift away from BSS and towards higher performance alloys, which are not covered by the current orders. Hearing transcript (Rupp), p. 59 and (Bartel), p. 60.

Eleven purchasers reported that their purchasing pattern from nonsubject sources was essentially unchanged since 1987; 16 did not purchase from nonsubject sources before or after the orders; and 2 changed their purchasing pattern for reasons other than the orders.

Substitute Products

While there are reported substitutes for BSS, the potential for substitution is often limited due to the time and effort it takes to change the product design and manufacturing process.²⁰ Aluminum, steel, bronze, plastic, copper, and zinc were listed as substitutes for BSS in certain applications. Three producers, 3 importers, and 12 purchasers reported that there are no substitutes for BSS.²¹ Only two purchasers reported that changes in the price of substitutes has affected the price of BSS. When asked if there have been any changes in the number or type of products that can be substituted for BSS, *** reported that the use of low-alloy steels has become popular, and *** reported that plastics are increasingly being used over the long term. *** reported that high-performance alloys have been introduced but are more expensive than BSS, and *** reported that the high cost of brass has forced end users to switch to substitutes. One producer and two purchasers expect increased use of substitutes in the future. The other producers and purchasers, as well as all of the importers, reported that there have been no changes in the number or type of substitutes, nor do they expect any changes in the future.

Cost Share

BSS often accounts for a relatively large percentage of the total cost of end-use products, although the cost share does vary widely, depending on the end use. Producers reported that BSS accounts for between 25 and 70 percent of the total cost of the end products in which BSS is used. In ammunition and plumbing hardware, BSS represents 25 percent of the total cost of the end product, and in general stampings and electrical and electronic products, BSS represents between 60 and 70 percent of the total cost of the end product. Importers reported end uses for BSS – construction and architectural applications, as well as nameplates – but not associated cost shares.

Purchasers reported that BSS accounts for between less than 1 percent and 100 percent of the total cost of the end products in which BSS is used. In stampings, BSS represents 43 to 100 percent of the total cost of the end product, whereas in electronics and electrical connections, BSS represents 18 to 100 percent. According to purchasers, BSS represents 60 to 70 percent of the total cost of fittings and ferrules; 65 percent of the total cost of plumbing escutcheons and kitchen sink drains; and 35 percent of the total cost of drawn metal fasteners.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported products depends upon such factors as relative prices, quality, and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there may be some differences between domestic and imported BSS, but overall, there is a high degree of

²⁰ *** reported that examples where long-term substitution has occurred include the use of aluminum in automotive radiators and the use of brass-plated steel for use in ammunition and builders' hardware.

²¹ *** reported that there are no price-based substitutes for BSS; prices for BSS have been increasing over the past one to two years without any real decline in volume.

substitution between BSS produced in the United States and the subject countries and a moderate degree of substitution between BSS produced in the United States and other import sources.²²

This section is based primarily on the responses of 29 purchasers that accounted for approximately *** percent of total U.S. consumption in 2004. Nineteen purchasers described themselves as end users,²³ six as distributors,²⁴ three as rerollers,²⁵ and one as both a distributor and reroller. These purchasers tended to purchase primarily from U.S. sources, with none reporting purchases from Brazil, France, or Italy (see table II-3). In the instances where purchasers bought some BSS from subject or nonsubject sources, it generally was a small amount, as the majority of their BSS purchased was from U.S. producers.²⁶

Table II-3
BSS: Reported quantities purchased, by country¹ and by year, 1999-2004

| Country | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|--|-----------------------|-------|-------|-------|-------|--------|
| | <i>(1,000 pounds)</i> | | | | | |
| United States | *** | *** | *** | *** | *** | *** |
| Canada | *** | *** | *** | *** | *** | *** |
| Germany | *** | *** | *** | *** | *** | *** |
| Japan | *** | *** | *** | *** | *** | *** |
| Nonsubject | 3,161 | 4,880 | 5,414 | 4,717 | 6,048 | 15,719 |
| <p>¹ Responding purchasers did not report any purchases from Brazil, France, or Italy. *** reported small quantities purchased from distributors, for which the country of origin of the material was unknown, and those data are not included in this table.</p> <p>Note.--Not all purchasers reported data for each year.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p> | | | | | | |

Purchasers of BSS tend to buy frequently, and fewer than half have changed suppliers since 1999. Twenty-two of the 29 responding purchasers reported that they purchase daily or weekly, with four purchasing monthly, one purchasing annually, and two on an as-needed basis. None of the 29 purchasers reported that they expect this purchasing pattern to change in the next two years. Eleven responding

²² Producers, importers, and purchasers reported that BSS from certain nonsubject countries is generally of lower quality than BSS produced in the United States and the six subject countries.

²³ Purchasers who described themselves as end users reported that they use BSS to manufacture such items as electrical and electronic connectors and terminals, hose couplings, brush holders, small-arm projectiles, stamped parts, drawn metal fasteners, commercial faucets, and automotive circuitry parts.

²⁴ Purchasers who described themselves as distributors reported selling BSS to manufacturers of automotive, decorative, and electrical parts and fabricators of light fixtures, wall switch plates, and door hardware.

²⁵ Purchasers who described themselves as rerollers reported selling BSS to manufacturers of automotive, electrical, and builders' hardware parts.

²⁶ Nineteen of the 29 responding purchasers reported purchasing only U.S.-produced BSS. Seven purchasers reported purchasing both U.S.-produced BSS and BSS from nonsubject countries, and three purchasers reported purchasing both U.S.-produced BSS and BSS from subject countries.

purchasers reported changing suppliers since 1999; four of the changes related to cost and quality concerns, and one change was the result of an effort to consolidate the purchaser's supply base.

Factors Affecting Purchasing Decisions

Purchasers were asked to identify the three major factors considered by their firm in deciding from whom to purchase BSS (table II-4). Quality and price were the most commonly cited factors overall. Sixteen of the 26 responding purchasers reported that quality was the most important factor, eight reported that price²⁷ was the most important factor, and two reported that availability was the most important factor. The next most commonly cited factor was delivery/service.

Table II-4
BSS: Most important factors in selecting a supplier, as reported by purchasers

| Factor | First | Second | Third |
|---|-------|--------|-------|
| Quality | 16 | 8 | 3 |
| Price | 8 | 12 | 7 |
| Availability | 2 | 2 | 3 |
| Delivery/service | 1 | 2 | 10 |
| Other | 2 | 5 | 6 |
| Note.--Other category includes pre-arranged contracts, qualified supplier, reliability of supplier, lead times, surface finish, and costs of ownership. | | | |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | |

Purchasers were asked what factors determined the quality of BSS. Factors cited included surface finish, thickness, gauge tolerance, drawability, chemistry, tensile strength, edge condition, coil size, and formability. Nine purchasers cited the necessity of meeting the firm's specifications or meeting ASTM standards or another of the various industry standards. Twenty-eight of the 29 responding purchasers reported that they require suppliers to become certified or prequalified and that these requirements apply to all, or nearly all, of their purchases. Most of the requirements consist of standards set by independent organizations, such as the ASTM or the International Organization for Standardization. Other purchasers perform audits, require samples, or perform an on-site visit. Six of the 23 responding purchasers reported that they compete for sales with the manufacturers or importers from whom they purchase BSS.

Purchasers were asked if they always, usually, sometimes, or never purchased the lowest-priced BSS. Seventeen of the 28 responding purchasers reported always or usually purchasing the lowest-priced product and five sometimes purchased the lowest-priced BSS. Six reported never purchasing the lowest-priced product.

Purchasers also were asked if they purchased BSS from one country in particular. Fourteen purchasers responded, reporting reasons why they purchased from one country in particular. Reasons provided included "Buy American" preferences, government work that requires a domestic supplier, quality, technical assistance, availability and lead times, prices, the current antidumping duty orders, and compliance with product specifications.

²⁷ *** specified that total cost, including price, transportation cost, and terms, was the most important factor.

Seven purchasers reported that certain grades, types, or sizes of BSS are available only from a single source, with *** citing surface finish; *** citing width; *** citing quality; and *** citing products proprietary to the supplier.²⁸

Purchasers also were asked if they purchased BSS from one source although a comparable product was available from another source at a lower price. Twenty-two purchasers responded, reporting reasons why they purchased from a source that might be more expensive. Reasons provided included the importance of using a domestic source, lead times, quality, delivery, availability, reliability, minimum order size requirements, and the existence of contracts or long-term agreements.

Fourteen purchasers reported that buying a product produced in the United States is an important factor in their purchases of BSS, with 12 reporting that purchases of the domestic product are required for reasons other than laws or the requirements of customers. These other reasons included lead times, quality, quick delivery, unpredictable demand, lower cost, availability, and logistics costs. *** reported that 100 percent of its domestic purchases are required by customers; *** reported that less than 10 percent of its domestic purchases are required by customers; *** reported that less than 5 percent of its domestic purchases are required by law or regulation and less than 10 percent of its domestic purchases are required by customers; and *** reported that 2 percent of its domestic purchases are required by law or regulation and 20 percent of its domestic purchases are required by customers.

In rating the importance of 16 factors in their purchasing decisions (table II-5), 28 of the 29 responding purchasers rated product consistency as very important; 27 reported that availability and reliability of supply were very important; 26 reported that price was very important; 25 reported that quality meets industry standards was very important; 24 reported that delivery time was very important; and 22 reported that surface finish was very important.

Purchasers were asked for a country-by-country comparison of the same 16 factors (table II-6). One purchaser completed this comparison for the United States and Brazil, one for the United States and Canada, two for the United States and France, seven for the United States and Germany, two for the United States and Italy, and five for the United States and Japan. The majority of purchasers stated that the domestic and subject products were comparable for discounts offered, extension of credit, minimum quantity requirements, packaging, product consistency, product range, quality meets industry standards, quality exceeds industry standards, surface finish, and transportation costs. The majority of purchasers rated the U.S. product superior for availability and delivery time.

Twenty-six purchasers reported factors they considered in qualifying a new supplier. Factors considered included quality, delivery, price, availability, lead times, past performance/reputation, sample approval, financial review, and meeting company specifications or industry standards. The time required to qualify a new supplier was reported by 16 purchasers and ranged from one month to one year.

Purchasers were asked if any suppliers had failed to qualify their product or lost their approved status. Two of the 29 responding firms reported that suppliers had failed to qualify. *** reported that *** failed to qualify due to delivery and quality issues, and *** reported that all suppliers have failed to qualify with regard to deep drawability.

²⁸ *** cited ***, and *** cited ***, but other purchasers cited U.S. producers or did not specify a producer in their descriptions.

Table II-5

BSS: Importance of purchase factors, as reported by purchasers¹

| Factor | Very important | Somewhat important | Not important |
|------------------------------------|-----------------------------------|--------------------|---------------|
| | <i>Number of firms responding</i> | | |
| Availability | 27 | 2 | 0 |
| Delivery terms | 17 | 10 | 2 |
| Delivery time | 24 | 5 | 0 |
| Discounts offered | 12 | 12 | 5 |
| Extension of credit | 10 | 14 | 5 |
| Minimum quantity requirements | 8 | 16 | 5 |
| Packaging | 12 | 14 | 3 |
| Price | 26 | 3 | 0 |
| Product consistency | 28 | 1 | 0 |
| Product range | 7 | 16 | 4 |
| Quality meets industry standards | 25 | 2 | 2 |
| Quality exceeds industry standards | 14 | 13 | 2 |
| Reliability of supply | 27 | 2 | 0 |
| Surface finish | 22 | 7 | 0 |
| Technical support/service | 13 | 15 | 1 |
| U.S. transportation costs | 16 | 12 | 1 |

¹ Some purchasers listed other factors and rated their importance. They included: cycle time, very important; deep drawability, very important; special alloys, very important; partnering, very important; vendor managed or on-hand inventory, very important; response to emergency requirements, very important; financial stability, very important; and warehouse capability and location, somewhat important.

Note.--Not all purchasers responded for each factor.

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

Table II-6

BSS: Comparisons of product by source country, as reported by purchasers¹

| Factor | U.S. vs Brazil | | | U.S. vs Canada | | | U.S. vs France | | |
|--|-----------------------------------|---|---|----------------|---|---|----------------|---|---|
| | S | C | I | S | C | I | S | C | I |
| | <i>Number of firms responding</i> | | | | | | | | |
| Availability | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 1 | 0 |
| Delivery terms | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 1 |
| Delivery time | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 |
| Discounts offered | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 1 |
| Extension of credit | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 2 | 0 |
| Minimum quantity requirements | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 1 | 0 |
| Packaging | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 2 | 0 |
| Price ² | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 1 |
| Product consistency | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 1 |
| Product range | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 2 | 0 |
| Quality meets industry standards | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 1 |
| Quality exceeds industry standards | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 1 |
| Reliability of supply | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 1 | 0 |
| Surface finish | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 2 | 0 |
| Technical support/service | 1 | 0 | 0 | 0 | 1 | 0 | 1 | 1 | 0 |
| U.S. transportation costs ² | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 1 | 0 |

Table continued on next page.

Table II-6--Continued

BSS: Comparisons of product by source country, as reported by purchasers¹

| Factor | U.S. vs Germany ³ | | | U.S. vs Italy | | | U.S. vs Japan | | |
|--|-----------------------------------|---|---|---------------|---|---|---------------|---|---|
| | S | C | I | S | C | I | S | C | I |
| | <i>Number of firms responding</i> | | | | | | | | |
| Availability | 4 | 2 | 1 | 2 | 0 | 0 | 4 | 1 | 0 |
| Delivery terms | 3 | 4 | 0 | 1 | 0 | 1 | 4 | 1 | 0 |
| Delivery time | 5 | 1 | 1 | 1 | 1 | 0 | 5 | 0 | 0 |
| Discounts offered | 0 | 5 | 2 | 0 | 1 | 1 | 4 | 1 | 0 |
| Extension of credit | 0 | 6 | 1 | 0 | 2 | 0 | 4 | 1 | 0 |
| Minimum quantity requirements | 3 | 4 | 0 | 1 | 1 | 0 | 3 | 2 | 0 |
| Packaging | 1 | 5 | 1 | 0 | 2 | 0 | 2 | 2 | 1 |
| Price ² | 3 | 1 | 2 | 1 | 0 | 1 | 2 | 2 | 0 |
| Product consistency | 0 | 4 | 3 | 0 | 2 | 0 | 1 | 3 | 1 |
| Product range | 0 | 4 | 3 | 1 | 1 | 0 | 0 | 5 | 0 |
| Quality meets industry standards | 0 | 5 | 2 | 0 | 2 | 0 | 1 | 4 | 0 |
| Quality exceeds industry standards | 0 | 4 | 3 | 1 | 1 | 0 | 0 | 4 | 1 |
| Reliability of supply | 2 | 3 | 2 | 1 | 1 | 0 | 2 | 1 | 2 |
| Surface finish | 1 | 3 | 3 | 0 | 2 | 0 | 0 | 4 | 1 |
| Technical support/service | 2 | 3 | 2 | 2 | 0 | 0 | 3 | 2 | 0 |
| U.S. transportation costs ² | 3 | 4 | 0 | 1 | 1 | 0 | 2 | 3 | 0 |

¹ Eight purchasers completed the comparison for the United States and nonsubject countries. These purchasers generally found the U.S. product superior for availability, delivery time, and technical support and found the nonsubject countries superior for lower price.

² A rating of "S" on price and U.S. transportation costs indicates that the first-named country has lower prices/costs than the other country's product.

³ *** reported that the German product is superior to the U.S. product for deep drawability.

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

Note.--Not all purchasers responded for every factor.

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

Purchasers were asked how often they and their customers make purchasing decisions involving BSS based on the producer of the product they purchase and based on the country of origin of the BSS they purchase. Their responses are summarized in the following tabulation:

| Factor | Always | Usually | Sometimes | Never |
|--|--------|---------|-----------|-------|
| Firm purchases based on producer? | 13 | 4 | 7 | 5 |
| Customers purchase based on producer? | 4 | 2 | 8 | 12 |
| Firm purchases based on country of origin? | 9 | 4 | 5 | 11 |
| Customers purchase based on country of origin? | 2 | 2 | 6 | 16 |

Purchasers reported that they and their customers determined the producer through the qualification process, long-term contracts, and product specifications, and that the producer is important because of quality, price, availability, and delivery factors. There were no examples given as to how purchasers and their customers determined the country of origin, but purchasers reported that the country of origin is important because of quality, price, reliability, and lead times. *** reported that customers sometimes request that materials come only from NAFTA countries, and *** reported that it can only buy domestic BSS for government contracts.

Purchasers also were asked how often domestically produced, subject imports, and nonsubject imports of BSS meet minimum quality specifications. Their responses are summarized in the following tabulation:

| Source | Always | Usually | Sometimes | Never |
|------------------------------|--------|---------|-----------|-------|
| Domestically produced | 16 | 8 | 2 | 1 |
| Subject imports | 5 | 3 | 1 | 0 |
| Nonsubject imports - Poland | 3 | 2 | 0 | 0 |
| Nonsubject imports - Hungary | 2 | 0 | 0 | 0 |
| Nonsubject imports - Mexico | 0 | 2 | 1 | 0 |
| Nonsubject imports - India | 0 | 0 | 2 | 0 |

Of the five purchasers who reported being aware of new BSS suppliers in the market since 1999, *** cited new nonsubject foreign suppliers, and *** reported that ***, an importer, is a new supplier. *** cited MKM from Germany as a new supplier, and *** reported that, although it is unaware of any new supplier, there are fewer U.S. mills and rerollers since 1999. Eight of the 26 responding purchasers expect new BSS suppliers to enter the market in the future, with two reporting that it is likely there will be new suppliers from China, two reporting that there will be new suppliers if the current orders are removed, one reporting that it is likely there will be new suppliers from India, and one reporting that countries without BSS antidumping orders may try to enter the U.S. market. *** reported that it is inevitable that new entries will look to the U.S. market as soon as their quality is acceptable.

Lead Times

All eight producers reported selling at least 50 percent of their BSS produced to order, with lead times ranging from one to eight weeks. *** reported selling 100 percent of their BSS produced to order,

and *** reported selling 95 percent of their BSS produced to order. *** reported selling 50 percent of its BSS from inventory, with a lead time of two weeks. The other four producers who reported selling BSS from inventory reported lead times ranging from one day to less than two weeks.

All six responding importers reported selling 100 percent of their BSS produced to order, with lead times ranging from one to four months.

Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports

Producers, importers, and purchasers were asked to assess how interchangeable BSS from the United States is with BSS from both subject and nonsubject countries. Their answers are summarized in table II-7. Generally, producers, importers, and purchasers reported that BSS from the United States and from other countries is always or frequently interchangeable. For those firms that reported that BSS is sometimes or never used interchangeably, they were asked to explain the factors that preclude interchangeable use. *** reported that German and Japanese materials are superior and usually more expensive, and *** reported that developing countries are subject to a learning curve for quality standards for BSS in the automotive market. *** reported that for Taiwan and the United States and Taiwan and Japan, quality issues are sometimes a problem. *** reported that Wieland AG makes the finest strip material in the world and that U.S. mills cannot compete due to a lack of technological competence. *** reported that chemical compositions often vary from the CDA specifications, so chemical analysis would be required before authorizing use of material from Brazil, Japan, and nonsubject countries.

Producers and importers were asked to assess how often differences other than price were significant in sales of BSS from the United States, subject countries, and nonsubject countries (table II-8). Generally, producers said differences other than price were sometimes or never significant, while some importers said differences other than price were always significant and some said differences were sometimes or never significant. Those firms that reported that factors other than price are always or frequently a significant factor in their sales of BSS were asked to explain the advantages or disadvantages imparted by such factors. *** reported that domestic producers have a big advantage on delivery times over foreign competitors.²⁹ *** reported that the German and Japanese material quality is superior in terms of surface finish, material consistency, and uniform properties. *** reported that Japan puts a large premium on quality, and *** reported that quality is always a factor.

²⁹ *** also reported that the U.S. product is delivered in full bar shipments (10,000 pounds), whereas foreign shipments have to be purchased in container loads (40,000 pounds) and require three to four weeks transit time.

Table II-7

BSS: U.S. producers', importers', and purchasers' perceived degree of interchangeability of products produced in the United States and in other countries¹

| Country comparison | U.S. producers | | | | | U.S. importers | | | | | U.S. purchasers | | | | |
|-----------------------------|----------------|---|---|---|---|----------------|---|---|---|---|-----------------|---|---|---|----|
| | A | F | S | N | 0 | A | F | S | N | 0 | A | F | S | N | 0 |
| U.S. vs. Brazil | 3 | 4 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 1 | 4 | 0 | 1 | 0 | 17 |
| U.S. vs. Canada | 3 | 2 | 0 | 0 | 2 | 2 | 1 | 0 | 0 | 1 | 4 | 2 | 0 | 0 | 17 |
| U.S. vs. France | 4 | 3 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 1 | 4 | 2 | 0 | 0 | 16 |
| U.S. vs. Germany | 5 | 2 | 1 | 0 | 0 | 3 | 1 | 0 | 0 | 0 | 6 | 4 | 0 | 1 | 13 |
| U.S. vs Italy | 4 | 4 | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 1 | 4 | 2 | 0 | 0 | 16 |
| U.S. vs Japan | 5 | 2 | 1 | 0 | 0 | 4 | 1 | 0 | 0 | 0 | 5 | 4 | 1 | 0 | 12 |
| U.S. vs. other countries | 2 | 5 | 0 | 0 | 1 | 1 | 2 | 1 | 0 | 0 | 6 | 3 | 2 | 0 | 11 |
| Brazil vs. Canada | 3 | 2 | 0 | 0 | 2 | 1 | 2 | 0 | 0 | 1 | 2 | 0 | 1 | 0 | 16 |
| Brazil vs. France | 4 | 2 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 1 | 2 | 0 | 1 | 0 | 16 |
| Brazil vs. Germany | 4 | 2 | 0 | 0 | 1 | 3 | 1 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 16 |
| Brazil vs. Italy | 4 | 2 | 0 | 0 | 1 | 2 | 1 | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 17 |
| Brazil vs. Japan | 4 | 2 | 0 | 0 | 1 | 3 | 1 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 16 |
| Brazil vs. other countries | 2 | 3 | 0 | 0 | 2 | 1 | 2 | 0 | 0 | 1 | 2 | 0 | 2 | 0 | 13 |
| Canada vs. France | 4 | 2 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 1 | 2 | 1 | 0 | 0 | 16 |
| Canada vs. Germany | 4 | 2 | 0 | 0 | 1 | 3 | 1 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 16 |
| Canada vs. Italy | 4 | 2 | 0 | 0 | 1 | 2 | 1 | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 17 |
| Canada vs. Japan | 4 | 2 | 0 | 0 | 1 | 3 | 1 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 16 |
| Canada vs. other countries | 2 | 3 | 0 | 0 | 2 | 1 | 2 | 0 | 0 | 1 | 2 | 0 | 1 | 0 | 14 |
| France vs. Germany | 4 | 2 | 1 | 0 | 0 | 3 | 1 | 0 | 0 | 0 | 3 | 1 | 0 | 0 | 15 |
| France vs. Italy | 4 | 3 | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 1 | 3 | 0 | 0 | 0 | 16 |
| France vs. Japan | 4 | 2 | 1 | 0 | 0 | 3 | 1 | 0 | 0 | 0 | 2 | 1 | 1 | 0 | 15 |
| France vs. other countries | 2 | 4 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 1 | 2 | 1 | 1 | 0 | 13 |
| Germany vs. Italy | 4 | 2 | 1 | 0 | 0 | 2 | 1 | 0 | 0 | 1 | 3 | 0 | 0 | 0 | 16 |
| Germany vs. Japan | 4 | 3 | 0 | 0 | 0 | 3 | 1 | 0 | 0 | 0 | 2 | 1 | 1 | 0 | 15 |
| Germany vs. other countries | 2 | 3 | 1 | 0 | 1 | 1 | 2 | 0 | 0 | 1 | 3 | 0 | 1 | 0 | 13 |
| Italy vs. Japan | 4 | 2 | 1 | 0 | 0 | 3 | 1 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 16 |
| Italy vs. other countries | 2 | 4 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 1 | 2 | 1 | 0 | 0 | 14 |
| Japan vs. other countries | 2 | 3 | 1 | 0 | 1 | 1 | 2 | 1 | 0 | 0 | 2 | 1 | 1 | 0 | 13 |

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

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

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

Table II-8

BSS: U.S. producers' and importers' perceived importance of factors other than price in sales of product produced in the United States and in other countries¹

| Country comparison | U.S. producers | | | | | U.S. importers | | | | |
|-----------------------------|----------------|---|---|---|---|----------------|---|---|---|---|
| | A | F | S | N | 0 | A | F | S | N | 0 |
| U.S. vs. Brazil | 1 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| U.S. vs. Canada | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| U.S. vs. France | 0 | 0 | 2 | 5 | 0 | 1 | 0 | 0 | 0 | 1 |
| U.S. vs. Germany | 1 | 0 | 3 | 4 | 0 | 1 | 0 | 0 | 1 | 0 |
| U.S. vs Italy | 0 | 0 | 2 | 5 | 0 | 1 | 0 | 0 | 0 | 1 |
| U.S. vs Japan | 1 | 0 | 3 | 4 | 0 | 1 | 0 | 0 | 1 | 0 |
| U.S. vs. other countries | 1 | 0 | 2 | 5 | 0 | 1 | 0 | 0 | 1 | 0 |
| Brazil vs. Canada | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| Brazil vs. France | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| Brazil vs. Germany | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| Brazil vs. Italy | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| Brazil vs. Japan | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| Brazil vs. other countries | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| Canada vs. France | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| Canada vs. Germany | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| Canada vs. Italy | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| Canada vs. Japan | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| Canada vs. other countries | 0 | 0 | 2 | 4 | 1 | 1 | 0 | 0 | 0 | 1 |
| France vs. Germany | 0 | 0 | 3 | 4 | 0 | 1 | 0 | 0 | 0 | 1 |
| France vs. Italy | 0 | 1 | 2 | 4 | 0 | 1 | 0 | 0 | 0 | 1 |
| France vs. Japan | 0 | 0 | 3 | 4 | 0 | 1 | 0 | 0 | 0 | 1 |
| France vs. other countries | 0 | 1 | 2 | 4 | 0 | 1 | 0 | 0 | 0 | 1 |
| Germany vs. Italy | 0 | 0 | 3 | 4 | 0 | 1 | 0 | 0 | 0 | 1 |
| Germany vs. Japan | 0 | 0 | 3 | 4 | 0 | 1 | 0 | 0 | 1 | 0 |
| Germany vs. other countries | 0 | 1 | 2 | 4 | 0 | 1 | 0 | 1 | 0 | 0 |
| Italy vs. Japan | 0 | 0 | 3 | 4 | 0 | 1 | 0 | 0 | 0 | 1 |
| Italy vs. other countries | 0 | 1 | 2 | 4 | 0 | 1 | 0 | 0 | 0 | 1 |
| Japan vs. other countries | 0 | 0 | 3 | 4 | 0 | 2 | 0 | 0 | 0 | 0 |

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

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

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

ELASTICITY ESTIMATES³⁰

U.S. Supply Elasticity

The domestic supply elasticity for BSS measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of BSS. 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 BSS. Earlier analysis of these factors indicates that the U.S. industry has a moderate-to-large ability to increase or decrease shipments to the U.S. market; an estimate in the range of 3 to 6 is suggested.

U.S. Demand Elasticity

The U.S. demand elasticity for BSS measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of BSS. 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 BSS in the production of any downstream products. Based on the available information, the aggregate demand elasticity for BSS is likely to be in a range of -0.5 to -0.8.³¹

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.³² Product differentiation, in turn, depends upon such factors as quality and conditions of sale. Based on available information concerning product range, quality, availability, and degree of substitution, the elasticity of substitution between domestic and subject BSS is likely to be in the range of 4 to 6 for all six subject countries.

³⁰ Parties were asked to provide comments on the elasticity estimates; no comments were received.

³¹ Producers, importers, and purchasers reported that substitution with other products takes place over the long term, due to the need to change product design and the manufacturing process, but, as in the example of radiators where aluminum has been substituted for BSS, substitution does occur.

³² The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

PART III: CONDITION OF THE U.S. INDUSTRY

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

Data on U.S. producers' capacity, production, and capacity utilization are presented in table III-1.¹ Reported U.S. capacity to produce BSS declined irregularly during the period of review, from 634.8 million pounds in 1999 to 607.0 million pounds in 2004, but still exceeded apparent U.S. consumption of BSS in each year during 1999-2004. Capacity fell further in January-September 2005. Production of BSS decreased by 23.1 percent between 1999 and 2004; production fell further by 12.7 percent in interim 2005. Capacity utilization fell from 90.4 percent in 1999 to 67.6 percent in interim 2005.

Table III-1

BSS: U.S. producers' capacity, production, and capacity utilization, 1999-2004, January-September 2004, and January-September 2005¹

| Item | Calendar year | | | | | | Jan.-Sept. | |
|--|---------------|---------|---------|---------|---------|---------|------------|---------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Capacity: (1,000 pounds) | | | | | | | | |
| Basic producers | 634,779 | 644,373 | 587,613 | 628,599 | 598,991 | 606,983 | 456,363 | 448,083 |
| Rerollers | 58,870 | 59,231 | 60,121 | 62,256 | 60,296 | 60,283 | 45,212 | 45,212 |
| Production: (1,000 pounds) | | | | | | | | |
| Basic producers | 573,981 | 558,227 | 387,191 | 446,192 | 407,574 | 441,125 | 346,976 | 302,879 |
| Rerollers | 45,314 | 42,660 | 27,116 | 29,586 | 22,673 | 30,141 | 24,475 | 20,624 |
| Capacity utilization: (Percent) | | | | | | | | |
| Basic producers | 90.4 | 86.6 | 65.9 | 71.0 | 68.0 | 72.7 | 76.0 | 67.6 |
| Rerollers | 77.0 | 72.0 | 45.1 | 47.5 | 37.6 | 50.0 | 54.1 | 45.6 |
| ¹ Capacity and capacity utilization data for basic producers herein differ from that presented in the prehearing report due to large revisions reported by ***. | | | | | | | | |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | | | |

All eight U.S. producers reported that during the period of review they produced other products on the same equipment and machinery used in the production or reroll of C20000-series BSS. The other products included other series of copper alloys, copper sheet and plate, stainless steel, nickel alloys, and PMX HPA alloys.

¹ Data herein for U.S. producers' capacity, production, capacity utilization, shipments, inventories, and employment are reported separately for basic producers and rerollers. Except for data on employment, aggregation of data for the two groups of firms would result in double-counting because rerollers reroll or finish BSS that has already been produced by a basic producer.

**U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS,
AND EXPORT SHIPMENTS**

U.S. producers' shipments (toll, nontoll, internal consumption, transfers to related firms, and exports) are shown in table III-2.² The quantity of U.S. commercial shipments of BSS decreased irregularly during the period, from *** million pounds in 1999 to *** million pounds in 2004. These shipments declined further in January-September 2005. The value of U.S. commercial shipments of BSS fell from *** million in 1999 to *** million in 2004. These shipments declined by *** percent in interim 2005 compared with interim 2004. U.S. producers reported measurable toll shipments of BSS, internal consumption of BSS, and transfers to related firms of BSS during the period of review. In 2004, the percentage of the quantity of total U.S. shipments accounted for by toll shipments, internal consumption, and transfers to related firms was *** percent, *** percent, and *** percent, respectively. The quantity of total U.S. shipments of BSS declined by 23.1 percent between 1999 and 2004. In interim 2005, these shipments decreased by 11.7 percent compared with interim 2004. The quantity of U.S. producers' exports of BSS was less than *** percent of total shipments of BSS during the period. Export markets included Canada, Mexico, China, and Malaysia.

² With respect to the value of shipments, the value of toll shipments excludes the metal value of the merchandise, while the value of nontoll shipments includes the value of the metal.

Table III-2

BSS: U.S. producers' shipments, by type of shipment and type of producer, 1999-2004, January-September 2004, and January-September 2005

| Item | Calendar year | | | | | | Jan.-Sept. | |
|------------------------------------|---------------|---------|---------|---------|---------|---------|------------|---------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| <i>Quantity (1,000 pounds)</i> | | | | | | | | |
| Commercial shipments: | | | | | | | | |
| Toll: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Nontoll: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Total, commercial | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Internal consumption: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Total, U.S. shipments: | | | | | | | | |
| Basic producers | 557,813 | 552,724 | 382,267 | 436,520 | 399,963 | 428,939 | 337,473 | 298,001 |
| Rerollers | 43,988 | 41,707 | 27,236 | 29,460 | 22,681 | 28,879 | 23,871 | 20,025 |
| Export shipments: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Total, all shipments: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |

Table continued on next page.

Table III-2--Continued

BSS: U.S. producers' shipments, by type of shipment and type of producer, 1999-2004, January-September 2004, and January-September 2005

| Item | Calendar year | | | | | | Jan.-Sept. | |
|------------------------------------|---------------|---------|---------|---------|---------|---------|------------|---------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| <i>Value (1,000 dollars)</i> | | | | | | | | |
| Commercial shipments: | | | | | | | | |
| Toll: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Nontoll: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Total, commercial | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Internal consumption: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Total, U.S. shipments: | | | | | | | | |
| Basic producers | 579,105 | 623,848 | 434,505 | 476,451 | 447,739 | 592,521 | 463,234 | 481,621 |
| Rerollers | 64,419 | 66,090 | 42,984 | 43,989 | 36,638 | 53,463 | 47,495 | 46,389 |
| Export shipments: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Total, all shipments: | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |

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

U.S. PRODUCERS' INVENTORIES

Table III-3 presents data on U.S. producers' end-of-period inventories of BSS during the review period. U.S. producers' end-of-period inventories of BSS declined from 42.2 million pounds in 1999 to 26.3 million pounds in January-September 2005. U.S. producers' inventories as a share of U.S. production and as a share of U.S. shipments fluctuated modestly during the period.

Table III-3

BSS: U.S. producers' end-of-period inventories, 1999-2004, January-September 2004, and January-September 2005

| Item | Calendar year | | | | | | Jan.-Sept. | |
|---|---------------|--------|--------|--------|--------|--------|------------|--------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Inventories (1,000 pounds): | | | | | | | | |
| Basic producers | 42,229 | 39,150 | 31,954 | 33,027 | 31,921 | 36,398 | 35,479 | 26,297 |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Ratio to production (percent): | | | | | | | | |
| Basic producers | 7.4 | 7.0 | 8.3 | 7.4 | 7.8 | 8.3 | 7.7 | 6.5 |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Ratio to U.S. shipments (percent): | | | | | | | | |
| Basic producers | 7.6 | 7.1 | 8.4 | 7.6 | 8.0 | 8.5 | 7.9 | 6.6 |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Ratio to total shipments (percent): | | | | | | | | |
| Basic producers | *** | *** | *** | *** | *** | *** | *** | *** |
| Rerollers | *** | *** | *** | *** | *** | *** | *** | *** |
| Note.—Ratios were calculated using data from firms providing both inventory and production or shipment data. January-September ratios were calculated using annualized production or shipment data. | | | | | | | | |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | | | |

U.S. PRODUCERS' IMPORTS AND PURCHASES OF IMPORTS

U.S. producers reported no imports of BSS from the subject countries and no purchases of subject imports from importers during the period of review. U.S. producers, however, did report imports and/or purchases of BSS from nonsubject countries, as shown below in table III-4. OAB noted that imports of BSS from the Netherlands originate from its sister company, Netherlands-based Outokumpu

Table III-4

BSS: U.S. producers' production, imports, purchases of imports, and ratios to production, 1999-2004, January-September 2004, and January-September 2005

* * * * *

Copper, and consist only of brass sheet and strip for automotive radiator applications.³ PMX imported BSS from its parent company, Poongsan Corp., South Korea, for a period of time to meet increased demand while it increased its own production capabilities.⁴ ***.⁵ ***.⁶ ***.⁷

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

Table III-5 presents employment data for U.S. producers of BSS. The number of production and related workers (PRWs) involved in basic production and rerolling of BSS declined by 28.2 percent between 1999 and January-September 2005, from 1,682 to 1,207. Reflecting the drop in employment, the number of hours worked by PRWs and the wages paid also declined during the period. Hourly wages increased irregularly during the period, while productivity and unit labor costs fluctuated.

³ Hearing transcript (Bartel), pp. 90-91.

⁴ Hearing transcript (Burkhardt), p. 92.

⁵ Domestic producers' posthearing brief, pp. 19-20.

⁶ Ibid., p. 21.

⁷ Ibid., p. 21.

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

This section of the report presents the financial results of eight U.S. producers of BSS. Financial results are based on U.S. generally accepted accounting principles (GAAP).⁸ All U.S. producers, with the exception of ***, reported their financial results on a calendar-year basis.⁹ Staff verified the questionnaire response of Olin on January 31 and February 1, 2006. Changes/revisions pursuant to verification are reflected in this and other affected sections of this report.^{10 11}

BSS activity represents commercial sales, tolling, internal consumption, and transfers and encompasses basic production (production of brass sheet and strip from raw material inputs) and rerolling (further processing of purchased brass sheet and strip).¹² As reported to the Commission and consistent with the previous sunset review, the majority of BSS activity represents basic production.¹³

As noted previously, Outokumpu (the parent company of OAB throughout most of the period examined) sold its fabricated copper products business, which includes OAB, to Nordic Capital in June 2005. OAB is reportedly allowed to operate under the Outokumpu Copper Products name for approximately a year after the sale.¹⁴

In late 2000 and early 2001, Olin experienced a strike/work stoppage at its East Alton, IL facility which had a limited impact on its Metals segment profitability. In 2003, Olin formally closed its Indianapolis, IN facility which had been idled since 2001. In 2004, Olin relocated its corporate offices

⁸ ***.

All producers appear to generate some scrap in their production process. While basic producers re-use the scrap in their production process, *** reported that it also sells scrap. ***, dedicated rerollers, reportedly sell *** scrap. Scrap sales are reflected in the BSS financial results as an offset to cost of goods sold.

CDSOA receipts are included as a separate line item in the “other income” section of table III-5. Treating CDSOA receipts as “other income” would generally be the standard income statement classification for external reporting purposes.

⁹ ***.

¹⁰ ***.

¹¹ As it relates to BSS, relevant public financial information is in the form of segment reporting information. Olin’s segment is identified as Metals, while Outokumpu’s segment was Outokumpu Copper. Outokumpu Copper’s U.S. operations are included in its America’s division. PMX’s segment information (2003 and 2004 were the only periods reported separately) represents its U.S. operations – PMX Industries. The other U.S. producers do not appear to report their financial results publicly.

¹² Because the majority of tolling appears to be performed for companies that are not BSS producers, double-counting of volume due to tolling, relative to total BSS volume, appears to be minor; e.g., ***.

***.

¹³ OAB, Olin, PMX, and Revere are basic producers only. ***. Producers that only reroll are Eagle Brass, Heyco, and Wieland Metals. Prior to the period examined, Scott Brass was just a reroller. It began basic production ***.

¹⁴ *Outokumpu to sell its fabricated copper products business to Nordic Capital*, Outokumpu Copper press release, www.outokumpucopper.com, retrieved October 13, 2005. OAB will reportedly adopt a new name in early 2006. *Outokumpu Copper name change coming*, American Metal Market (December 8, 2005).

Management discussion and analysis information in Outokumpu’s annual reports prior to and including 2004 indicated that Outokumpu’s copper segment (including OAB) was not meeting profitability targets which ultimately resulted in its sale to Nordic Capital.

Table III-6--Continued

Brass sheet and strip: Results of operations, 1999-2004, January-September 2004, and January-September 2005

| Item | Calendar and fiscal year | | | | | | January-September | |
|--|--------------------------|------|-------|------|------|------|-------------------|-------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Ratio to net sales (percent) | | | | | | | | |
| Raw materials | 60.9 | 63.4 | 55.8 | 54.7 | 55.6 | 67.7 | 68.4 | 70.3 |
| Direct labor | 8.9 | 8.0 | 8.9 | 9.0 | 8.9 | 7.7 | 7.6 | 6.2 |
| Other factory costs | 18.9 | 17.9 | 28.4 | 28.6 | 27.8 | 19.1 | 18.6 | 20.3 |
| Total cost of goods sold | 88.7 | 89.2 | 93.1 | 92.3 | 92.3 | 94.4 | 94.6 | 96.7 |
| Gross profit | 11.3 | 10.8 | 6.9 | 7.7 | 7.7 | 5.6 | 5.4 | 3.3 |
| SG&A expenses | 3.8 | 4.6 | 5.8 | 5.9 | 5.8 | 3.4 | 3.3 | 2.9 |
| Operating income | 7.4 | 6.1 | 1.1 | 1.8 | 1.9 | 2.1 | 2.1 | 0.4 |
| Net income or (loss) | 4.8 | 3.8 | (1.8) | 0.6 | 0.8 | 1.6 | 1.6 | (0.5) |
| Number of producers reporting | | | | | | | | |
| Data | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Operating losses | 0 | 0 | 2 | 2 | 1 | 1 | 1 | 4 |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | | | |

end of the period. While somewhat higher in the middle of the period due to absolute increases in selling, general and administrative (SG&A) expenses, SG&A expense ratios declined to their lowest levels by the end of the period.²¹ Lower volume and a further contraction of gross margins, offset partially by lower SG&A expenses, resulted in reduced operating income in interim 2005 compared to interim 2004.²²

In addition to changes in volume levels, a key factor in the industry's financial results is the "conversion margin" which represents the difference between negotiated prices and the cost of primary raw materials.²³ Since the industry's pricing mechanism essentially passes the cost of raw material

²¹ ***.
***.

²² With respect to the interim period, the operating profit of Olin's Metals segment declined from \$39.4 million (4.1 percent of sales) in the first 3 quarters of 2004 to \$29 million (2.8 percent of sales) in the first 3 quarters of 2005. Olin 3rd quarter 2005 10-Q, p. 8. According to the company, "{l}ower earnings {for the Metals segment} were primarily the result of lower shipment volumes in 2005 and higher energy and copper costs." Olin 3rd quarter 2005 10-Q, p. 17. At the end of the period, Olin's chairman, president, and chief executive officer, reportedly called the company's brass mill segment financial results "unacceptable" and stated "{w}e are initiating a series of actions to optimize manufacturing capabilities and improve the profits of our metals business . . . these actions will likely include a combination of plant closures, realignments and headcount reductions." *Olin eyes plant, job cuts for metals business*, American Metal Market (October 28, 2005). In January 2006, Olin announced that it will close its Waterbury Rolling Mill. Domestic interested parties' postconference brief, exhibit 16.

²³ As defined by Outokumpu, "{t}he conversion margin for the copper products fabrication business is the difference between the unit price of the raw material copper metal and the unit price of the product sold to the customer. Conversion margins for fabricated copper products are mainly dependent on the demand in customer industries and competition." 2004 Outokumpu Annual Report, p. 15. A chart of Outokumpu's historical per-pound copper conversion margin indicates that it has generally declined since 2001. 2004 Outokumpu Annual Report, p. 23. It should be noted that conversion margins vary when examined on a product-specific basis; e.g., Outokumpu's above-referenced unit copper products conversion margin represents the prevailing period-to-period product mix and
(continued...)

directly through to the customer, the primary determinants of BSS profitability are the relative strength of conversion margins, volume, and associated conversion costs. The financial results of the industry and related industry information indicate that BSS conversion margins were stronger at the beginning of the period and then declined, while, as shown in table III-7, average per-pound conversion costs increased at the end of the period.^{24 25}

A variance analysis is not included in this section due to the presence of tolling activity which limits the meaningful unitization of aggregate revenue and cost information.

²³ (...continued)

was for its entire copper-related operations – not just operations in the United States.

According to Olin, “{w}e generally pass changes in prices for copper and other metals to our customers as part of the negotiated price of the finished product in most of Metals segment product lines. However, our Metals segment experiences manufacturing or pricing pressure with respect to its conversion charges . . .” Olin 2004 10-K, pp. 10-11.

²⁴ The industry used various surcharges during the period to offset higher costs. For example, fuel surcharges were used by several producers. Metal surcharges, to capture copper premiums, were also reported. Several of the larger producers also appear to have added surcharges specific to natural gas after the period examined ended. *PMX tacks on 2¢/lb. for energy*, American Metal Market (October 28, 2005), *Olin Brass introducing energy fee*, American Metal Market (October 31, 2005), *Outokumpu adding natural gas fee*, American Metal Market (November 2, 2005). At the Commission’s hearing, company officials noted the inability to pass through all increases in conversion costs. Hearing transcript, p. 29 (Bartel) and p. 143 (Rupp).

²⁵ The public segment financial information of Olin, Outokumpu, and the limited public information for PMX, although representing a larger subset of information, is generally consistent with reported BSS financial results. The overall trend was a 2000 peak in revenue followed by a decline in 2001. Subsequent modest increases in revenue were followed by relatively large increases in 2004. While 2004 represented the largest level of absolute revenue, profitability (on an absolute basis and as a percentage of sales) was lower compared to 2000 – the previous peak in revenue. This is generally consistent with a reduction in conversion margins.

Average fabrication charge and conversion margins can be estimated using information contained in table III-6 and III-7:

| Item | Calendar and fiscal year | | | | | | January-September | |
|---|--------------------------|-------|-------|-------|-------|-------|-------------------|-------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Conversion cost (<i>per pound</i>) | 0.30 | 0.30 | 0.44 | 0.42 | 0.42 | 0.38 | 0.37 | 0.44 |
| Fabrication charge (<i>per pound</i>) | 0.42 | 0.43 | 0.53 | 0.52 | 0.52 | 0.46 | 0.45 | 0.49 |
| Conversion margin (<i>per pound</i>) | 0.12 | 0.13 | 0.09 | 0.10 | 0.10 | 0.08 | 0.08 | 0.06 |
| Conversion margin (<i>% of fabrication</i>) | 29.7% | 29.6% | 16.8% | 18.7% | 18.5% | 17.8% | 17.4% | 11.4% |

The fabrication charge above represents the difference between average sales value (without tolling) and average raw material cost. Conversion margin is the difference between the estimated fabrication charge and conversion cost. Since tolling activity can only be partially eliminated, the above unit values should be considered estimates.

Table III-7

Brass sheet and strip: Results of operations (*dollars per pound*), 1999-2004, January-September 2004, and January-September 2005

| Item | Calendar and fiscal year | | | | | | January-September | |
|----------------------------------|--------------------------|------|------|------|------|------|-------------------|------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| <i>Value (dollars per pound)</i> | | | | | | | | |
| Commercial sales | 1.23 | 1.34 | 1.34 | 1.28 | 1.28 | 1.57 | 1.59 | 1.83 |
| Tolling revenue | 0.39 | 0.42 | 0.46 | 0.42 | 0.44 | 0.43 | 0.43 | 0.47 |
| Internal consumption | *** | *** | *** | *** | *** | *** | *** | *** |
| Transfers to related firms | *** | *** | *** | *** | *** | *** | *** | *** |
| Average sales value | 1.07 | 1.17 | 1.18 | 1.13 | 1.15 | 1.41 | 1.41 | 1.66 |
| Cost of goods sold: | | | | | | | | |
| Raw material | 0.78 | 0.88 | 0.73 | 0.69 | 0.71 | 1.07 | 1.08 | 1.28 |
| Conversion costs | | | | | | | | |
| Direct labor | 0.09 | 0.09 | 0.10 | 0.10 | 0.10 | 0.11 | 0.11 | 0.10 |
| Other factory costs | 0.20 | 0.21 | 0.34 | 0.32 | 0.32 | 0.27 | 0.26 | 0.34 |
| Total conversion costs | 0.30 | 0.30 | 0.44 | 0.42 | 0.42 | 0.38 | 0.37 | 0.44 |
| Average cost of goods sold | 0.95 | 1.04 | 1.10 | 1.04 | 1.06 | 1.34 | 1.34 | 1.60 |
| Gross profit | 0.12 | 0.13 | 0.08 | 0.09 | 0.09 | 0.08 | 0.08 | 0.05 |
| SG&A expenses | 0.04 | 0.05 | 0.07 | 0.07 | 0.07 | 0.05 | 0.05 | 0.05 |
| Operating income | 0.08 | 0.07 | 0.01 | 0.02 | 0.02 | 0.03 | 0.03 | 0.01 |

Note.--As presented in this table, average per-pound raw material costs equal total raw material costs divided by all volume except tolling, while average per-pound direct labor and other factory costs (conversion costs) are the product of total direct labor and other factory costs divided by all volume including tolling. Per-pound COGS is the product of total COGS divided by total volume including tolling. Because different volume denominators are used, the sum of per-pound raw material costs and per-pound conversion costs does not equal per-pound COGS. Per-pound gross profit, per-pound SG&A expenses, and per-pound operating income are the total value for these items divided by all volume including tolling.

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

Table III-8
Brass sheet and strip: Results of operations, by firm, 1999-2004, January-September 2004, and January-September 2005

* * * * *

Capital Expenditures and Research and Development Expenses

Data on capital expenditures and research and development (R&D) expenses are shown in table III-9. Olin, which accounted for *** of both R&D expenses and capital expenditures, described its Metals and other segments as being “capital intensive manufacturing businesses with growth rates closely tied to the general economy.”^{26 27}

Table III-9
Brass sheet and strip: Capital expenditures and R&D expenses by firm, 1999-2004, January-September 2004, and January-September 2005

* * * * *

Assets and Return On Investment

The reported value of assets and calculated return on investment are shown in table III-10.

Table III-10
Brass sheet and strip: Value of assets and return on investment, 1999-2004, January-September 2004, and January-September 2005

| Item | Calendar and fiscal year | | | | | | January-September | |
|--|--|---------|---------|---------|---------|---------|-------------------|---------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Assets: | Value (\$1,000) | | | | | | | |
| Total | 497,999 | 450,983 | 384,174 | 437,797 | 405,346 | 387,797 | 407,066 | 352,390 |
| Return on investment: | Ratio of operating income to assets (percent) | | | | | | | |
| Average | 9.8 | 9.7 | 1.4 | 2.3 | 2.3 | 3.7 | 3.6 | 0.9 |
| Note: Interim period operating income was annualized in order to generate comparative return on investment ratios. | | | | | | | | |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | | | |

²⁶ Olin 2001 10-K, p. 14.

²⁷ Olin’s reported BSS capital expenditures represent *** for its Metals segment. In a follow-up response related to this issue, Olin stated that ***.

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

U.S. IMPORTS

Table IV-1 presents data for U.S. imports of BSS, based on official statistics of the Department of Commerce.¹ Although these HTS numbers include some products outside the scope of the countervailing duty and antidumping duty orders, official statistics are used for imports because of the poor coverage of subject imports from the importers' questionnaires.² It is believed that the vast majority of imports under these HTS numbers consist of the C20000-series BSS that is within the scope of the orders; however, this may not be true for imports from specific countries, notably Germany.³ Tables IV-2 and IV-3 show data for U.S. imports of BSS from the subject countries during 2004 by customs district and by month, respectively. Table IV-4 presents U.S. production of BSS and ratios of subject imports to U.S. production. Finally, table IV-5 shows U.S. imports of BSS from principal nonsubject countries.

U.S. imports of BSS from the six subject countries declined by 58.1 percent between 1999 and 2004, from 14.8 million pounds to 6.2 million pounds. Subject imports fell further during January-September 2005. With the exception of France, imports of BSS from each of the subject countries declined between 1999 and 2004. Imports of BSS from nonsubject countries more than doubled during the period, from 29.5 million pounds in 1999 to 67.4 million pounds in 2004. In January-September 2005, nonsubject imports fell by 13.6 percent compared with the level in the same period of 2004. Principal suppliers of nonsubject imports include Mexico, the Netherlands, Korea, Poland, India, and Switzerland. The quantity of total U.S. imports of BSS grew by 66.0 percent between 1999 and 2004, and then declined by 13.7 percent in interim 2005. Imports of BSS from the six subject countries as a share of total U.S. imports declined from 33.4 percent in 1999 to 8.6 percent in January-September 2005.

¹ HTS statistical reporting numbers 7409.21.0050, 7409.21.0075, 7409.21.0090, 7409.29.0050, 7409.29.0075, and 7409.29.0090.

² Useable questionnaire responses were received from only 12 importers, of which 1 reported imports of BSS from Italy, 2 reported imports of BSS from Japan, and the remainder reported imports of BSS from nonsubject countries. No importers reported imports of BSS from Brazil, Canada, France, or Germany. Importers identified through proprietary Customs data that may have imported BSS from the subject countries during the period and that did not respond to the importers' questionnaire include ***.

³ German respondents contend that the official statistics substantially overstate imports of subject BSS from Germany because of the inclusion of nonsubject merchandise. German respondents' prehearing brief, p. 8. Information provided by Customs indicates that ***. German respondents' exports of subject BSS to the United States, as reported in their questionnaire responses, were: ***. Accordingly, it appears that the subject BSS accounts for only a minor portion of U.S. imports from Germany reported in official Commerce statistics for brass sheet and strip.

Table IV-1

BSS: U.S. imports, by sources, 1999-2004, January-September 2004, and January-September 2005

| Source | Calendar year | | | | | | Jan.-Sept. | |
|------------------------------------|---------------|--------|--------|------------------|--------|---------|------------|--------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Quantity (1,000 pounds) | | | | | | | | |
| Brazil | 697 | 43 | 0 | 115 | 44 | 12 | 12 | 0 |
| Canada ¹ | 4,193 | 4,756 | 4,478 | 1,435 | 37 | 72 | 52 | 18 |
| France | 81 | 41 | 54 | (²) | 0 | 142 | 113 | 33 |
| Germany ³ | 4,575 | 5,272 | 3,665 | 4,044 | 3,006 | 2,648 | 1,948 | 1,736 |
| Italy | 297 | 296 | 178 | 287 | 114 | 182 | 123 | 160 |
| Japan | 4,994 | 4,666 | 3,672 | 3,547 | 2,824 | 3,163 | 2,591 | 2,165 |
| Subtotal ¹ | 14,837 | 15,074 | 12,046 | 9,428 | 6,025 | 6,218 | 4,840 | 4,112 |
| All other sources | 29,526 | 49,097 | 54,121 | 49,501 | 52,975 | 67,425 | 50,479 | 43,600 |
| Total imports | 44,363 | 64,171 | 66,167 | 58,930 | 58,999 | 73,643 | 55,318 | 47,712 |
| Value (\$1,000)⁴ | | | | | | | | |
| Brazil | 735 | 52 | 0 | 95 | 52 | 12 | 12 | 0 |
| Canada ¹ | 5,233 | 7,693 | 5,843 | 1,528 | 44 | 172 | 135 | 42 |
| France | 99 | 53 | 62 | 4 | 0 | 231 | 183 | 63 |
| Germany ³ | 5,983 | 7,399 | 5,350 | 5,079 | 4,317 | 4,464 | 3,329 | 3,847 |
| Italy | 395 | 456 | 278 | 445 | 218 | 364 | 243 | 353 |
| Japan | 9,156 | 9,204 | 6,599 | 5,979 | 4,876 | 6,620 | 5,425 | 5,039 |
| Subtotal ¹ | 21,602 | 24,857 | 18,132 | 13,129 | 9,507 | 11,863 | 9,327 | 9,343 |
| All other sources | 32,854 | 57,742 | 64,254 | 56,168 | 62,242 | 101,568 | 74,822 | 75,838 |
| Total imports | 54,456 | 82,599 | 82,386 | 69,297 | 71,749 | 113,431 | 84,148 | 85,182 |
| Unit value (per pound) | | | | | | | | |
| Brazil | \$1.05 | \$1.20 | -- | \$0.83 | \$1.19 | \$1.02 | \$1.02 | -- |
| Canada | 1.25 | 1.62 | \$1.31 | 1.06 | 1.20 | 2.39 | 2.60 | \$2.34 |
| France | 1.23 | 1.29 | 1.15 | 350.99 | -- | 1.62 | 1.62 | 1.94 |
| Germany ³ | 1.31 | 1.40 | 1.46 | 1.26 | 1.44 | 1.69 | 1.71 | 2.22 |
| Italy | 1.33 | 1.54 | 1.56 | 1.55 | 1.90 | 2.00 | 1.98 | 2.20 |
| Japan | 1.83 | 1.97 | 1.80 | 1.69 | 1.73 | 2.09 | 2.09 | 2.33 |
| Average | 1.46 | 1.65 | 1.51 | 1.39 | 1.58 | 1.91 | 1.93 | 2.27 |
| All other sources | 1.11 | 1.18 | 1.19 | 1.13 | 1.17 | 1.51 | 1.48 | 1.74 |
| Average | 1.23 | 1.29 | 1.25 | 1.18 | 1.22 | 1.54 | 1.52 | 1.79 |
| Table continued on next page. | | | | | | | | |

Table IV-1--Continued

BSS: U.S. imports, by sources, 1999-2004, January-September 2004, and January-September 2005

| Source | Calendar year | | | | | | Jan.-Sept. | |
|---|---------------|-------|-------|------------------|-------|------------------|------------------|------------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Share of quantity (percent) | | | | | | | | |
| Brazil | 1.6 | 0.1 | 0.0 | 0.2 | 0.1 | (⁵) | (⁵) | 0.0 |
| Canada | 9.5 | 7.4 | 6.8 | 2.4 | 0.1 | 0.1 | 0.1 | (⁵) |
| France | 0.2 | 0.1 | 0.1 | (⁵) | 0.0 | 0.2 | 0.2 | 0.1 |
| Germany | 10.3 | 8.2 | 5.5 | 6.9 | 5.1 | 3.6 | 3.5 | 3.6 |
| Italy | 0.7 | 0.5 | 0.3 | 0.5 | 0.2 | 0.2 | 0.2 | 0.3 |
| Japan | 11.3 | 7.3 | 5.5 | 6.0 | 4.8 | 4.3 | 4.7 | 4.5 |
| Subtotal | 33.4 | 23.5 | 18.2 | 16.0 | 10.2 | 8.4 | 8.7 | 8.6 |
| All other sources | 66.6 | 76.5 | 81.8 | 84.0 | 89.8 | 91.6 | 91.3 | 91.4 |
| Total imports | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Share of value (percent) | | | | | | | | |
| Brazil | 1.4 | 0.1 | 0.0 | 0.1 | 0.1 | (⁵) | (⁵) | 0.0 |
| Canada | 9.6 | 9.3 | 7.1 | 2.2 | 0.1 | 0.2 | 0.2 | (⁵) |
| France | 0.2 | 0.1 | 0.1 | (⁵) | 0.0 | 0.2 | 0.2 | 0.1 |
| Germany | 11.0 | 9.0 | 6.5 | 7.3 | 6.0 | 3.9 | 4.0 | 4.5 |
| Italy | 0.7 | 0.6 | 0.3 | 0.6 | 0.3 | 0.3 | 0.3 | 0.4 |
| Japan | 16.8 | 11.1 | 8.0 | 8.6 | 6.8 | 5.8 | 6.4 | 5.9 |
| Subtotal | 39.7 | 30.1 | 22.0 | 18.9 | 13.3 | 10.5 | 11.1 | 11.0 |
| All other sources | 60.3 | 69.9 | 78.0 | 81.1 | 86.7 | 89.5 | 88.9 | 89.0 |
| Total imports | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| <p>¹ Import data for Canada for 1999 include an unknown quantity and value of nonsubject merchandise produced by Ratcliffs. The order on Canada was revoked with respect to Ratcliffs in 1991.</p> <p>² Less than 500 pounds.</p> <p>³ Subject BSS is believed to account for only a minor share of U.S. imports reported in official Commerce statistics. See footnote 3 on page IV-1.</p> <p>⁴ Landed, duty-paid.</p> <p>⁵ Less than 0.05 percent.</p> | | | | | | | | |
| Source: Compiled from official Commerce statistics. | | | | | | | | |

Table IV-2
BSS: U.S. imports from subject countries, by customs district, 2004

| Customs district | Brazil | Canada | France | Germany ¹ | Italy | Japan |
|-------------------------|--------|------------------|--------|----------------------|------------------|-------|
| Quantity (1,000 pounds) | | | | | | |
| Boston, MA | | | | 30 | | |
| Buffalo, NY | | 50 | | 2 | | 27 |
| Charleston, SC | | | | 65 | | |
| Charlotte, NC | | | | (²) | | |
| Chicago, IL | | | | 954 | | 64 |
| Cleveland, OH | | (²) | | | | 9 |
| Columbia-Snake, OR | | | | | | 51 |
| Detroit, MI | | 16 | | 129 | | 2 |
| Great Falls, MT | | 2 | | | | |
| Houston-Galveston, TX | | | | 87 | | 55 |
| Los Angeles, CA | | | | 16 | | 213 |
| Miami, FL | | | | 36 | | |
| New Orleans, LA | 12 | | | 27 | | |
| New York, NY | | | | 455 | 182 | 2,619 |
| Norfolk, VA | | | | 37 | | |
| Ogdensburg, NY | | 4 | | | | |
| Pembina, ND | | (²) | | | | |
| Philadelphia, PA | | | | 194 | | |
| Savannah, GA | | | 142 | 7 | (²) | |
| Seattle, WA | | | | 4 | | 122 |
| St. Albans, VT | | | | 605 | | |
| Tampa, FL | | | | (²) | | |
| Total imports | 12 | 72 | 142 | 2,648 | 182 | 3,162 |

¹ Only a minor share of the reported imports from Germany is believed to consist of subject product. See footnote 3 on page IV-1.

² Less than 500 pounds.

Source: Compiled from official Commerce statistics.

Table IV-3
BSS: U.S. imports from subject countries, monthly, 2004

| Item | Brazil | Canada | France | Germany ¹ | Italy | Japan |
|--|--------|------------------|--------|----------------------|-------|-------|
| Quantity (1,000 pounds) | | | | | | |
| January | 0 | (²) | 0 | 47 | 0 | 272 |
| February | 12 | 2 | 0 | 550 | 6 | 253 |
| March | 0 | (²) | 0 | 76 | 36 | 380 |
| April | 0 | 12 | 0 | 275 | 0 | 275 |
| May | 0 | 4 | 0 | 36 | 0 | 143 |
| June | 0 | 13 | 43 | 317 | 77 | 282 |
| July | 0 | (²) | 6 | 57 | 0 | 211 |
| August | 0 | 2 | 23 | 318 | 4 | 468 |
| September | 0 | 18 | 41 | 274 | 0 | 307 |
| October | 0 | 20 | 10 | 228 | 0 | 151 |
| November | 0 | 0 | 10 | 405 | 0 | 149 |
| December | 0 | 0 | 9 | 66 | 59 | 272 |
| Total imports | 12 | 71 | 142 | 2,649 | 182 | 3,163 |
| <p>¹ Only a minor share of the reported imports from Germany is believed to consist of subject product. See footnote 3 on page IV-1.</p> <p>² Less than 500 pounds.</p> <p>Source: Compiled from official Commerce statistics.</p> | | | | | | |

Table IV-4

BSS: U.S. production and ratios of imports to U.S. production, 1999-2004, January-September 2004, and January-September 2005

| Item | Calendar year | | | | | | Jan.-Sept. | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Quantity (1,000 pounds) | | | | | | | | |
| U.S. production | 573,981 | 558,227 | 387,191 | 446,192 | 407,574 | 441,125 | 346,976 | 302,879 |
| Ratios of imports to U.S. production (percent) | | | | | | | | |
| U.S. imports from-- | | | | | | | | |
| Brazil | 0.1 | (¹) | 0.0 | (¹) | (¹) | (¹) | (¹) | 0.0 |
| Canada ² | 0.7 | 0.9 | 1.2 | 0.3 | (¹) | (¹) | (¹) | (¹) |
| France | (¹) | (¹) | (¹) | (¹) | 0.0 | (¹) | (¹) | (¹) |
| Germany ³ | 0.8 | 0.9 | 0.9 | 0.9 | 0.7 | 0.6 | 0.6 | 0.6 |
| Italy | 0.1 | 0.1 | (¹) | 0.1 | (¹) | (¹) | (¹) | 0.1 |
| Japan | 0.9 | 0.8 | 0.9 | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 |
| Subtotal ² | 2.6 | 2.7 | 3.1 | 2.1 | 1.5 | 1.4 | 1.4 | 1.4 |
| All other sources | 5.1 | 8.8 | 14.0 | 11.1 | 13.0 | 15.3 | 14.5 | 14.4 |
| Total imports | 7.7 | 11.5 | 17.1 | 13.2 | 14.5 | 16.7 | 15.9 | 15.8 |
| ¹ Less than 0.05 percent. ² Import data for Canada for 1999 include an unknown quantity and value of nonsubject merchandise produced by Ratcliffs. The order on Canada was revoked with respect to Ratcliffs in 1991. ³ Only a minor share of the reported imports from Germany is believed to consist of subject product. See footnote 3 on page IV-1. Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics. | | | | | | | | |

Table IV-5**BSS: U.S. imports from principal nonsubject countries, 1999-2004, January-September 2004, and January-September 2005**

| Source | Calendar year | | | | | | Jan.-Sept. | |
|---|---------------|--------|--------|--------|--------|--------|------------|------------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| Quantity (1,000 pounds) | | | | | | | | |
| India | 54 | 205 | 155 | 743 | 2,330 | 1,946 | 1,559 | 2,380 |
| Korea | 22 | 1,842 | 2,432 | 254 | 1,007 | 570 | 347 | (¹) |
| Mexico | 12,040 | 15,258 | 11,461 | 10,449 | 9,457 | 13,428 | 10,868 | 7,742 |
| Netherlands | 435 | 1,913 | 15,301 | 15,725 | 16,721 | 21,226 | 15,365 | 16,060 |
| Poland | 3,576 | 9,266 | 6,694 | 7,237 | 10,930 | 19,833 | 14,983 | 11,998 |
| Switzerland | 6,473 | 6,998 | 5,236 | 4,663 | 4,306 | 5,641 | 4,121 | 2,791 |
| All other nonsubject countries | 6,926 | 13,615 | 12,842 | 10,430 | 8,224 | 4,781 | 3,236 | 2,629 |
| Total, nonsubject countries | 29,526 | 49,097 | 54,121 | 49,501 | 52,975 | 67,425 | 50,479 | 43,600 |
| ¹ Less than 500 pounds. | | | | | | | | |
| Source: Compiled from official Commerce statistics. | | | | | | | | |

U.S. IMPORTERS' INVENTORIES

End-of-period inventories reported by U.S. importers are shown in table IV-6. ***.

Table IV-6**BSS: U.S. importers' reported end-of-period inventories of imports, by source, 1999-2004, January-September 2004, and January-September 2005**

| Item | Calendar year | | | | | | Jan.-Sept. | |
|--|---------------|------|------|------|------|------|------------|------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 |
| From Italy: | | | | | | | | |
| Inventories (1,000 pounds) | *** | *** | *** | *** | *** | *** | *** | *** |
| Ratio to imports (percent) | *** | *** | *** | *** | *** | *** | *** | *** |
| Ratio to U.S. shipments of imports (percent) | *** | *** | *** | *** | *** | *** | *** | *** |
| Note.—Ratios were calculated using data from firms providing both inventories and imports or importers' shipments. January-September ratios were calculated using annualized import and shipment data. | | | | | | | | |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | | | |

U.S. IMPORTS FOR DELIVERY AFTER SEPTEMBER 30, 2005

Two importers reported that they had imported or arranged for the importation of BSS from the subject countries for delivery after September 30, 2005. ***.

THE INDUSTRY IN BRAZIL

In the original investigations, four firms were identified as producers of BSS in Brazil: (1) Eluma International (“Eluma”); (2) Termomecanica Sao Paulo S.A. (“Termomecanica”); (3) Cecil Langone; and (4) S.A. Marvin. By the time of the first reviews, Cecil Langone had either ceased operations or no longer produced BSS in Brazil, and S.A. Marvin had been purchased by Eluma in 1996.⁴

In its response to the Commission’s notice of institution in these reviews, counsel for petitioners identified two current manufacturers/exporters of BSS in Brazil—Eluma (now Eluma S.A. Industria e Comercio) and Termomecanica.⁵ Questionnaires were successfully faxed to both of them. Eluma provided a response, while Termomecanica did not. In its response, Eluma noted that there are *** producers of BSS in Brazil and that demand for BSS in Brazil ***.⁶ Eluma did not ***. Eluma noted that it has ***.⁷ Eluma stated that since 1999 it has produced *** on the same equipment and machinery used in the production of C20000-series BSS.⁸ The firm’s total production capacity for all of these products is presented in table IV-7.

Table IV-7
Eluma’s total production capacity, by production stage, for all products produced on the same equipment and machinery used in the production of BSS, 1999-2004

| Production stage | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|--|------|------|------|------|------|------|
| Quantity (1,000 pounds) | | | | | | |
| Casting (all copper and copper alloy): Total production capacity | *** | *** | *** | *** | *** | *** |
| Hot rolling: Total production capacity | *** | *** | *** | *** | *** | *** |
| Cold rolling: Total production capacity | *** | *** | *** | *** | *** | *** |
| Annealing: Total production capacity | *** | *** | *** | *** | *** | *** |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | |

Subsequent to the receipt of Eluma’s questionnaire, SINDICEL, the Brazilian trade association that covers brass producers in Brazil, submitted to the Commission aggregate capacity, production, and shipment data for the entire Brazilian BSS industry. The Brazilian producers represented by SINDICEL

⁴ *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Publication 3290, April 2000, p. IV-3. In the first reviews, the Commission gathered data from ***. Investigation Nos. 701-TA-269-270 (Review) and 731-TA-311-317 and 379-80 (Review), *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, staff report, March 8, 2000, INV-X-054, pp. IV-4-IV-5.

⁵ Domestic interested parties’ submission of May 23, 2005, exhibit 3.

⁶ Foreign producers’ questionnaire response of Eluma, pp. 18-19.

⁷ *Ibid.*, p. 5.

⁸ *Ibid.*, p. 6.

data are Termomecanica, Eluma, Cecil S.A. Laminacao De Metais (“Cecil”), and Industria Brasileira De Metais S.A. (“IBRAME”).⁹ Eluma is the largest Brazilian producer of BSS, Termomecanica is the second largest, and Cecil and IBRAME are small producers, representing only an estimated 5 percent of the Brazilian market for BSS.¹⁰ SINDICEL data are shown in table IV-8.

Table IV-8

BSS: Brazil’s reported production capacity, production, shipments, and inventories, 1999-2004, January-September 2004, and January-September 2005

* * * * *

Brazilian producers’ reported capacity to produce BSS increased steadily over the period, from *** million pounds in 1999 to *** million pounds in 2004. Capacity in January-September 2005 was *** in January-September 2004. Capacity utilization ranged from a low of *** percent in *** to a high of *** percent in ***. Brazilian production of BSS rose gradually from *** million pounds in 1999 to *** million pounds in 2004. Production in January-September 2005 declined by *** percent compared with production in the same period of 2004. Brazilian producers’ reported exports of BSS as a share of their total shipments declined from *** percent in 1999 to *** percent in January-September 2005. Brazilian producers’ reported exports to the United States during the period of review ***. As a share of total shipments, Brazilian producers’ reported exports to Asia declined from *** percent in 1999 to *** percent in January-September 2005.

THE INDUSTRY IN CANADA

At the time of the original investigations, there were three firms producing C20000-series BSS in Canada: ArrowHead Metals, Ltd., Toronto, Ontario; Noranda Metal Industries, Montreal, Quebec; and Ratcliffs (Canada) Ltd., Richmond Hill, Ontario. ArrowHead Metals ceased operations in the late 1980s. Noranda was acquired in 1988 by Wolverine Tube, Inc., a U.S. company headquartered in Huntsville, AL. The Canadian facilities became known as Wolverine Tube Canada, Inc., with the primary BSS-producing facility in Fergus, Ontario. In 1991, the antidumping duty order with respect to Ratcliffs was revoked.¹¹ In 1999, Wolverine Tube Canada, Inc. and Ratcliffs combined their respective copper and brass strip manufacturing operations into a joint venture named Wolverine Ratcliffs, Inc. (“WRI”).¹² In 2001, the brass strip operations in Richmond Hill, Ontario were shut down and all brass strip manufacturing was consolidated into the Fergus, Ontario plant.¹³ In 2002, Wolverine Tube, Inc. ceased all production of brass strip at WRI, liquidated substantially all of its inventory and net receivables, and began selling off the equipment.¹⁴ By the first quarter of 2004, all of the plant’s production equipment

⁹ SINDICEL’s submission through counsel for Eluma, January 20, 2006.

¹⁰ Hearing transcript (Baialuna), p. 173.

¹¹ *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Publication 3290, April 2000, p. IV-4.

¹² Wolverine Tube, Inc., *1999 Annual Report*, pp. 3-4.

¹³ Wolverine Tube, Inc., news release, April 10, 2001, “Ratcliffs Severn, Ltd. and Wolverine Ratcliffs, Inc. to Consolidate Strip Manufacturing Operations.”

¹⁴ Wolverine Tube, Inc., *2003 Annual Report*, p. 25.

had been sold.¹⁵ To staff's knowledge, there are currently no other producers of BSS in Canada.¹⁶

THE INDUSTRY IN FRANCE

In the original investigations, the Commission identified six producers in France of various types of brass rolled products: (1) Trefimetaux; (2) Griset S.A.; (3) Comptoir Lyon Allemand Louyot; (4) Metayer-Noel; (5) Laminoirs du Dauphins; and (6) Usines de Navarre S.A. By the time of the first reviews, only the first two producers still produced brass rolled products in France. In 1995, Trefimetaux combined with the Italian producer La Metalli and the German producer Kabelmetall AG to form KM Europa, with a combined sheet and strip productive capacity of approximately 600 million pounds annually.¹⁷

In its response to the Commission's notice of institution in these reviews, counsel for petitioners identified six current manufacturers/exporters of BSS in France.¹⁸ Questionnaires were successfully faxed to five of these producers.¹⁹ Gindre Duchavany and Gravograph Industrie Int'l. both reported that they ***. No responses were received from the other French firms. Table IV-9 provides data obtained from the United Nations Commodity Trade Statistics Database ("UN Comtrade") for exports of brass rolled products from France to the United States and to all other countries.²⁰ Total exports of brass rolled products from France increased by 70.1 percent between 1999 and 2004, from 33.7 million pounds to 57.3 million pounds. French exports of brass rolled products to the United States as a share of total French exports over the period were less than 1 percent.

¹⁵ Wolverine Tube, Inc., *2004 Annual Report*, p. 42.

¹⁶ ***. Staff telephone conversation with *** January 30, 2006.

¹⁷ *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Publication 3290, April 2000, p. IV-4. In the original investigations, the information about the French brass industry gathered by the Commission consisted of all brass rolled products, not solely C20000-series BSS. According to these data, producers in France had a capacity ranging from *** million pounds in 1983 to *** million pounds in 1985, production ranging from *** million pounds in 1985 to *** million pounds in 1984, and exported approximately *** percent to *** percent of their production to the United States from 1983 to 1985. Investigation Nos. 701-TA-270 (Final) and 731-TA-313, 314, 316, and 317 (Final), *Certain Brass Sheet and Strip from France, Italy, Sweden, and West Germany*, final staff report, February 2, 1987, INV-K-009, pp. A-59-A-60.

¹⁸ Domestic interested parties' submission of May 23, 2005, exhibit 3.

¹⁹ These producers are: (1) CLAL-MSX SA; (2) Gindre Duchavany; (3) Gravograph Industrie Int'l.; (4) Griset SA; and (5) Trefimetaux SA. Staff was not able to contact Usines de Navarre.

²⁰ UN Comtrade HTS subheadings 7409.21.00 and 7409.29.00. These subheadings include some brass rolled products other than C20000-series BSS, and therefore the export data for France may include some brass products outside the scope of these reviews.

Table IV-9
Brass rolled products: France's exports, 1999-2004

| Item | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|--------|--------|--------|--------|--------|--------|
| Quantity (1,000 pounds) | | | | | | |
| Exports to: | | | | | | |
| United States | 1 | 37 | 1 | 82 | 9 | 1 |
| All other countries | 33,652 | 35,852 | 24,291 | 35,932 | 48,131 | 57,255 |
| Total exports | 33,653 | 35,889 | 24,292 | 36,014 | 48,140 | 57,256 |
| Source: Compiled from United Nations Commodity Trade Statistics database. | | | | | | |

THE INDUSTRY IN GERMANY

In the original investigations, seven firms were identified as producers of BSS in Germany: (1) Langenberg Kupfer-und Messingwerke GmbH KG (“Langenberg”); (2) Metallwerke Schwarzwald GmbH (“Metallwerke”); (3) R and G Schmole Metallwerke GmbH and Co. KG; (4) Schwermetall Halbzeugwerk GmbH and Co. KG (“Schwermetall”); (5) Stolberger Metallwerke GmbH and Co. KG; (6) Wieland; and (7) William Prym-Werke GmbH & Co. KG.²¹ By the time of the first reviews, Langenberg and Metallwerke had become part of Wieland, and several other German firms had entered the BSS business.²²

In its response to the Commission’s notice of institution in these reviews, counsel for petitioners identified 12 current manufacturers/exporters of BSS in Germany.²³ Questionnaires were successfully faxed to all of them.²⁴ Schwermetall, Wieland, and Prymetall GmbH & Co. KG (“Prymetall”) provided responses, and indicated that they accounted for ***, ***, and *** percent, respectively, of total production of BSS in Germany in 2004. Gebr. Kemper GmbH & Co. KG, Schlenk Metallfolien GmbH & Co. KG, and Sundwiger Messingwerk GmbH & Co. reported that they ***. In place of a questionnaire response, Messingwerk Plettenberg Herfeld GmbH & Co. KG ***. No responses were received from the remaining German producers.²⁵

²¹ These seven firms reported capacity to produce BSS ranging from 543.9 million pounds in 1983 to 564.5 million pounds in 1984, production ranging from 533.2 million pounds in 1983 to 572.8 million pounds in 1984, and exported 8 percent to 12 percent of their production to the United States from 1983 to 1985. *Certain Brass Sheet and Strip from France, Italy, Sweden, and West Germany*, Inv. Nos. 701-TA-270 (Final) and 731-TA-313, 314, 316, and 317 (Final), USITC Publication 1951, February 1987, pp. A-44-A-47.

²² In the first reviews, only *** German producer provided data on its BSS operations. Investigations Nos. 701-TA-269-270 (Review) and 731-TA-311-317 and 379-80 (Review), *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, staff report, March 8, 2000, INV-X-054, pp. IV-7-IV-9.

²³ Domestic interested parties’ submission of May 23, 2005, exhibit 3.

²⁴ These producers are: (1) Carl Schreiber GmbH; (2) Deutsche Nickel; (3) Fricke GmbH; (4) Gebr. Kemper GmbH & Co. KG; (5) KM Europa Metal AG; (6) Messingwerk Plettenberg Herfeld GmbH & Co. KG; (7) MKM Mansfelder Kupfer und Messing GmbH; (8) Prymetall GmbH & Co. KG; (9) Schlenk Metallfolien GmbH & Co. KG; (10) Schwermetall; (11) Sundwiger Messingwerk GmbH & Co.; and (12) Wieland.

²⁵ Officials of Carl Schreiber GmbH and KM Europa Metal AG (including its subsidiary, Fricke GmbH) state that their firms do not produce BSS in Germany. Deutsche Nickel went bankrupt on June 1, 2005. MKM Mansfelder Kupfer und Messing GmbH is a small reroller of BSS, purchasing its brass for rerolling from Schwermetall. Messingwerk Plettenberg Herfeld GmbH & Co. KG indicates that its annual capacity to produce BSS is 20 to 25

(continued...)

In its response, Wieland noted that there are *** producers of BSS in Germany and that the *** producers other than Wieland, Schwermetall, and Prymetall account for an estimated *** percent of the German market for BSS.²⁶ Schwermetall indicated in its response that it is a ***.²⁷ Schwermetall also noted that demand for BSS in Germany and Europe ***.²⁸ Wieland, Schwermetall, and Prymetall each responded that they had ***.²⁹ Data provided by Wieland and Schwermetall are shown in table IV-10.³⁰

Table IV-10

BSS: Germany's reported production capacity, production, shipments, and inventories, 1999-2004, January-September 2004, and January-September 2005

* * * * *

German producers' reported capacity to produce BSS decreased irregularly over the period, from *** million pounds in 1999 to *** million pounds in 2004. Capacity in January-September 2005 declined by *** percent from capacity in January-September 2004. Capacity utilization ranged from a low of *** percent in 2003 to a high of *** percent in 2000. German production of BSS declined irregularly from *** million pounds in 1999 to *** million pounds in 2004. Production in January-September 2005 declined by *** percent compared with production in the same period of 2004. German producers' reported exports of BSS as a share of total shipments ranged from *** percent in 2003 to *** percent in January-September 2005. German producers' reported exports of BSS to the United States during the period of review ***. As a share of total shipments, German producers' reported exports to Asia ranged from *** percent in 2001 to *** percent in January-September 2005.

Wieland stated that since 1999 it has produced *** on the same equipment and machinery used in the production of C20000-series BSS; Schwermetall noted that since 1999 it has produced *** on the same equipment and machinery used in the production of C20000-series BSS; Prymetall indicated that since 1999 it has *** on the same equipment and machinery used in the production of C20000-series BSS.³¹ The total production capacity for all of these products reported by Wieland and Schwermetall is presented in table IV-11.

²⁵ (...continued)

million pounds. German respondents' posthearing brief, pp. A-31-A-33 and exhibits 2, 3, 4, and 5. Domestic producers state that MKM Mansfelder's website indicates that its product range includes brass; that Messingwerk Plettenberg has a flat-rolled capacity of *** million pounds; that Carl Schreiber ***; and that KM Europa's website indicates that it produces BSS in its rolled products division in Germany. Domestic producers' posthearing brief, pp. 9-10.

²⁶ Foreign producers' questionnaire response of Wieland, p. 24.

²⁷ Foreign producers' questionnaire response of Schwermetall, p. 3.

²⁸ Ibid., p. 18.

²⁹ Foreign producers' questionnaire responses of Wieland, Schwermetall, and Prymetall, p. 5.

³⁰ Prymetall noted that it is ***. Foreign producers' questionnaire response of Prymetall, p. 5. Prymetall's data, therefore, ***. Prymetall's ***. Prymetall reported ***.

³¹ Foreign producers' questionnaire responses of Wieland, p. 8, and Schwermetall and Prymetall, p. 6.

Table IV-11**German producers' total production capacity, by production stage, for all products produced on the same equipment and machinery used in the production of BSS, 1999-2004**

| Production stage | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|--|------|------|------|------|------|------|
| Quantity (1,000 pounds) | | | | | | |
| Casting: ¹ | | | | | | |
| Total production capacity | *** | *** | *** | *** | *** | *** |
| Hot rolling: | | | | | | |
| Total production capacity | *** | *** | *** | *** | *** | *** |
| Cold rolling: | | | | | | |
| Total production capacity | *** | *** | *** | *** | *** | *** |
| Annealing: | | | | | | |
| Total production capacity | *** | *** | *** | *** | *** | *** |
| ¹ Casting of all copper and copper alloy. | | | | | | |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | | | |

THE INDUSTRY IN ITALY

By the time of the first reviews, there were five producers of brass rolled products in Italy: (1) Europa Metalli/LMI-La Metalli Industriale, SpA (“La Metalli”); (2) Dalmet SpA; (3) Metallurgica San Marco SpA (“San Marco”); (4) SA Eredi Gnutti Metalli SpA; and (5) Trafilerie Carlo Gnutti SpA. All of these firms, except for San Marco, had produced some form of brass rolled products during the original investigations. ***.³²

In its response to the Commission’s notice of institution in these reviews, counsel for petitioners identified eight current manufacturers/exporters of BSS in Italy.³³ Questionnaires were successfully faxed to six of these producers.³⁴ Trafilerie Carlo Gnutti SpA reported that it has ***. No responses were received from the other Italian firms. Table IV-12 provides data obtained from UN Comtrade for exports of brass rolled products from Italy to the United States and to all other countries.³⁵ Total exports of brass

³² Investigations Nos. 701-TA-269-270 (Review) and 731-TA-311-317 and 379-80 (Review), *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, staff report, March 8, 2000, INV-X-054, pp. IV-8-IV-9. According to data gathered by the Commission in the original investigations, producers of C20000-series BSS in Italy had a capacity ranging from *** million pounds in 1983 to *** million pounds in 1985, production ranging from *** million pounds in 1983 to *** million pounds in 1985, and exported at least *** percent to *** percent of their production to the United States from 1983 to 1985. Investigations Nos. 701-TA-270 (Final) and 731-TA-313, 314, 316, and 317 (Final), *Certain Brass Sheet and Strip from France, Italy, Sweden, and West Germany*, final staff report, February 2, 1987, INV-K-009, pp. A-60-A-62.

³³ Domestic interested parties’ submission of May 23, 2005, exhibit 3.

³⁴ These producers are: (1) Dalmet SpA; (2) S.A. Eredi Gnutti Metalli SpA; (3) Europa Metalli SpA (formerly La Metalli Industriale SpA); (4) Innor SpA; (5) Metallurgica Cidneo San Marco; and (6) Trafilerie Carlo Gnutti SpA. Staff was not able to contact AML and Trafilerie di Lainate SpA/LMM.

³⁵ UN Comtrade HTS subheadings 7409.21.00 and 7409.29.00. These subheadings include some brass rolled products other than C20000-series BSS, and therefore the export data for Italy may include some brass products outside the scope of these reviews.

rolled products from Italy more than doubled between 1999 and 2004, from 42.5 million pounds to 97.6 million pounds. Italian exports of brass rolled products to the United States as a share of total Italian exports over the period were less than 2 percent.

Table IV-12
Brass rolled products: Italy's exports, 1999-2004

| Item | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|--------|--------|--------|--------|--------|--------|
| Quantity (1,000 pounds) | | | | | | |
| Exports to: | | | | | | |
| United States | 481 | 392 | 377 | 1,012 | 377 | 373 |
| All other countries | 42,004 | 51,354 | 49,376 | 89,348 | 96,639 | 97,187 |
| Total exports | 42,485 | 51,746 | 49,753 | 90,360 | 97,016 | 97,560 |
| Source: Compiled from United Nations Commodity Trade Statistics database. | | | | | | |

THE INDUSTRY IN JAPAN

In the original investigations, questionnaire respondents reported that there were eight producers of brass rolled products in Japan: (1) Sambo Copper; (2) Nippon Mining & Metals Co., Ltd.; (3) Mitsubishi Shindoh Co., Ltd.; (4) Mitsui Mining & Smelting Co., Ltd.; (5) Kobe Steel, Ltd.; (6) Furukawa Electric Co.; (7) Dowa Mining; and (8) Fuji Brass & Copper. By the time of the first reviews, all of these firms, except for Dowa Mining and Fuji Brass & Copper, continued to produce brass rolled products in Japan.³⁶

In its response to the Commission's notice of institution in these reviews, counsel for petitioners identified 20 current manufacturers/exporters of BSS in Japan.³⁷ Questionnaires were successfully faxed to 12 of these producers.³⁸ Sambo Copper provided a partial response. No responses were received from the other Japanese producers. Table IV-13 provides data obtained from World Trade Atlas for exports of brass rolled products from Japan to the United States and to all other countries.³⁹ Total exports of brass

³⁶ *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Publication 3290, April 2000, p. IV-6. In the first reviews, the Commission gathered data from five of the six Japanese producers on their BSS operations. These firms had a capacity of 211.4 million pounds in 1997 and 189.4 million pounds in 1998, production of 193.3 million pounds in 1997 and 165.2 million pounds in 1998, and exported *** percent of their production to the United States in 1997 and 1998. Investigations Nos. 701-TA-269-270 (Review) and 731-TA-311-317 and 379-80 (Review), *Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden*, staff report, March 8, 2000, INV-X-054, pp. IV-10-IV-11.

³⁷ Domestic interested parties' submission of May 23, 2005, exhibit 3.

³⁸ These producers are: (1) Fujisawa Co., Ltd.; (2) Harada Metal Industry; (3) Hitachi-Alloy; (4) Hitachi Cable Ltd.; (5) Kobe Steel, Ltd.; (6) Mitsui Mining & Smelting Co., Ltd. (Mitsui Kinzoku); (7) NGK Insulators (NGK Metals); (8) Nippon Mining & Metals Co., Ltd.; (9) Ohki Brass & Copper Co., Ltd.; (10) Sambo Copper; (11) Sumitomo Metal Mining Brass & Copper Co., Ltd.; and (12) YKK Corporation.

³⁹ World Trade Atlas HTS subheadings 7409.21.00 and 7409.29.00. These subheadings include some brass rolled products other than C20000-series BSS, and therefore the export data for Japan may include some brass products outside the scope of these reviews.

rolled products from Japan decreased by 36.3 percent between 1999 and 2004, from 63.2 million pounds to 40.3 million pounds. Japanese exports of brass rolled products to the United States as a share of total Japanese exports ranged from 7.6 percent in 1999 to 13.0 percent in 2001.

Table IV-13
Brass rolled products: Japan's exports, 1999-2004

| Item | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|--------|--------|--------|--------|--------|--------|
| Quantity (1,000 pounds) | | | | | | |
| Exports to: | | | | | | |
| United States | 4,828 | 5,009 | 4,641 | 4,136 | 3,622 | 3,748 |
| All other countries | 58,360 | 44,076 | 31,074 | 35,611 | 35,856 | 36,534 |
| Total exports | 63,188 | 49,085 | 35,715 | 39,747 | 39,478 | 40,282 |
| Source: Compiled from World Trade Atlas data. | | | | | | |

Information on Japanese production of BSS in 2004 and 2005, by individual Japanese firms, was provided in the posthearing brief of the German respondents.⁴⁰ The Japan Copper and Brass Association was cited as the source of the data. To staff's knowledge, these data are not publicly available from the Japan Copper and Brass Association. Accordingly, staff sent an e-mail to the association on February 7, 2006, asking for data on Japanese capacity, production, home-market shipments, inventories, and exports to the United States and elsewhere of C20000-series BSS for each of the calendar years 1999 through 2004, and January-September of 2004 and of 2005. Staff did not receive a response from the Japan Copper and Brass Association.

THE WORLD MARKET

World production of BSS is dominated by the mature manufacturing industries in the United States, the European Union ("EU"), and Japan. Likewise, these mature economies have historically dominated world consumption.⁴¹ However, U.S. and EU consumption declined during the global economic downturn of 2001-03, and U.S. and EU consumption have yet to return to 2000 levels.⁴² Further, many BSS-consuming manufacturing companies have transferred operations to China and other Asian locations;⁴³ thus, many regional customers no longer exist for U.S. and EU BSS producers.⁴⁴ The present worldwide consumption growth is led almost exclusively by China and Taiwan,⁴⁵ largely by their imports from the EU and Japan.

⁴⁰ German respondents' posthearing brief, pp. A-26-A-27 and exhibit 1.

⁴¹ Various reporting agencies that report on copper and copper alloys, e.g., the Copper Development Association and the International Copper Study Group.

⁴² Domestic interested parties' submission of May 23, 2005, p. 16.

⁴³ German interested parties' submission of May 23, 2005, p. 9, and various industry sources that report on industrial news, e.g., *American Metal Market*, *Metal Bulletin*, and *Platts Metals Week*, among others.

⁴⁴ ***.

⁴⁵ German interested parties' submission of May 23, 2005, p. 9.

Only four plants, all in North America, have closed since 1998, which corresponds to the decline in consumption of BSS.⁴⁶ Conversely, several EU facilities increased capacity during the period and indigenous Chinese production is reportedly being developed.⁴⁷ As a result, the world currently has excess installed production capacity.⁴⁸ Thus, many producers are operating at less than full capacity or have switched to other products.⁴⁹ Faced with global overcapacity,⁵⁰ which leaves producers in high-cost economies at risk, much of the mature industry has focused on processing technology upgrades to remain cost-competitive, and on mergers and acquisitions to streamline operations.⁵¹

COUNTERVAILING DUTY ORDERS AND ANTIDUMPING DUTY ORDERS ON BSS IN OTHER COUNTRIES

No countervailing duty orders and/or antidumping duty orders on BSS in countries other than the United States have been reported.

⁴⁶ Three in the United States—OAB (Kenosha, WI, 1999), Hussey Copper Ltd. (Leetsdale, PA, 1999), and Olin (Indianapolis, IN, 2003)—and one in Canada (Wolverine Ratcliffs, Fergus, ON, 2002). Various industry sources that report on industrial news, e.g., *American Metal Market*, *Metal Bulletin*, and *Platts Metals Week*; press releases; and company reports.

⁴⁷ *Ibid.*, and domestic interested parties' submission of May 23, 2005, pp. 16-18.

⁴⁸ Various industry sources that report on industrial news, e.g., *American Metal Market*, *Metal Bulletin*, and *Platts Metals Week*; and ***.

⁴⁹ *Ibid.*

⁵⁰ Domestic interested parties' submission of May 23, 2005, p. 18.

⁵¹ Various industry sources that report on industrial news, e.g., *American Metal Market*, *Metal Bulletin*, and *Platts Metals Week*; and ***.

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Materials

Raw material costs are an important component of the total cost of producing BSS. As brass is an alloy of copper and zinc,¹ these metals, as well as scrap metal,² comprise most of the raw material cost. Public data show that prices of copper and copper scrap rose substantially beginning in late 2003 and had almost tripled in value between 1999 and late 2005 (figure V-1).³ During that period, the price of zinc increased as well, with zinc prices approximately 60 percent higher in late 2005 than in 1999.

All producers and importers reported that their metal prices tracked copper and zinc prices, generally from the COMEX division of the New York Mercantile Exchange or the London Metal Exchange (LME).⁴ As purchasers usually pay separate metal and fabrication prices, raw material prices should only have an impact on the metal price.⁵ In fact, tolling – when the purchaser provides the metal to the producer for fabrication – has become less popular in the industry in recent years because the price of copper increased dramatically beginning in late 2003.⁶

¹ For brass, the copper content ranges between 58 and 95 percent. Small additions (less than 5 percent) of alloying elements other than zinc can be made to some brasses to modify their properties.

² The scrap values displayed in figure V-1 represent both copper and zinc scrap prices. The copper scrap price is for the “brass mill no. 1” type of copper scrap and the zinc scrap price is for the “smelters new zinc clippings” type of zinc scrap (both from the American Metal Market). These prices only represent one possible scrap price and are not indicative of global prices, as there are prices for many different types of scrap and, due to transportation costs, these prices vary by country and by region within country.

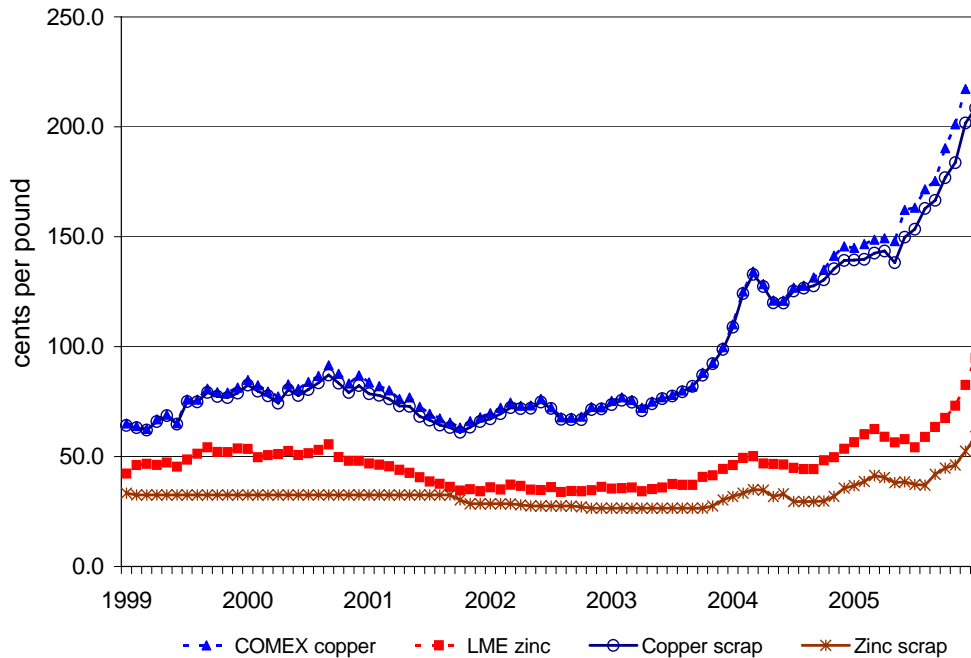
³ *** reported that futures prices are now lower than spot prices, so the market is near its peak.

⁴ Copper is traded on three commodity exchanges: The London Metal Exchange (LME), the Commodities Exchange Division of the New York Mercantile Exchange (COMEX), and the Shanghai Metal Exchange (SHME). On the LME, copper is traded in lots of 25 metric tons and quoted in U.S. dollars per metric ton. On COMEX, copper is traded in lots of 25,000 pounds and quoted in U.S. cents per pound. On the SHME, copper is traded in lots of 5 metric tons and is quoted in renminbi per metric ton. Although the COMEX price is displayed in figure V-1, the LME copper prices are similar and follow the same trend.

⁵ *** reported that they pass along all of the raw material cost increases to their customers, but *** reported that customers have tried to offset the increased cost of raw materials with a decrease in the fabrication prices charged by producers, so raw material price increases have been difficult to pass along to customers. Other domestic producers reported that there is not a 100 percent pass-through rate for raw material, energy, and other price increases, and that the fabrication price may be reduced as a result of other price increases. Hearing transcript (Bartel), p. 29 and (Hartquist, Bartel, Rupp, and Burkhardt), pp. 142-144.

⁶ ***.

Figure V-1
Raw material costs: Prices of copper, zinc, and scrap by months, January 1999-January 2006



Source: COMEX, <http://www.nymex.com>; LME, <http://www.lme.co.uk>; and American Metal Market, <http://www.amm.com>; November 29, 2005.

Energy costs⁷ are another important factor in the production of BSS. Both natural gas prices and electricity prices were higher in 2005 than in any of the full years between 1999 and 2004, as shown in the following tabulation:

| Item | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 ¹ |
|--|--------|--------|--------|--------|--------|--------|-------------------|
| U.S. natural gas industrial price ² | \$3.12 | \$4.45 | \$5.24 | \$4.02 | \$5.81 | \$6.41 | \$8.00 |
| Electricity industrial price ³ | 4.43 | 4.64 | 5.04 | 4.88 | 5.13 | 5.11 | 5.50 |

¹ Monthly average for January through October.
² In dollars per thousand cubic feet.
³ In cents per kilowatt-hour.

Sources: U.S. Energy Information Administration, <http://www.eia.doe.gov>, February 1, 2006.

⁷ Metal, fuel, and energy surcharges are being used in the industry, but these surcharges generally recover only a portion of the total cost for the mills. *** and hearing transcript (Bartel), p. 66.

Producers and importers were asked to what extent changes in the prices of raw materials affected the selling price of BSS since 1999. All eight responding producers reported that raw material prices, including the prices of copper, zinc, scrap, and energy-related products, increased substantially since 1999. *** reported that the availability of both cathode and scrap copper has declined, and that China also has been a factor in the raw material price increases. *** reported using hedging mechanisms for raw material prices,⁸ but *** reported that it does not try to hedge metal values.⁹ Importers also reported that rising raw material costs have affected selling prices. In addition, *** reported that it has bought less product for inventories due to increased raw material costs.

Transportation Costs to the United States

Transportation costs for shipping BSS to the United States (excluding U.S. inland costs)¹⁰ from the six subject countries are estimated for 2004 in the tabulation that follows. These estimates are derived from official import data for the HTS numbers for the subject product in 2004 and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with a customs value basis.¹¹

| Country | Estimated shipping cost in 2004¹² (in percent) |
|----------------|--|
| Brazil | 2.92 |
| Canada | 2.21 |
| France | 5.46 |
| Germany | 3.95 |
| Italy | 3.34 |
| Japan | 4.11 |

U.S. Inland Transportation Costs

U.S. inland transportation costs for delivery of BSS varied between producers and importers. Producers estimated that U.S. inland transportation costs ranged from 3 to 10 percent of their costs of BSS, but all seven responding importers reported that U.S. inland transportation costs generally were between 1 and 2 percent of their costs of BSS.

⁸ OAB reported that there is a base stock of raw material that is not hedged because it is considered working inventory. Beyond that, every transaction that is made with a customer is hedged. Hearing transcript (Bartel), p. 106.

⁹ ***.

¹⁰ German producers reported that German inland freight is a significant component of the total freight cost. German respondents' posthearing brief, pp. A-12 and A-13, and ex. 14.

¹¹ These estimates are based on a weighted average of HTS statistical reporting numbers 7409.21.0050, 7409.21.0075, 7409.21.0090, 7409.29.0050, 7409.29.0075, and 7409.29.0090.

¹² A weighted average for the years 1999 through 2004 was used for Brazil because of a lack of data.

Seven of the eight responding producers reported that they arranged delivery, and all seven reported shipping the vast majority of their BSS between 101 and 1,000 miles. Among importers, all six responding firms reported that they arranged delivery. While two of the five responding importers shipped 100 percent of their BSS less than 100 miles, two importers shipped 100 percent of their BSS over 1,000 miles. The other responding importer reported shipping 80 percent of its BSS less than 1,000 miles.

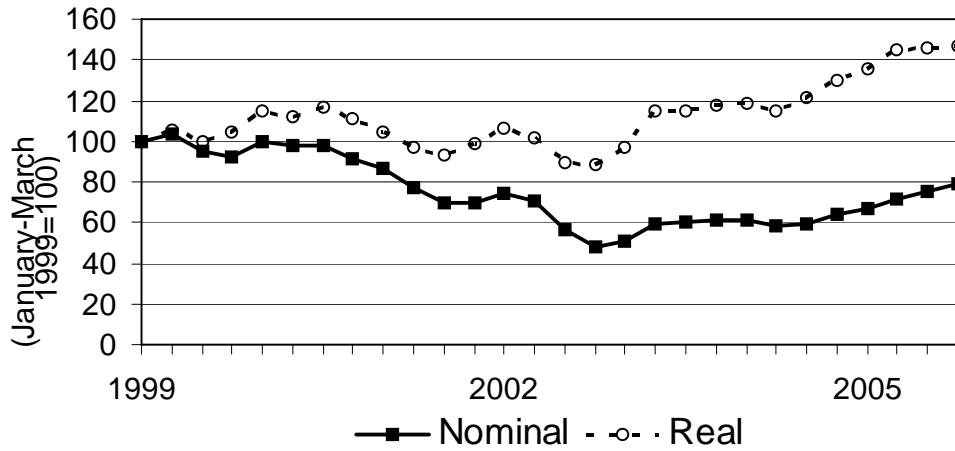
Exchange Rates

Quarterly data reported by the International Monetary Fund indicate that, while the nominal value of the Brazilian real depreciated relative to the U.S. dollar, the real value appreciated during the period of review (figure V-2). Both the nominal and real values of the Canadian dollar remained relatively constant until appreciating relative to the U.S. dollar beginning in 2003. The real and nominal values of the euro (France, Germany, and Italy) first depreciated and then appreciated relative to the U.S. dollar before depreciating again in 2005.¹³ The nominal value of the Japanese yen fluctuated during the period, but the real value depreciated relative to the U.S. dollar.

¹³ OAB reported that fabrication prices for BSS in the United States and Europe are comparable. However, because of the current dollar-euro exchange rate, fabrication prices in Europe are currently relatively higher than fabrication prices in the United States. Hearing transcript (Bartel), pp. 135-136.

Figure V-2
Exchange rates: Indices of the nominal and real exchange rates of the Brazilian, Canadian, French, German, Italian, and Japanese currencies relative to the U.S. dollar, by quarters, January 1999-December 2005

Brazil



Canada

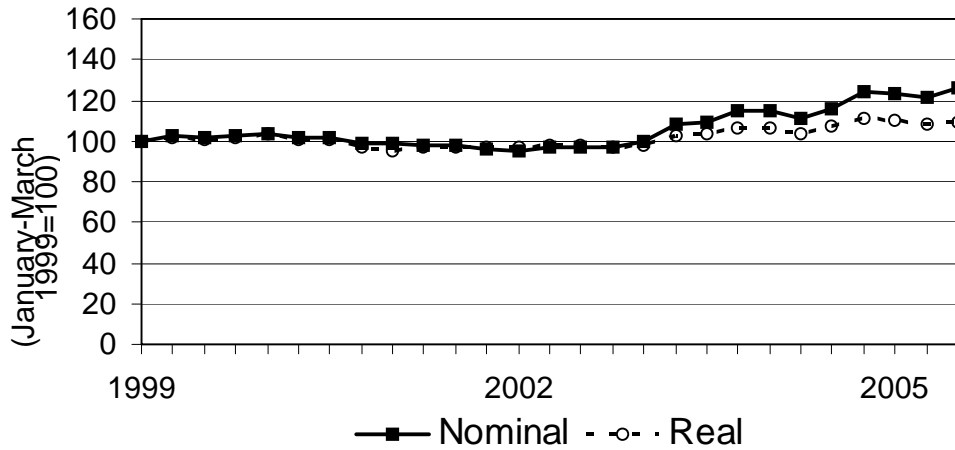
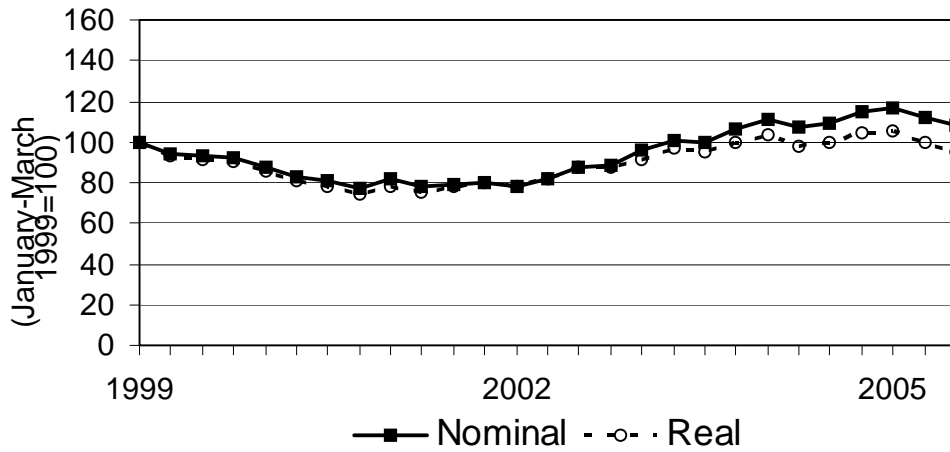


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Figure V-2--Continued

Exchange rates: Indices of the nominal and real exchange rates of the Brazilian, Canadian, French, German, Italian, and Japanese currencies relative to the U.S. dollar, by quarters, January 1999-December 2005

France



Germany

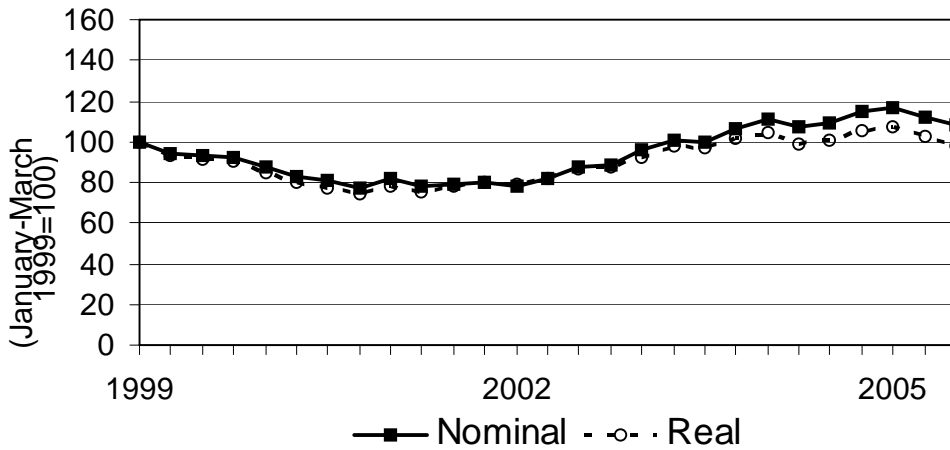
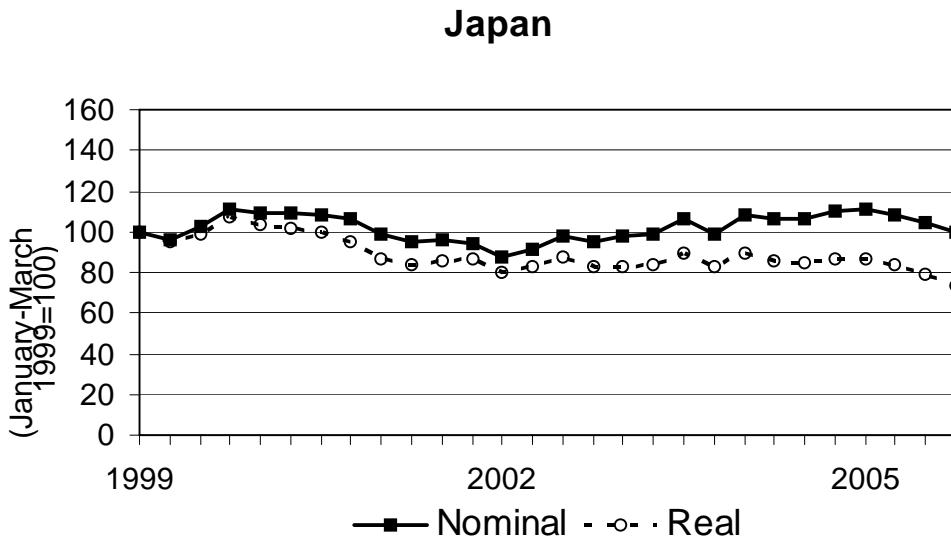
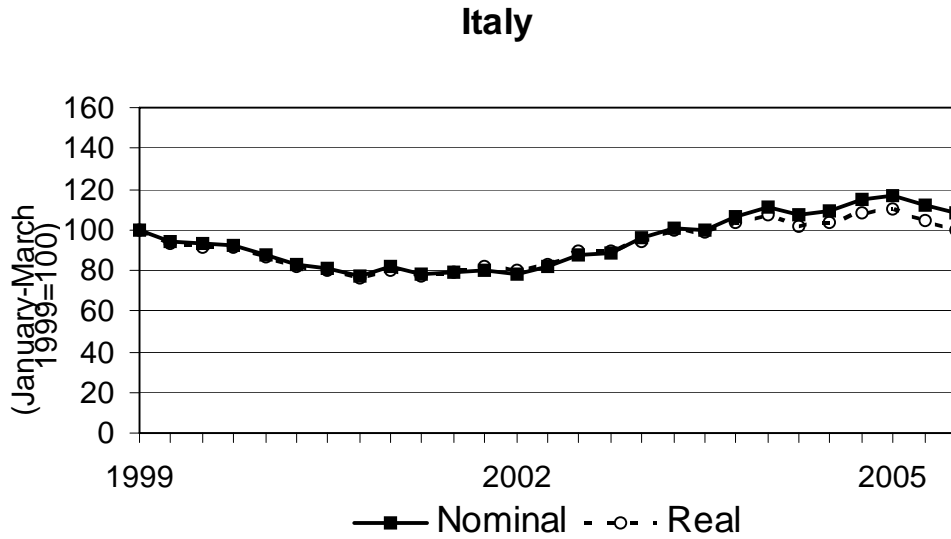


Figure continued on next page.

Figure V-2--Continued

Exchange rates: Indices of the nominal and real exchange rates of the Brazilian, Canadian, French, German, Italian, and Japanese currencies relative to the U.S. dollar, by quarters, January 1999-December 2005



Source: International Monetary Fund, *International Financial Statistics*, retrieved from <http://ifs.apdi.net/imf/about.asp> on February 1, 2006.

PRICING PRACTICES

Pricing Methods

Producers typically use a two-stage pricing method. Producers and importers reported that fabrication prices¹⁴ are generally set during annual negotiations or on a transaction-by-transaction basis, and that metal prices fluctuate daily with movements in the COMEX price.¹⁵ Many producers and importers described the metal price as a “pass through” to the customers,¹⁶ and fabrication prices are generally where there is competition between producers.¹⁷

Producers generally reported determining prices¹⁸ using contracts or purchasing agreements, although *** reported that contracts are rarely binding due to price sensitivity, and that customers can easily switch suppliers. Domestic producers reported that every charge that is above the published commodity price – including metal premiums, the fabrication price, and any surcharges – is negotiable.¹⁹ Most producers also reported some spot sales done on a transaction-by-transaction basis and based on market conditions and raw material costs. Importers generally reported determining prices on a transaction-by-transaction basis based on market conditions, but *** reported using long-term contracts, and *** reported using set price lists from the mills.

Most purchasers reported contacting between one and three suppliers before making a purchase.²⁰ Twenty-five of the 29 responding purchasers reported that purchases of BSS usually involve negotiations between supplier and purchaser, with six reporting annual reviews and three reporting a review every two or three years. Some purchasers explained that metal prices are generally market driven, but availability, quality, delivery, and compliance with specifications are part of the negotiations for determining fabrication prices. *** reported that purchasers outline the competitive environment in the negotiating process, and *** reported that service and quality determine its supplier, not just who will quote the lowest price. Ten purchasers reported varying their purchases from a given supplier within a specified time period based on the price offered for that period, with five specifying annually, one specifying monthly, and two reporting varying amounts on spot purchases. Two purchasers did not specify a time period.

¹⁴ The fabrication price includes the cost of labor, research, marketing, energy, transportation, tools and supplies, and other costs. Domestic producers added energy and transportation surcharges to recoup costs from the increases in the costs of these inputs. Hearing transcript (Bartel), p. 69.

¹⁵ Customers have the option of taking the metal price on the day of the order or the day of delivery. Hearing transcript (Bartel), p. 66.

¹⁶ OAB reported that increased copper costs are generally passed through to customers, but over the long run, the industry risks losing customers due to substitution of other products for BSS. Hearing transcript (Bartel), p. 29. Domestic producers also reported that refiners and smelters add a premium to the daily commodity price, which BSS producers adjust upward and pass on to their customers. Hearing transcript (Bartel), p. 64.

¹⁷ Fabrication prices vary based on the quantity ordered and the end product for which the BSS will be used. Hearing transcript (Rupp), p. 148.

¹⁸ As metal prices are directly from the COMEX market, set prices typically refer to fabrication prices.

¹⁹ Hearing transcript (Bartel), pp. 68-69.

²⁰ *** reported contacting two or three suppliers for spot sales and three to six suppliers for contract sales. *** reported contacting no suppliers because they use set price lists from a single supplier.

Olin, OAB, and PMX were named most frequently – although Scott Brass and Revere also were named frequently – by several purchasers as price leaders in the BSS market since 1999, with many citing their published fabrication price changes, competitive pricing, and reaction to market changes.²¹

Sales Terms and Discounts

Five producers and three importers reported that they normally quote on a delivered basis, one producer reported quoting f.o.b. prices, two producers reported doing both, and the other five importers did not respond to the question. Producers' sales terms are generally 0.5/10 net 30 days or net 30 days, and importers are generally net 30 days. Two of the eight producers reported that at least half of their sales were on a long-term contract basis, three reported that at least 60 percent of sales were on a short-term contract basis, and three reported that at least half of sales were on a spot basis. Among importers, three of the six responding firms reported that 100 percent of sales were on a spot basis, while *** reported that the vast majority of sales were on a long-term contract basis. *** reported sales on a short-term contract basis, but did not specify the percent of total sales.

Producers generally reported that long-term contracts are from one to three years, with renegotiations possible and including meet-or-release provisions. Three producers reported that both price and quantity were fixed, two reported that price was fixed, and one reported that nothing was fixed. Short-term contracts are generally one year in length,²² with price fixed, renegotiations possible, and including meet-or-release provisions. *** reported that long-term contracts are usually one year in duration, with both price and quantity fixed, no renegotiations, and no meet-or-release provisions, while *** reported that long-term contracts are usually 9 to 12 months in duration, with both price and quantity fixed, renegotiations possible, and including meet-or-release provisions. *** reported that short-term contracts are three to four months in duration with no meet-or-release provisions.

Six producers reported having a discount policy, with three reporting volume discounts, two reporting that discounts depended on the customer or market conditions, and one reporting that all sales are subject to negotiation. Six importers reported that they did not have a discount policy. *** also reported no specific discount policy but one customer did benefit from volume discounts.

PRICE DATA

The Commission requested U.S. producers and importers of BSS to provide quarterly data for the total quantity and f.o.b. value of BSS that was shipped to unrelated customers in the U.S. market. Data were requested for the period January 1999 to September 2005. The products for which pricing data were requested are as follows:

***Product 1.*–Builders' hardware, CDA end-use classification 110, CDA alloy 260, 0.012-inch to 0.024-inch thick by 2 inches to 12 inches in width**

***Product 2.*–Distributors, CDA end-use classification 920, CDA alloy 260, 0.020-inch to 0.025-inch thick by maximum yield width**

***Product 3.*–Reroll, CDA end-use classification 910, alloy 260, 0.050-inch to 0.080-inch thick by maximum yield width**

²¹ *** reported that Olin publishes the producers' index on a daily basis.

²² *** reported short-term contracts of three months.

Product 4.—Wiring devices, lamp shells, and sockets, CDA end-use classification 440, CDA alloy 260, 0.011-inch to 0.020-inch thick by 2 inches to 12 inches in width

Product 5.—Automotive electrical, CDA end-use classification 320, CDA alloy 230 and/or alloy 260, 0.0098-inch to 0.020-inch thick by 0.5 inch to 2 inches in width, not tin-coated

Product 6.—Closures, CDA end-use classification 620, CDA alloy 260, 0.010-inch to 0.016-inch thick by 1 inch to 4 inches in width

Seven U.S. producers and one importer provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Pricing data reported by these firms, shown in tables V-1 to V-6 and figures V-3 to V-9, accounted for *** percent of U.S. producers' U.S. shipments of BSS and *** percent of U.S. imports from Japan in 2004.

Price Trends

U.S. metal prices of BSS for the specified products showed some variation but relatively little change overall from 1999 through 2003. Dramatic metal price increases for all six products began in the first quarter 2004, with continued increases in 2005. Although limited, prices of imports of product 3 from Japan followed the general U.S. price trend, with metal price increases beginning in 2004. U.S. and Japanese fabrication prices showed some variation but were relatively constant throughout the 1999 to 2005 period.²³ Importers responding to Commission questionnaires did not report price data for imports of BSS from Brazil, Canada, France, Germany, or Italy.²⁴

Producers²⁵ and importers were asked to compare market prices of BSS in the U.S. and non-U.S. markets. *** reported that lower demand in the U.S. market, overcapacity, and exchange rate movements have lead to lower prices in the United States than in other markets, and *** reported that metal prices are the same in different markets but that the fabrication prices in the United States are between 15 and 20 percent higher than in other markets. Among importers, *** reported that U.S. prices are competitive and that very few foreign producers can compete in the U.S. market, and *** reported that U.S. prices are higher than prices in Brazil and Mexico.²⁶

²³ The fabrication prices for product 5 increased beginning in the second quarter of 2004, but this is due to limited data reported, in particular very small quantities of the product that were reported by ***.

²⁴ Of the 12 responding importers, 3 reported importing BSS from one of the subject countries during the period of review, and the other 9 reported importing BSS from nonsubject countries. *** submitted pricing data for its imports from Japan. *** reported imports from Japan during the period of review, but the imports were not of the six specified pricing products. *** submitted pricing data for imports from Italy, but did not specify the associated product number. After a telephone call to clarify, it was determined that the reported data were for a product that was not among the Commission's six specified pricing products. ***.

²⁵ U.S. producers reported that fabrication prices in the United States are higher than fabrication prices in Brazil, China, and Germany. Domestic producers' posthearing brief, ex. 1, pp. 24-28 and ex. 11 and 12. OAB reported that fabrication prices for BSS in the United States and Europe are comparable. However, OAB and German producers reported that because of the current euro-dollar exchange rate and other factors, fabrication prices in Europe are currently relatively higher than fabrication prices in the United States. Hearing transcript (Bartel), pp. 135-136 and German respondents' posthearing brief, p. 10.

²⁶ German producer Wieland AG reported that prices for the subject product were lower in the United States than they were in Germany or other European countries. Hearing transcript (Traa), pp. 157-158 and German respondents' posthearing brief, p. A-39 and ex. 7. Brazilian producer Eluma reported that average unit prices in the United States

(continued...)

Purchasers were asked if there had been a change in the price of BSS since 1999 and, if so, how the price of domestic BSS changed relative to the price of BSS produced in the various subject countries. Six purchasers reported that prices have changed by the same amount, and three purchasers reported that there has been no change in price. The responses of the other six purchasers regarding how U.S. prices changed relative to the various subject countries are reported in the following tabulation:

| Country | Price of U.S. product is now relatively higher than price of subject-country product | Price of U.S. product is now relatively lower than price of subject-country product |
|----------------|---|--|
| Brazil | 2 | 0 |
| Canada | 1 | 1 |
| France | 0 | 1 |
| Germany | 3 | 1 |
| Italy | 0 | 0 |
| Japan | 0 | 1 |

Most of the responding purchasers reported that the metal price of BSS changes daily and that the fabrication price generally changes annually. However, *** reported that prices change every three years per their contracts, *** reported that prices change infrequently due to a multi-year contract, *** reported that prices change quarterly, and *** reported that prices change monthly.

Price Comparisons

Japan

On product 3, imports from Japan were more expensive than the U.S. product (table V-3). Metal prices were similar in most quarters, but fabrication prices²⁷ were *** higher for imports from Japan than for the U.S. product.

²⁶ (...continued)

were lower than average unit prices of its exports. Respondent Eluma's posthearing brief, p. 12.

²⁷ The margin calculations in table V-3 use the fabrication price data for nontolled sales that were submitted by U.S. producers; however, the fabrication price for tolled sales of product 3 ***. Fabrication prices *** for tolled vs. nontolled sales of products 2, 4, 5, and 6 (tables V-2 and V-4 through V-6).

Table V-1

BSS: Weighted-average f.o.b. selling prices¹ and quantities as reported by U.S. producers of product 1, by quarters, January 1999-September 2005

| Period | U.S. producers' nontolled sales | | | |
|------------|---------------------------------|-------------------|-------------|-------------|
| | Quantity | Fabrication price | Metal price | Total price |
| | 1,000 pounds | Per pound | Per pound | Per pound |
| 1999: | | | | |
| Jan.-Mar. | 343 | \$0.49 | \$0.65 | \$1.15 |
| Apr.-June | 449 | 0.50 | 0.63 | 1.13 |
| July-Sept. | 210 | 0.68 | 0.60 | 1.28 |
| Oct.-Dec. | 248 | 0.52 | 0.74 | 1.26 |
| 2000: | | | | |
| Jan.-Mar. | 525 | 0.58 | 0.91 | 1.50 |
| Apr.-June | 322 | 0.62 | 0.91 | 1.54 |
| July-Sept. | 531 | 0.60 | 0.93 | 1.53 |
| Oct.-Dec. | 506 | 0.57 | 0.95 | 1.52 |
| 2001: | | | | |
| Jan.-Mar. | 464 | 0.57 | 0.91 | 1.48 |
| Apr.-June | 398 | 0.56 | 0.93 | 1.49 |
| July-Sept. | 359 | 0.55 | 0.86 | 1.42 |
| Oct.-Dec. | 334 | 0.57 | 0.81 | 1.38 |
| 2002: | | | | |
| Jan.-Mar. | 461 | 0.56 | 0.85 | 1.42 |
| Apr.-June | 529 | 0.54 | 0.89 | 1.43 |
| July-Sept. | 432 | 0.59 | 0.84 | 1.43 |
| Oct.-Dec. | 155 | 0.70 | 0.79 | 1.50 |
| 2003: | | | | |
| Jan.-Mar. | 171 | 0.75 | 0.84 | 1.59 |
| Apr.-June | 120 | 0.71 | 0.83 | 1.53 |
| July-Sept. | 132 | 0.61 | 0.80 | 1.40 |
| Oct.-Dec. | 157 | 0.55 | 0.85 | 1.39 |
| 2004: | | | | |
| Jan.-Mar. | 111 | 0.65 | 1.20 | 1.85 |
| Apr.-June | 156 | 0.58 | 1.26 | 1.84 |
| July-Sept. | 174 | 0.63 | 1.25 | 1.87 |
| Oct.-Dec. | 172 | 0.62 | 1.31 | 1.92 |
| 2005: | | | | |
| Jan.-Mar. | 217 | 0.60 | 1.39 | 1.99 |
| Apr.-June | 352 | 0.52 | 1.41 | 1.93 |
| July-Sept. | 307 | 0.52 | 1.63 | 2.16 |

¹ *** reported selling prices on a delivered basis.

Product 1.—Builders' hardware, CDA end-use classification 110, CDA alloy 260, 0.012-inch to 0.024-inch thick by 2 inches to 12 inches in width.

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

Table V-2

BSS: Weighted-average f.o.b. selling prices¹ and quantities as reported by U.S. producers of product 2, by quarters, January 1999-September 2005

| Period | U.S. producers' nontolled sales | | | | U.S. producers' tolled sales | |
|------------|---------------------------------|-------------------|-------------|-------------|------------------------------|-------------------|
| | Quantity | Fabrication price | Metal price | Total price | Quantity | Fabrication price |
| | 1,000 pounds | Per pound | Per pound | Per pound | 1,000 pounds | Per pound |
| 1999: | | | | | | |
| Jan.-Mar. | 2,752 | \$0.50 | \$0.68 | \$1.18 | *** | *** |
| Apr.-June | 2,670 | 0.49 | 0.71 | 1.20 | *** | *** |
| July-Sept. | 2,837 | 0.49 | 0.74 | 1.23 | *** | *** |
| Oct.-Dec. | 2,779 | 0.48 | 0.76 | 1.25 | *** | *** |
| 2000: | | | | | | |
| Jan.-Mar. | 2,155 | 0.53 | 0.84 | 1.37 | *** | *** |
| Apr.-June | 2,401 | 0.53 | 0.83 | 1.36 | *** | *** |
| July-Sept. | 2,573 | 0.53 | 0.85 | 1.39 | *** | *** |
| Oct.-Dec. | 2,853 | 0.53 | 0.83 | 1.36 | *** | *** |
| 2001: | | | | | | |
| Jan.-Mar. | 1,577 | 0.55 | 0.79 | 1.34 | *** | *** |
| Apr.-June | 1,178 | 0.58 | 0.77 | 1.35 | *** | *** |
| July-Sept. | 1,627 | 0.54 | 0.71 | 1.25 | *** | *** |
| Oct.-Dec. | 1,684 | 0.54 | 0.68 | 1.21 | *** | *** |
| 2002: | | | | | | |
| Jan.-Mar. | 2,408 | 0.48 | 0.69 | 1.17 | *** | *** |
| Apr.-June | 2,010 | 0.48 | 0.71 | 1.19 | *** | *** |
| July-Sept. | 2,078 | 0.48 | 0.70 | 1.18 | *** | *** |
| Oct.-Dec. | 2,070 | 0.50 | 0.69 | 1.19 | *** | *** |
| 2003: | | | | | | |
| Jan.-Mar. | 2,013 | 0.48 | 0.75 | 1.23 | *** | *** |
| Apr.-June | 1,807 | 0.48 | 0.75 | 1.23 | *** | *** |
| July-Sept. | 1,660 | 0.49 | 0.77 | 1.26 | *** | *** |
| Oct.-Dec. | 1,682 | 0.48 | 0.82 | 1.29 | *** | *** |
| 2004: | | | | | | |
| Jan.-Mar. | 2,220 | 0.50 | 1.05 | 1.55 | *** | *** |
| Apr.-June | 1,930 | 0.52 | 1.07 | 1.58 | *** | *** |
| July-Sept. | 1,933 | 0.53 | 1.08 | 1.61 | *** | *** |
| Oct.-Dec. | 1,571 | 0.53 | 1.12 | 1.64 | *** | *** |
| 2005: | | | | | | |
| Jan.-Mar. | 1,368 | 0.54 | 1.29 | 1.84 | *** | *** |
| Apr.-June | 1,237 | 0.55 | 1.32 | 1.86 | *** | *** |
| July-Sept. | 1,119 | 0.55 | 1.37 | 1.92 | *** | *** |

¹ *** reported selling prices on a delivered basis.

Product 2.—Distributors, CDA end-use classification 920, CDA alloy 260, 0.020-inch to 0.025-inch thick by maximum yield width.

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

Table V-3
BSS: Weighted-average f.o.b. selling prices and quantities as reported by U.S. producers and importers of product 3, and margins of underselling/(overselling), by quarters, January 1999-September 2005

* * * * *

Table V-4

BSS: Weighted-average f.o.b. selling prices¹ and quantities as reported by U.S. producers of product 4, by quarters, January 1999-September 2005

| Period | U.S. producers' nontolled sales | | | | U.S. producers' tolled sales | |
|------------|---------------------------------|-------------------|-------------|-------------|------------------------------|-------------------|
| | Quantity | Fabrication price | Metal price | Total price | Quantity | Fabrication price |
| | 1,000 pounds | Per pound | Per pound | Per pound | 1,000 pounds | Per pound |
| 1999: | | | | | | |
| Jan.-Mar. | 770 | \$0.56 | \$0.67 | \$1.23 | *** | *** |
| Apr.-June | 1,060 | 0.53 | 0.66 | 1.19 | *** | *** |
| July-Sept. | 1,269 | 0.50 | 0.70 | 1.19 | *** | *** |
| Oct.-Dec. | 1,407 | 0.50 | 0.73 | 1.23 | *** | *** |
| 2000: | | | | | | |
| Jan.-Mar. | 779 | 0.60 | 0.81 | 1.41 | *** | *** |
| Apr.-June | 696 | 0.58 | 0.81 | 1.38 | -- | -- |
| July-Sept. | 631 | 0.61 | 0.86 | 1.46 | -- | -- |
| Oct.-Dec. | 778 | 0.57 | 0.81 | 1.38 | -- | -- |
| 2001: | | | | | | |
| Jan.-Mar. | 662 | 0.59 | 0.81 | 1.39 | -- | -- |
| Apr.-June | 507 | 0.60 | 0.74 | 1.34 | -- | -- |
| July-Sept. | 506 | 0.57 | 0.68 | 1.25 | -- | -- |
| Oct.-Dec. | 523 | 0.55 | 0.70 | 1.25 | -- | -- |
| 2002: | | | | | | |
| Jan.-Mar. | 401 | 0.59 | 0.78 | 1.37 | -- | -- |
| Apr.-June | 385 | 0.57 | 0.74 | 1.32 | -- | -- |
| July-Sept. | 314 | 0.62 | 0.68 | 1.30 | -- | -- |
| Oct.-Dec. | 328 | 0.61 | 0.69 | 1.30 | -- | -- |
| 2003: | | | | | | |
| Jan.-Mar. | 332 | 0.60 | 0.75 | 1.35 | -- | -- |
| Apr.-June | 257 | 0.64 | 0.79 | 1.43 | -- | -- |
| July-Sept. | 297 | 0.58 | 0.80 | 1.38 | -- | -- |
| Oct.-Dec. | 249 | 0.61 | 0.84 | 1.46 | -- | -- |
| 2004: | | | | | | |
| Jan.-Mar. | 361 | 0.59 | 1.05 | 1.65 | -- | -- |
| Apr.-June | 310 | 0.59 | 1.08 | 1.67 | -- | -- |
| July-Sept. | 340 | 0.59 | 1.11 | 1.71 | -- | -- |
| Oct.-Dec. | 281 | 0.58 | 1.22 | 1.80 | -- | -- |
| 2005: | | | | | | |
| Jan.-Mar. | 225 | 0.59 | 1.30 | 1.89 | -- | -- |
| Apr.-June | 227 | 0.59 | 1.34 | 1.93 | -- | -- |
| July-Sept. | 184 | 0.59 | 1.45 | 2.04 | -- | -- |

¹ *** reported selling prices on a delivered basis.

Product 4.—Wiring devices, lamp shells, and sockets, CDA end-use classification 440, CDA alloy 260, 0.011-inch to 0.020-inch thick by 2 inches to 12 inches in width.

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

Table V-5

BSS: Weighted-average f.o.b. selling prices¹ and quantities as reported by U.S. producers of product 5, by quarters, January 1999-September 2005

| Period | U.S. producers' nontolled sales | | | | U.S. producers' tolled sales | |
|------------|---------------------------------|-------------------|-------------|-------------|------------------------------|-------------------|
| | Quantity | Fabrication price | Metal price | Total price | Quantity | Fabrication price |
| | 1,000 pounds | Per pound | Per pound | Per pound | 1,000 pounds | Per pound |
| 1999: | | | | | | |
| Jan.-Mar. | 807 | \$0.57 | \$0.75 | \$1.31 | *** | *** |
| Apr.-June | 810 | 0.54 | 0.76 | 1.30 | *** | *** |
| July-Sept. | 802 | 0.53 | 0.82 | 1.35 | *** | *** |
| Oct.-Dec. | 746 | 0.53 | 0.84 | 1.37 | *** | *** |
| 2000: | | | | | | |
| Jan.-Mar. | 3,249 | 0.57 | 0.92 | 1.49 | *** | *** |
| Apr.-June | 2,820 | 0.65 | 0.93 | 1.58 | *** | *** |
| July-Sept. | 2,733 | 0.65 | 0.90 | 1.55 | *** | *** |
| Oct.-Dec. | 1,833 | 0.74 | 0.85 | 1.59 | *** | *** |
| 2001: | | | | | | |
| Jan.-Mar. | 2,044 | 0.63 | 0.93 | 1.56 | *** | *** |
| Apr.-June | 1,945 | 0.54 | 0.81 | 1.35 | *** | *** |
| July-Sept. | 2,103 | 0.55 | 0.79 | 1.35 | *** | *** |
| Oct.-Dec. | 1,705 | 0.56 | 0.77 | 1.32 | *** | *** |
| 2002: | | | | | | |
| Jan.-Mar. | 2,302 | 0.57 | 0.84 | 1.41 | *** | *** |
| Apr.-June | 2,421 | 0.63 | 0.88 | 1.52 | *** | *** |
| July-Sept. | 2,127 | 0.65 | 0.86 | 1.51 | *** | *** |
| Oct.-Dec. | 2,180 | 0.65 | 0.87 | 1.52 | *** | *** |
| 2003: | | | | | | |
| Jan.-Mar. | 2,422 | 0.64 | 0.91 | 1.55 | *** | *** |
| Apr.-June | 2,229 | 0.68 | 0.90 | 1.59 | *** | *** |
| July-Sept. | 1,969 | 0.65 | 0.94 | 1.59 | *** | *** |
| Oct.-Dec. | 1,905 | 0.66 | 1.01 | 1.67 | *** | *** |
| 2004: | | | | | | |
| Jan.-Mar. | 2,473 | 0.61 | 1.18 | 1.80 | *** | *** |
| Apr.-June | 2,465 | 0.62 | 1.29 | 1.91 | *** | *** |
| July-Sept. | 2,369 | 0.64 | 1.28 | 1.92 | *** | *** |
| Oct.-Dec. | 1,898 | 0.68 | 1.11 | 1.79 | *** | *** |
| 2005: | | | | | | |
| Jan.-Mar. | 2,170 | 0.64 | 1.42 | 2.06 | *** | *** |
| Apr.-June | 2,133 | 0.64 | 1.52 | 2.16 | *** | *** |
| July-Sept. | 1,978 | 0.67 | 1.62 | 2.28 | *** | *** |

¹ *** reported selling prices on a delivered basis.

Product 5.—Automotive electrical, CDA end-use classification 320, CDA alloy 230 and/or alloy 260, 0.0098-inch to 0.020-inch thick by 0.5-inch to 2 inches in width, not tin-coated.

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

Table V-6

BSS: Weighted-average f.o.b. selling prices¹ and quantities as reported by U.S. producers of product 6, by quarters, January 1999-September 2005

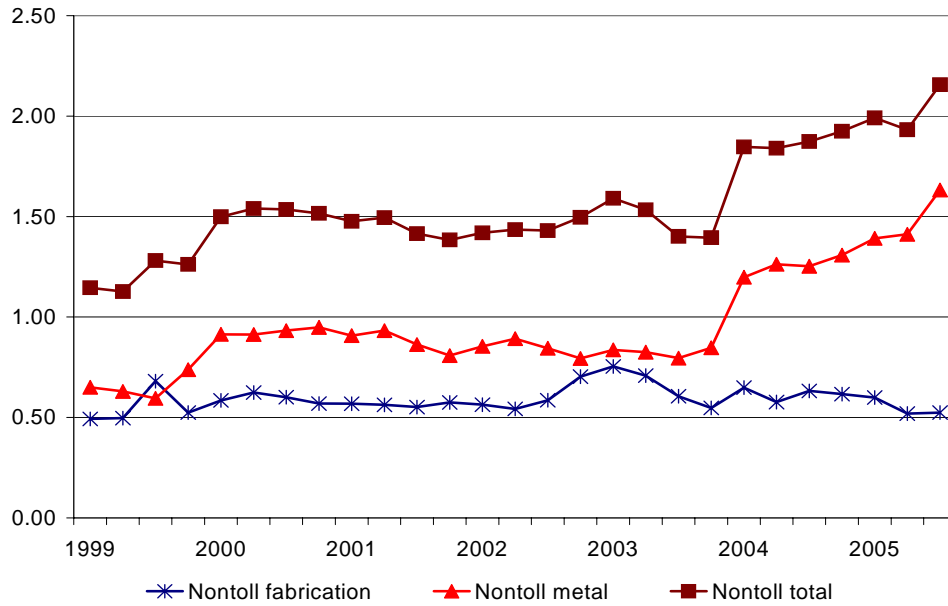
| Period | U.S. producers' nontolled sales | | | | U.S. producers' tolled sales | |
|------------|---------------------------------|-------------------|-------------|-------------|------------------------------|-------------------|
| | Quantity | Fabrication price | Metal price | Total price | Quantity | Fabrication price |
| | 1,000 pounds | Per pound | Per pound | Per pound | 1,000 pounds | Per pound |
| 1999: | | | | | | |
| Jan.-Mar. | 1,180 | \$0.52 | \$0.74 | \$1.26 | *** | *** |
| Apr.-June | 1,283 | 0.50 | 0.74 | 1.24 | *** | *** |
| July-Sept. | 1,289 | 0.51 | 0.82 | 1.33 | *** | *** |
| Oct.-Dec. | 970 | 0.51 | 0.81 | 1.32 | *** | *** |
| 2000: | | | | | | |
| Jan.-Mar. | 1,183 | 0.52 | 0.85 | 1.37 | *** | *** |
| Apr.-June | 1,649 | 0.50 | 0.88 | 1.39 | *** | *** |
| July-Sept. | 1,466 | 0.51 | 0.82 | 1.33 | *** | *** |
| Oct.-Dec. | 949 | 0.54 | 0.85 | 1.39 | *** | *** |
| 2001: | | | | | | |
| Jan.-Mar. | 878 | 0.52 | 0.85 | 1.36 | *** | *** |
| Apr.-June | 1,092 | 0.51 | 0.84 | 1.35 | *** | *** |
| July-Sept. | 777 | 0.53 | 0.79 | 1.32 | *** | *** |
| Oct.-Dec. | 909 | 0.51 | 0.83 | 1.34 | *** | *** |
| 2002: | | | | | | |
| Jan.-Mar. | 1,309 | 0.55 | 0.76 | 1.31 | *** | *** |
| Apr.-June | 1,422 | 0.57 | 0.74 | 1.31 | *** | *** |
| July-Sept. | 1,273 | 0.55 | 0.72 | 1.27 | *** | *** |
| Oct.-Dec. | 1,071 | 0.56 | 0.72 | 1.28 | *** | *** |
| 2003: | | | | | | |
| Jan.-Mar. | 1,597 | 0.52 | 0.77 | 1.30 | *** | *** |
| Apr.-June | 1,392 | 0.48 | 0.69 | 1.17 | *** | *** |
| July-Sept. | 1,413 | 0.54 | 0.78 | 1.33 | -- | -- |
| Oct.-Dec. | 1,308 | 0.54 | 0.83 | 1.37 | -- | -- |
| 2004: | | | | | | |
| Jan.-Mar. | 1,904 | 0.52 | 1.12 | 1.64 | -- | -- |
| Apr.-June | 1,806 | 0.54 | 1.09 | 1.63 | -- | -- |
| July-Sept. | 1,252 | 0.52 | 1.18 | 1.70 | -- | -- |
| Oct.-Dec. | 1,039 | 0.52 | 1.22 | 1.74 | -- | -- |
| 2005: | | | | | | |
| Jan.-Mar. | 1,632 | 0.54 | 1.30 | 1.85 | -- | -- |
| Apr.-June | 1,427 | 0.55 | 1.34 | 1.89 | -- | -- |
| July-Sept. | 1,547 | 0.54 | 1.50 | 2.04 | -- | -- |

¹ *** reported selling prices on a delivered basis.

Product 6.—Closures, CDA end-use classification 620, CDA alloy 260, 0.010-inch to 0.016-inch thick by 1 inch to 4 inches in width.

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

Figure V-3
BSS: Weighted-average f.o.b. nontoll selling prices per pound, as reported by U.S. producers of product 1, by quarters, January 1999-September 2005



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

Figure V-4
BSS: Weighted-average f.o.b. toll and nontoll selling prices per pound, as reported by U.S. producers of product 2, by quarters, January 1999-September 2005

* * * * *

Figure V-5
BSS: Weighted-average f.o.b. toll and nontoll selling prices per pound, as reported by U.S. producers of product 3, by quarters, January 1999-September 2005

* * * * *

Figure V-6
BSS: Weighted-average f.o.b. nontoll selling prices per pound, as reported by importers of Japanese product 3, by quarters, January 1999-September 2005

* * * * *

Figure V-7

BSS: Weighted-average f.o.b. toll and nontoll selling prices per pound, as reported by U.S. producers of product 4, by quarters, January 1999-September 2005

* * * * *

Figure V-8

BSS: Weighted-average f.o.b. toll and nontoll selling prices per pound, as reported by U.S. producers of product 5, by quarters, January 1999-September 2005

* * * * *

Figure V-9

BSS: Weighted-average f.o.b. toll and nontoll selling prices per pound, as reported by U.S. producers of product 6, by quarters, January 1999-September 2005

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APPENDIX A

***FEDERAL REGISTER* NOTICES AND THE COMMISSION'S STATEMENT
ON ADEQUACY**

Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

Information To Be Provided in Response To This Notice of Institution: As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Product, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the termination of the suspended investigation on the Domestic Industry in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in the Subject Country that currently export or have exported Subject Merchandise to the United States or other countries since the Order Date.

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Product accounted for by your firm's(s') production;

(b) the quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s); and

(c) the quantity and value of U.S. internal consumption/company transfers of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Country, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from the Subject Country accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of Subject Merchandise imported from the Subject Country; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from the Subject Country.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Country, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in the Subject Country accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject

Merchandise from the Subject Country accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Country since the Order Date, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Country, and such merchandise from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: March 23, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-6401 Filed 3-30-05; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-269 and 270 and 731-TA-311-314, 317 and 379 (Second Review)]

Brass Sheet and Strip From Brazil, Canada, France, Germany, Italy, and Japan

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the countervailing duty orders on brass sheet and strip from Brazil and France and the antidumping duty orders on brass sheet and strip

from Brazil, Canada, France, Germany, Italy, and Japan.

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 brass sheet and strip from Brazil and France and the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Germany, Italy, and Japan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is May 23, 2005. Comments on the adequacy of responses may be filed with the Commission by June 14, 2005. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E and F (19 CFR part 207).

DATES: *Effective Date:* March 31, 2005.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On January 8, 1987, the Department of Commerce ("Commerce") issued a countervailing duty order on imports of brass sheet and strip from

Brazil (52 FR 698). On January 12, 1987, Commerce issued antidumping duty orders on imports of brass sheet and strip from Brazil and Canada (52 FR 1214). On March 6, 1987, Commerce issued a countervailing duty order on imports of brass sheet and strip from France and antidumping duty orders on imports of brass sheet and strip from France, Germany and Italy (52 FR 6995; Italy amended at 52 FR 11299 (April 8, 1987)). On August 12, 1988, Commerce issued an antidumping duty order on imports of brass sheet and strip from Japan (53 FR 30454). Following five-year reviews by Commerce and the Commission, effective May 1, 2000, Commerce issued a continuation of the countervailing duty orders on imports of brass sheet and strip from Brazil and France and a continuation of the antidumping duty orders on imports of brass sheet and strip from Brazil, Canada, France, Germany, Italy, and Japan (65 FR 25304). The Commission is now conducting second reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) Subject Merchandise is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The Subject Countries in these reviews are Brazil, Canada, France, Germany, Italy, and Japan.

(3) The Domestic Like Product is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject merchandise. In its original countervailing duty determinations concerning brass sheet and strip from Brazil and France and antidumping duty determinations concerning brass sheet and strip from Brazil, Canada, France, Germany, and Italy, the Commission defined the Domestic Like Product to include brass material to be rerolled (reroll) and finished brass sheet and strip (finished products). In its original antidumping duty determination and the remand determination concerning brass sheet and strip from Japan, the Commission

defined the Domestic Like Product to be all Unified Numbering System ("UNS") C20000 domestically produced brass sheet and strip. One Commissioner defined the Domestic Like Product differently. In its full five-year review determinations, the Commission defined the Domestic Like Product as all UNS C20000 series brass sheet and strip. For purposes of this notice, the Domestic Like Product is all UNS C20000 series brass sheet and strip.

(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 countervailing duty determination concerning brass sheet and strip from Brazil and France and antidumping duty determinations concerning brass sheet and strip from Brazil, Canada, France, Germany, and Italy, the Commission defined the Domestic Industry to include primary mills with casting capabilities and rerollers. In its original antidumping duty determination and the remand determination concerning brass sheet and strip from Japan, the Commission defined the Domestic Industry as producers of the corresponding Domestic Like Product. One Commissioner defined the Domestic Industry differently. In its full five-year review determinations, the Commission defined the Domestic Like Product to consist of the domestic producers of UNS C20000 series brass sheet and strip. For purposes of this notice, the Domestic Industry is domestic producers of all UNS C20000 series brass sheet and strip.

(5) An Importer is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the 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 the 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.

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 05-5-118, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

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 is seeking guidance as to whether a second transition 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 Verrati, Deputy Agency Ethics Official, at 202-205-3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. § 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions.—Pursuant to section 207.61 of the Commission's

rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is May 23, 2005. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is June 14, 2005. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information.—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to the 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 groups, 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 after 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 2004 (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 Countries, provide the following information on your firm's(s') operations on that product during calendar year 2004 (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 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 Countries, provide the following information on your firm's(s') operations on that product during calendar year 2004 (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 each Subject Country accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from each Subject Country accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Countries after 1998, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Countries, and such merchandise from other countries.

11 (Optional) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: March 23, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-6403 Filed 3-30-05; 8:45 am]

BILLING CODE 7020-02-M

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-825 and 826 (Review)]

Polyester Staple Fiber From Korea and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the antidumping duty orders on polyester staple fiber from Korea 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 antidumping duty orders on polyester staple fiber from Korea 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 assured of consideration, the deadline for responses is May 23, 2005. Comments on the adequacy of responses may be filed with the Commission by June 14, 2005. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* March 31, 2005.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On May 25, 2000, the Department of Commerce issued antidumping duty orders on imports of polyester staple fiber from Korea and Taiwan (65 FR 33807). 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

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 05-5-119, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the review will be established and announced at a later date. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* July 5, 2005.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On July 5, 2005, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Act. The Commission found that both the domestic and respondent interested party group responses to its notice of institution (70 FR 16517, March 31, 2005) were adequate. 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: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: July 14, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-14136 Filed 7-18-05; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-269 and 270 and 731-TA-311-314, 317, and 379 (Second Review)]

Brass Sheet and Strip From Brazil, Canada, France, Germany, Italy, and Japan

AGENCY: International Trade Commission.

ACTION: Notice of Commission determination to conduct full five-year reviews concerning the countervailing duty orders on brass sheet and strip from Brazil and France and the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Germany, Italy, and Japan.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the countervailing duty orders on brass sheet and strip from Brazil and France and the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Germany, Italy, and Japan 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 5, 2005.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On July 5, 2005, the Commission determined that it should proceed to full reviews in the

subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group response to its notice of institution (70 FR 16519, March 31, 2005) was adequate, and that the respondent interested party group response with respect to Germany was adequate, but found that the respondent interested party group responses with respect to Brazil, Canada, France, Italy, and Japan were inadequate. However, the Commission determined to conduct full reviews concerning subject imports from Brazil, Canada, France, Italy, and Japan to promote administrative efficiency in light of its decision to conduct a full review with respect to subject imports from Germany. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: July 14, 2005.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-14134 Filed 7-18-05; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731-TA-825 and 826 (Review)]

Polyester Staple Fiber From Korea and Taiwan

AGENCY: International Trade Commission.

ACTION: Notice of Commission determination to conduct full five-year reviews concerning the antidumping duty orders on polyester staple fiber from Korea 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 antidumping duty orders on polyester staple fiber from Korea 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

continue discussions on critical air quality issues in relation to agriculture. Special emphasis will be placed on obtaining a greater understanding about the relationship between agricultural production and air quality.

DATES: The meeting will convene on Thursday, September 22, 2005, from 8 a.m. to 5 p.m., and resume on Friday, September 23, 2005, from 8 a.m. to 4:30 p.m. Individuals with written materials, and those who have requests to make oral presentations, should contact NRCS, at the address below, on or before August 29, 2005.

ADDRESSES: The meeting will be held at the Holiday Inn Ithaca Downtown, 222 South Cayuga Street, Ithaca, New York 14850; telephone: (607) 272-1000. Written material and requests to make oral presentations should be sent to Dr. Diane Gelburd, Designated Federal Official, NRCS, Post Office Box 2890, Room 6158-S, Washington, DC 20013.

FOR FURTHER INFORMATION, CONTACT: Questions or comments should be directed to Dr. Diane Gelburd, Designated Federal Official; telephone: (202) 720-2587; fax: (202) 720-2646, or (202) 720-1814; e-mail: Diane.Gelburd@wdc.usda.gov.

SUPPLEMENTARY INFORMATION: Notice of this meeting is given under the Federal Advisory Committee Act, 5 U.S.C. App. 2. Additional information concerning AAQTF may be found on the World Wide Web at <http://aaqtf.tamu.edu/>.

Draft Agenda of the September 22-23, 2005, Meeting of the AAQTF:

- A. *Welcome to Ithaca, New York*
Local and NRCS officials
- B. *Discussion and Approval of Minutes from Previous Meeting*
- C. *Federal Agency and Other Update Reports*
- D. *Subcommittee Presentations*
 - 1. Emerging Issues Committee Report
 - 2. Research Committee Report
 - 3. Policy Committee Report
 - 4. Education/Technology Transfer Committee Report
- E. Local Research Presentations
- I. Next Meeting, Time and Place
- J. Public Input

(Time will be reserved in the morning and afternoon of each daily session to receive public comment. Individual presentations will be limited to 5 minutes.)

Procedural:

This meeting is open to the public. At the discretion of the Chair, members of the public may give oral presentations during the meeting. Oral comments must be germane to the meeting agenda

and committee discussions. Those persons wishing to make oral presentations should contact Dr. Gelburd no later than August 29, 2005. A person submitting written material that would like a copy distributed to each member in advance of the meeting should submit 50 copies to Dr. Gelburd no later than August 29, 2005.

Information on Services for Individuals with Disabilities:

For information on facilities or services for individuals with disabilities, or to request special assistance at the meeting, please contact Dr. Gelburd. The Department of Agriculture (USDA) prohibits discrimination in its programs and activities on the basis of race, color, national origin, gender, religion, age, sexual orientation, or disability. Discrimination on the basis of political beliefs and marital or family status is also prohibited by statutes enforced by USDA (not all prohibited bases apply to all programs). Persons with disabilities who require alternate means for communication of program information (Braille, large print, audio tape, etc.) should contact the USDA's Target Center at (202) 720-2000 (voice and TDD). USDA is an equal opportunity provider and employer.

Signed in Washington, DC on July 27, 2005.

Bruce I. Knight,
Chief.

[FR Doc. 05-15634 Filed 8-5-05; 8:45 am]

BILLING CODE 3410-16-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-603, A-122-601, A-427-602, A-475-601, A-588-704]

Brass Sheet and Strip from Brazil, Canada, France, Italy and Japan; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On April 1, 2005, the Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Italy and Japan pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). The Department conducted expedited (120-day) sunset reviews for these orders. As a result of these sunset reviews, the

Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. The dumping margins are identified in the *Final Results of Reviews* section of this notice.

EFFECTIVE DATE: August 8, 2005.

FOR FURTHER INFORMATION CONTACT: Audrey Twyman or David Goldberger, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3534 and (202) 482-4136, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 1, 2005, the Department published the notice of initiation of the second sunset reviews of the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Italy and Japan pursuant to section 751(c) of the Act. *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 16800 (April 1, 2005). The Department received the Notice of Intent to Participate from Heyco Metals, Inc., Olin Corporation - Brass Group, Outokumpu American Brass, PMX Industries, Inc., Revere Copper Products, Inc., Scott Brass, International Association of Machinist and Aerospace Workers, United Auto Workers (Local 2367 and Local 1024), and United Steelworkers of America AFL-CIO/CLC (collectively "the domestic interested parties"), within the deadline specified in section 351.218(d)(1)(i) of the Department's Regulations ("Sunset Regulations"). The domestic interested parties claimed interested party status under section 771(9)(C) and (D) of the Act, as manufacturers of a domestic-like product in the United States, and unions whose workers are engaged in the production of a domestic-like product in the United States.

We received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no responses from respondent interested parties with respect to any of the orders covered by these sunset reviews.¹ As a result, pursuant to section 751(c)(4)(A) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of these orders

¹ On April 21, 2005, we received a notification on behalf of Nikko Metal Manufacturing Co., Ltd. in Japan (which claims to be the successor-in-interest to Nippon Mining Co., Ltd.) that it would not be submitting a substantive response.

for Brazil, Canada, France, Italy and Japan.

Scope of the Orders

The product covered by these orders is brass sheet and strip ("BSS"), other than leaded and tinned BSS. The chemical composition of the covered product is currently defined in the Copper Development Association ("C.D.A.") 200 Series or the Unified Numbering System ("U.N.S.") C2000. These orders do not cover products the chemical compositions of which are defined by other C.D.A. or U.N.S. series. In physical dimensions, the product covered by these orders has a solid rectangular cross section over 0.006 inches (0.15 millimeters) through 0.188 inches (4.8 millimeters) in finished thickness or gauge, regardless of width. Coiled, wound-on-reels (traverse wound), and cut-to-length products are included. The merchandise is currently classified under Harmonized Tariff Schedule of the United States ("HTSUS") item numbers 7409.21.00 and 7409.29.00. Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope of these orders remains dispositive.

Analysis of Comments Received

All issues raised in these reviews are addressed in the "Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Brass Sheet and Strip from Brazil, Canada, France, Italy and Japan; Final Results" ("Decision Memo") from Barbara Tillman, Acting Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated August 1, 2005, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the orders were to be revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in room B-099 of the main 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 2005." The paper copy and electronic version of the Decision Memo are identical in content.

Final Results of Reviews

We determine that revocation of the antidumping duty orders on brass sheet and strip from Brazil, Canada, France,

Italy and Japan would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

| Manufacturers/Exporters/Producers | Weighted Average Margin (percent) |
|-----------------------------------|-----------------------------------|
| Brazil. | |
| Eluma Corporation | 40.62 |
| All Others | 40.62 |
| Canada. | |
| Wolverine Tube, Inc. | 11.54 |
| All Others | 8.10 |
| France. | |
| Trefimetaux S.A. | 42.24 |
| All Others | 42.24 |
| Italy. | |
| LMI - La Metalli Industriale, SpA | 5.44 |
| All Others | 5.44 |
| Japan. | |
| Nippon Mining Co., Ltd. | 57.98 |
| Sambo Copper Alloy Co., Ltd. ... | 13.30 |
| Mitsubishi Shindoh Co., Ltd. | 57.98 |
| Kobe Steel, Ltd. | 57.98 |
| All Others | 45.72 |

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 orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 1, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5-4251 Filed 8-5-05; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

[A-549-813]

Canned Pineapple Fruit From Thailand: Preliminary Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: In response to requests by certain producers/exporters of the subject merchandise and the

petitioners,¹ the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on canned pineapple fruit (CPF) from Thailand. This review covers two producers/exporters of the subject merchandise. The period of review (POR) is July 1, 2003, through June 30, 2004.

The Department has preliminarily determined that the companies subject to this review made U.S. sales at prices less than normal value (NV). If these preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries. Interested parties are invited to comment on these preliminary results of review. We will issue the final results of review no later than 120 days from the date of publication of this notice.

DATES: Effective August 8, 2005.

FOR FURTHER INFORMATION CONTACT:

Magd Zalok or Drew Jackson, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, telephone: (202) 482-4162 or (202) 482-4406, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 1, 2004, the Department published in the **Federal Register** a notice of "Opportunity to Request Administrative Review" of the antidumping duty order on CPF from Thailand. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 69 FR 39903 (July 1, 2004). In accordance with 19 CFR 351.213(b)(2), during July 2004, the following producers/exporters requested that the Department conduct an administrative review of their sales and entries of subject merchandise into the United States during the POR: Vita Food Factory (1989) Co., Ltd. (Vita); Thai Pineapple Canning Industry Corp., Ltd. (TPC); and the Dole Food Company, Inc., Dole Packaged Foods Company, and Dole Thailand, Ltd. (collectively, Dole). Additionally, in accordance with 19 CFR 351.213(b)(1), on July 29, 2004, the petitioners requested that the Department conduct a review of The Thai Pineapple Public Company (TIPCO); Vita; The Parhuab Fruit Canning Co., Ltd. (PRAFT); Dole; and Kuiburi Fruit Canning Co., Ltd. (KFC).

¹The petitioners are Maui Pineapple Company Ltd. and the International Longshoremen's and Warehousemen's Union.

appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on January 12, 2006, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions. Each party to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is January 9, 2006. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is January 30, 2006; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the review may submit a written statement of information pertinent to the subject of the review on or before January 30, 2006. On March 3, 2006, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before March 7, 2006, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II(c) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be

accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: September 2, 2005.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-17885 Filed 9-8-05; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-269 and 270 and 731-TA-311-314, 317, and 379 (Second Review)]

Brass Sheet and Strip From Brazil, Canada, France, Germany, Italy, and Japan

AGENCY: United States International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the countervailing duty orders on brass sheet and strip from Brazil and France and the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Germany, Italy, and Japan.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the countervailing duty orders on brass sheet and strip from Brazil and France and the antidumping duty orders on brass sheet and strip from Brazil, Canada, France, Germany, Italy, and Japan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of 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: September 1, 2005.

FOR FURTHER INFORMATION CONTACT: Vincent Honnold (202-205-3314), 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 5, 2005, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (70 FR 41427, July 19, 2005). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the reviews and public service list. Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined

by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report. The prehearing staff report in the reviews will be placed in the nonpublic record on December 20, 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 these reviews beginning at 9:30 a.m. on January 24, 2006, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before January 11, 2006. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on January 18, 2006, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions. Each party to the 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 January 12, 2006. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is February 2, 2006; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before February 2, 2006. On February 23, 2006, the Commission will make available to parties all information on which they have not had an opportunity to

comment. Parties may submit final comments on this information on or before February 27, 2006, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the 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: September 2, 2005.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05-17884 Filed 9-8-05; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF JUSTICE

Notice of Lodging Proposed Consent Decree

In accordance with Departmental Policy, 28 CFR 50.7, notice is hereby given that a proposed consent decree in *United States v. Congaree Downs Limited Partnership, et al.*, Case No. 3:05-cv-02505, was lodged with the

United States District Court for the District of South Carolina on August 30, 2005. This proposed Consent Decree concerns a complaint filed by the United States against the Defendants pursuant to Section 301(a) of the Clean Water Act ("CWA"), 33 U.S.C. 1311(a), to obtain injunctive relief from and impose civil penalties against the Defendants for filling wetlands without a permit.

The proposed Consent Decree requires the defendants to pay a civil penalty and restore the impacted wetland to its natural grade contour. The Department of Justice will accept written comments relating to this proposed Consent Decree for thirty (30) days from the date of publication of this notice. Please address comments to Emery Clark, Assistant United States Attorney, United States Attorney's Office, Wachovia Building, Suite 500, 1441 Main Street, Columbia, South Carolina 29201 and refer to *United States v. Congaree Downs Limited Partnership, et al.*, Case No. 3:05-cv-02505.

The proposed Consent Decree may be examined at the Clerk's Office, United States District Court for the District of South Carolina, 901 Richland Lane, Columbia, South Carolina.

In addition, the proposed Consent Decree may be viewed on the World Wide Web at <http://www.usdoj.gov/enrd/open.html>.

Stephen Samuels,

Assistant Chief, Environmental Defense Section, Environment and Natural Resources Division.

[FR Doc. 05-17848 Filed 9-8-05; 8:45 am]

BILLING CODE 4410-15-M

DEPARTMENT OF JUSTICE

Notice of Lodging of Revised Consent Decree Under the Clean Air Act

Under 28 CFR 50.7, notice is hereby given that on August 31, 2005, a First Revised Consent Decree in the matter of *United States, et al. v. Marathon Ashland Petroleum LLC*, Civil Action No. 4:01-CV-40119-PVG, was lodged with the United States District Court for the Eastern District of Michigan.

The First Revised Consent Decree supercedes a Consent Decree entered in the above-referenced action in August of 2001 ("August 2001 Consent Decree") among the United States, as Plaintiff, the County of Wayne, the State of Louisiana, and the State of Minnesota, as Plaintiff-Intervenor, and Marathon Ashland Petroleum LLC ("MAP"), as Defendant. In the August 2001 Consent Decree, MAP agreed to undertake, *inter*

de jure and *de facto* absence of government control over the company's export activities. Accordingly, we will issue questionnaires to Xuzhou Jinjiang and Xiping Opeck, including a separate rates section. The reviews will proceed if the responses provide sufficient indication that Xuzhou Jinjiang and Xiping Opeck are not subject to either *de jure* or *de facto* government control with respect to their exports of freshwater crawfish tail meat. However, if the exporter does not demonstrate the company's eligibility for a separate rate, then the company will be deemed not separate from the PRC-wide entity, which exported during the POI. An exporter unable to demonstrate the company's eligibility for a separate rate would hence not meet the requirements of CFR 351.214(b)(2)(i) and its new shipper review will be rescinded. *See, Notice of Preliminary Results of Antidumping Duty New Shipper Review and Rescission of New Shipper Reviews: Freshwater Crawfish Tail Meat from the People's Republic of China*, 69 FR 53669 (September 2, 2004) and *Brake Rotors From the People's Republic of China: Rescission of Second New Shipper Review and Final Results and Partial Rescission of First Antidumping Duty Administrative Review*, 64 FR 61581 (November 12, 1999).

In accordance with section 751(a)(2)(B)(iii) of the Act and 19 CFR 351.214(e), we will instruct CBP to allow, at the option of the importer, the posting, until the completion of the review, of a single entry bond or security in lieu of a cash deposit for certain entries of the merchandise exported by either Xuzhou Jinjiang or Xiping Opeck. We will apply the bonding option under 19 CFR 351.107(b)(1)(i) only to entries from these two exporters for which they are also the producers.

Interested parties that need access to proprietary information in these new shipper reviews should submit applications for disclosure under administrative protective orders in accordance with 19 CFR 351.305 and 351.306.

This initiation and notice are in accordance with section 751(a) of the Act (19 U.S.C. 1675(a)) and 19 CFR 351.214(d).

Dated: October 31, 2005.

Stephen J. Claeys,

Deputy Assistant Secretary for Import Administration.

[FR Doc. E5-6128 Filed 11-3-05; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

(C-351-604)

Final Results of Expedited Sunset Review: Brass Sheet and Strip from Brazil

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On April, 1, 2005, the Department of Commerce ("the Department") initiated a sunset review of the countervailing duty order ("CVD") on brass sheet and strip from Brazil 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 the domestic interested parties and inadequate response from respondent interested parties (in this case, no response), the Department determined to conduct an expedited sunset review of this CVD order pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B). As a result of this sunset review, the Department finds that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the "Final Results of Review" section of this notice.

EFFECTIVE DATE: November 4, 2005.

FOR FURTHER INFORMATION CONTACT: Tipten Troldt or David Goldberger, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-1767 or (202) 482-4136, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 1, 2005, the Department initiated a sunset review of the CVD order on brass sheet and strip from Brazil pursuant to section 751(c) of the Act. *See Notice of Initiation of Five-year ("Sunset") Reviews*, 70 FR 16800 (April 1, 2005). The Department received a notice of intent to participate from the following domestic interested parties: Heyco Metals, Inc. ("Heyco"); Olin Corporation-Brass Group ("Olin"); Outokumpu American Brass ("Outokumpu"); PMX Industries, Inc. ("PMX"); Revere Copper Products, Inc. ("Revere"); Scott Brass ("Scott"); the International Association of Machinists and Aerospace Workers; the United Auto Workers (Local 2367 and Local

1024); and the United Steelworkers of America (AFL/CIO-CLC) (hereinafter, collectively "domestic interested parties"), within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested parties claimed interested party status under sections 771(9)(C) and (D) of the Act, as domestic brass mills, rerollers, and unions engaged in the production of brass sheet and strip in the United States.

The Department received a complete substantive response collectively from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). However, the Department did not receive a substantive response from any government or respondent interested party to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited review of this CVD order.

Scope of the Order

The merchandise subject to this CVD order is coiled, wound-on-reels (traverse wound), and cut-to-length brass sheet and strip (not leaded or tinned) from Brazil. The subject merchandise has, regardless of width, a solid rectangular cross section over 0.0006 inches (0.15 millimeters) through 0.1888 inches (4.8 millimeters) in finished thickness or gauge. The chemical composition of the covered products is defined in the Copper Development Association ("C.D.A.") 200 Series or the Unified Numbering System ("U.N.S.") C2000; this order does not cover products with chemical compositions that are defined by anything other than C.D.A. or U.N.S. series. The merchandise is currently classified under Harmonized Tariff Schedule ("HTS") item numbers 7409.21.00 and 7409.29.00. The HTS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum ("Decision Memorandum") from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated October 28, 2005, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the Central Records Unit room B-099 of the main Commerce building. In addition, a complete version of the

Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

The Department determines that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy. However, as a result of termination of all known countervailable programs, the Department is unable to determine the net countervailable subsidy likely to prevail.

Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing the results and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 28, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5-6129 Filed 11-3-05; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

(C-122-815)

Final Results of Expedited Sunset Reviews of the Countervailing Duty Orders: Pure Magnesium and Alloy Magnesium from Canada

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On July 1, 2005, the Department of Commerce ("the Department") initiated sunset reviews of the countervailing duty ("CVD") orders on pure magnesium and alloy magnesium from Canada pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). See *Initiation of Five-year ("Sunset") Reviews*, 70 FR 38101 (July 1, 2005). On the basis of a notice of intent to participate and an adequate substantive response filed on

behalf of the domestic interested party and an inadequate response from respondent interested parties, the Department determined to conduct expedited sunset reviews of these CVD orders pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C). As a result of these sunset reviews, the Department finds that revocation of the CVD orders would likely lead to continuation or recurrence of a countervailable subsidy at the levels indicated in the "Final Results of Reviews" section of this notice.

EFFECTIVE DATE: November 4, 2005.

FOR FURTHER INFORMATION CONTACT: Andrew McAllister or Devta Ohri, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-1174 or (202) 482-3853, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 1, 2005, the Department initiated sunset reviews of the CVD orders on pure magnesium and alloy magnesium from Canada pursuant to section 751(c) of the Act. See *Initiation of Five-year ("Sunset") Reviews*, 70 FR 38101 (July 1, 2005). The Department received a notice of intent to participate from the domestic industry (US Magnesium LLC) and the Government of Quebec ("GOQ"), within the deadline specified in 19 CFR 351.218(d)(1)(i). US Magnesium LLC ("US Magnesium") claimed interested party status under section 771(9)(C) of the Act, while the GOQ claimed interested party status under section 771(9)(B) of the Act.

The Department received complete substantive responses from US Magnesium and the GOQ on August 1, 2005, within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). On August 5, 2005, the Department extended the due date for parties to submit rebuttal comments to August 12, 2005. On August 12, 2005, US Magnesium and the GOQ filed rebuttal comments. On August 22, 2005, the Department, in its adequacy determination, stated that because a government response alone is not sufficient for full sunset reviews in which the orders are not¹ done on an aggregate basis, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), we are conducting expedited reviews of these CVD orders. See Memorandum from

¹The August 22, 2005, memo inadvertently omitted the word "not" which has been added to the phrase in this document.

Susan Kuhbach to Barbara E. Tillman: Adequacy Determination: 2nd Sunset Review of the Countervailing Duty Orders on Pure Magnesium and Alloy Magnesium from Canada, dated August 22, 2005, which is on file in the Central Records Unit, Room B-099 of the main Department building.

Scope of the Orders

The products covered by these orders are shipments of pure and alloy magnesium from Canada. Pure magnesium contains at least 99.8 percent magnesium by weight and is sold in various slab and ingot forms and sizes. Magnesium alloys contain less than 99.8 percent magnesium by weight with magnesium being the largest metallic element in the alloy by weight, and are sold in various ingot and billet forms and sizes.

The pure and alloy magnesium subject to the orders is currently classifiable under items 8104.11.0000 and 8104.19.0000, respectively, of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, the written descriptions of the merchandise subject to the orders are dispositive.

Secondary and granular magnesium are not included in the scope of these orders. Our reasons for excluding granular magnesium are summarized in *Preliminary Determination of Sales at Less Than Fair Value: Pure and Alloy Magnesium From Canada*, 57 FR 6094 (February 20, 1992).

Analysis of Comments Received

All issues raised in these reviews are addressed in the Issues and Decision Memorandum ("Decision Memorandum") from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated October 31, 2005, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendation in this public memorandum which is on file in the Central Records Unit room B-099 of the main Department building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Reviews

We determine that revocation of the countervailing duty orders would be likely to lead to continuation or recurrence of a countervailable subsidy.

comment. The final EIS and decision is expected in December 2006. Public questions and comments regarding this proposal are an integral part of the environmental analysis process. Comments will be used to identify issues and develop alternatives to this proposal. To assist the Forest Service in identifying and considering issues and concerns on the proposed action, comments should be as specific as possible.

Preliminary Issues

A. Long standing outfitter guide operators have not received 5-year term or priority use permits.

B. Levels of authorized outfitter-guide use (too much commercial use for some and not enough opportunities for others) and limits on the number of permits in the popular and highly marketable tourist locations: such as, Broken Arrow, Soldier Pass, Greasy Spoon, Honanki, etc.

C. The Forest Service has not authorized increased opportunities for existing outfitter-guides with temporary permits.

D. Sustaining of historic permits, versus adjusting/limiting authorizations and opening up new competitive opportunities.

E. The Forest Service has not issued new outfitter-guide authorizations in the greater Sedona area.

F. Inconsistencies and deficiencies in outfitter-guide quality of service and performance.

G. Demand for group and large community events on the National Forest is inconsistent with current emphasis in the Forest Plan.

H. Lack of permit system for commercial wedding planning and operations on the National Forest.

I. Authorization and management of recreation events, such as size, location, type of event, limitations.

J. Authorization and management of institutional outfitter-guide activities.

K. Inconsistencies between desire of permit holders for unlimited business growth and current Forest Plan direction for encounter frequencies and limited commercial activities.

L. Perceived monopoly of business income related to certain locations.

M. Concern related to resource and infrastructure impacts and damage from outfitter-guide activities and general recreation use.

N. Implementation of new regulations.

O. Some existing outfitter guides allocations are not used and that non-use has not been available for others or administered under current policy.

P. Concerns about delay in completing reallocation of existing permitted guides.

Q. Displacement of general public use of area as a result of outfitter guide use, (common wedding or large group use locations.)

Comment Requested

This notice of intent initiates the scoping process which guides the development of the environmental impact statement. Comments should be as specific as possible including location of concern area, why the concern is important, and data supporting any information considered not accurate. Comments should also indicate interest in being included on a mailing list for the project with accurate mailing address and contact information.

Early Notice of Importance of Public Participation in Subsequent Environmental Review: A draft environmental impact statement will be prepared for comment. The comment period on the draft environmental impact statement will be 45 days from the date the Environmental Protection Agency publishes the notice of availability in the **Federal Register**.

The Forest Service believes, at this early stage, it is important to give reviewers notice of several court rulings related to public participation in the environmental review process. First, reviewers of draft environmental impact statements must structure their participation in the environmental review of the proposal so that it is meaningful and alerts an agency to the reviewer's position and contentions. *Vermont Yankee Nuclear Power Corp. v. NRDC*, 435 U.S. 519, 553 (1978). Also, environmental objections that could be raised at the draft environmental impact statement stage but that are not raised until after completion of the final environmental impact statement may be waived or dismissed by the courts. *City of Angoon v. Hodel*, 803 F.2d 1016, 1022 (9th Cir. 1986) and *Wisconsin Heritages, Inc. v. Harris*, 490 F. Supp. 1334, 1338 (E.D. Wis. 1980). Because of these court rulings, it is very important that those interested in this proposed action participate by the close of the 45-day comment period so that substantive comments and objections are made available to the Forest Service at a time when it can meaningfully consider them and respond to them in the final environmental impact statement.

To assist the Forest Service in identifying and considering issues and concerns on the proposed action, comments on the draft environmental impact statement should be as specific

as possible. It is also helpful if comments refer to specific pages or chapters of the draft statement. Comments may also address the adequacy of the draft environmental impact statement or the merits of the alternatives formulated and discussed in the statement. Reviewers may wish to refer to the Council on Environmental Quality Regulations for implementing the procedural provisions of the National Environmental Policy Act at 40 CFR 1503.3 in addressing these points.

Comments received, including the names and addresses of those who comment, will be considered part of the public record on this proposal and will be available for public inspection.

(Authority: 40 CFR 1501.7 and 1508.22; Forest Service Handbook 1909.15, Section 21)

Dated: January 20, 2006.

Nora B. Rasure,

Forest Supervisor, Coconino National Forest.

[FR Doc. 06-737 Filed 1-25-06; 8:45 am]

BILLING CODE 3410-11-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-428-602]

Brass Sheet and Strip from Germany: Final Results of the Full Sunset Review of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On October 28, 2005, the Department of Commerce ("the Department") published a notice of preliminary results of the full sunset review of the antidumping duty order on brass sheet and strip ("BSS") from Germany (70 FR 62093) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). We provided interested parties an opportunity to comment on our preliminary results. We did not receive comments from either domestic or respondent interested parties. As a result of this review, the Department finds that revocation of this order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the "Final Results of Review" section of this notice.

EFFECTIVE DATE: January 26, 2006.

FOR FURTHER INFORMATION CONTACT:

Audrey R. Twyman, Brandon Farlander, or David Goldberger, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of

Commerce, 14th Street & Constitution Avenue, NW, Washington, DC, 20230; telephone: 202-482-3534, 202-482-0182, and 202-482-4136, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 28, 2005, the Department of Commerce (the "Department") published in the **Federal Register** a notice of preliminary results of the full sunset review of the antidumping duty order on BSS from Germany, pursuant to section 751(c) of the Act. *See Brass Sheet and Strip from Germany: Preliminary Results of the Sunset Review of Antidumping Duty Order*, 70 FR 62093 (October 28, 2005) ("Preliminary Results"). In our *Preliminary Results*, we determined that revocation of the order would likely result in continuation or recurrence of dumping with a margin of 3.81 percent for Wieland-Werke AG and an "all others" rate of 7.30 percent. We did not receive a case brief on behalf of either domestic or respondent interested parties within the deadline specified in 19 CFR 351.309(c)(1)(i).

Scope of the Order

The product covered by this order is brass sheet and strip, other than leaded and tinned. The chemical composition of the covered product is currently defined in the Copper Development Association ("C.D.A.") 200 Series or the Unified Numbering System ("U.N.S.") C2000. This order does not cover products with chemical compositions that are defined by anything other than either the C.D.A. or U.N.S. series. In physical dimensions, the product covered by this order has a solid rectangular cross section over 0.0006 inches (0.15 millimeters) through 0.1888 inches (4.8 millimeters) in finished thickness or gauge, regardless of width. Coiled, wound-on-reels (transverse wound), and cut-to-length products are included. The merchandise is currently classified under Harmonized Tariff Schedule of the United States ("HTSUS") item numbers 7409.21.00 and 7409.29.00. The HTSUS numbers are provided for convenience and customs purposes. The written description of the scope of this order remains dispositive.

Analysis of Comments Received

The Department did not receive case briefs from either domestic or respondent interested parties. Therefore, we have not made any changes to our *Preliminary Results*.

Final Results of Review

We determine that revocation of the antidumping duty order on BSS from Germany would be likely to lead to continuation or recurrence of dumping at the following weighted-average margins:

| Manufacturer/Exporter | Margin (percent) |
|------------------------|------------------|
| Wieland-Werke AG | 3.81 |
| All Others | 7.30 |

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing these results in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: January 20, 2006.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E6-992 Filed 1-25-06; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

[A-357-812]

Honey from Argentina: Initiation of New Shipper Antidumping Duty Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Initiation of New Shipper Antidumping Duty Review.

EFFECTIVE DATE: January 26, 2006.

FOR FURTHER INFORMATION CONTACT:

David Cordell or Robert James, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0408 or (202) 482-0469, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department received a timely request from Patagonik S.A. (Patagonik), in accordance with 19 CFR 351.214(c),

for a new shipper review of the antidumping duty order on honey from Argentina. *See Notice of Antidumping Duty Order: Honey from Argentina*, 66 FR 63672 (December 10, 2001). Patagonik identified itself as the exporter of subject merchandise produced by its supplier Colmenares Santa Rosa s.r.l.

As required by 19 CFR 351.214(b)(2)(i),(ii), and (iii)(A), Patagonik certified it did not export honey to the United States during the period of investigation (POI), and that it has never been affiliated with any exporter or producer which exported honey during the POI. As required by 19 CFR 351.214(b)(2)(ii)(B), Patagonik's supplier, Colmenares Santa Rosa s.r.l., certified that it did not export the subject merchandise to the United States during the POI. Our inquires and Customs run queries with U.S. Customs and Border Protection (CBP) show that the shipment entered the United States shortly after the anniversary month.

Under section 351.214(f)(2)(ii) of the Department's regulations, when the sale of the subject merchandise occurs within the period of review (POR), but the entry occurs after the normal POR, the POR may be extended unless it would be likely to prevent the completion of the review within the time limits set by the Department's regulations. The preamble to the Department's regulations states that both the entry and the sale should occur during the POR, and that under "appropriate" circumstances the Department has the flexibility to extend the POR. *See Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27319, 27320 (May 19, 1997). In this instance, Patagonik's shipment entered in the month following the end of the POR. The Department does not find that this delay prevents the completion of the review within the time limits set by the Department's regulations. Accordingly, we are extending the POR by one month to capture both the sale and subsequent entry during the New Shipper POR.

Scope

The merchandise under review is honey from the Argentina. The products covered are natural honey, artificial honey containing more than 50 percent natural honey by weight, preparations of natural honey containing more than 50 percent natural honey by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, comb, cut comb, or chunk form, and whether packaged for retail or in bulk form. The merchandise under

DEPARTMENT OF COMMERCE**International Trade Administration**

[C-427-603]

Final Results of Full Sunset Review: Brass Sheet and Strip from France

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On April 1, 2005, the Department of Commerce ("the Department") initiated a sunset review of the countervailing duty order ("CVD") on brass sheet and strip from France 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 the domestic interested parties and an adequate response from respondent interested parties, the Department determined to conduct a full sunset review of this CVD order pursuant to section 751(c) of the Act and 19 CFR 351.218(e)(2). As a result of this sunset review, the Department finds that revocation of the CVD order would not be likely to lead to continuation or recurrence of a countervailable subsidy. Therefore, the Department is revoking this CVD order.

EFFECTIVE DATE: March 2, 2006.

FOR FURTHER INFORMATION CONTACT: Darla Brown or David Goldberger, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-2849 or (202) 482-4136, respectively.

SUPPLEMENTARY INFORMATION:**Background**

On April 1, 2005, the Department initiated a sunset review of the CVD order on brass sheet and strip from France pursuant to section 751(c) of the Act. *See Notice of Initiation of Five-Year ("Sunset") Reviews*, 70 FR 16800 (April 1, 2005).

On October 25, 2005, the Department published the preliminary results of the full sunset review of the instant order. *See Preliminary Results of Full Sunset Review: Brass Sheet and Strip from France*, 70 FR 61604 (October 25, 2005). Interested parties were invited to comment on our preliminary results. On December 7, 2005, we received case briefs from the Government of France and the European Union. On December 12, 2005, we received rebuttal briefs from domestic interested parties.

Scope of the Order

The merchandise subject to the CVD order is coiled, wound-on-reels (traverse wound), and cut-to-length brass sheet and strip (not leaded or tinned) from France. The subject merchandise has, regardless of width, a solid rectangular cross section over 0.0006 inches (0.15 millimeters) through 0.1888 inches (4.8 millimeters) in finished thickness or gauge. The chemical composition of the covered products is defined in the Copper Development Association ("C.D.A.") 200 Series or the Unified Numbering System ("U.N.S.") C2000; this order does not cover products with chemical compositions that are defined by anything other than C.D.A. or U.N.S. series. The merchandise is currently classifiable under Harmonized Tariff Schedule ("HTS") item numbers 7409.21.00 and 7409.29.00. The HTS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum ("Decision Memorandum") from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated February 22, 2006, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the Central Records Unit, room B-099 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review and Revocation

The Department determines that revocation of the CVD order would not be likely to lead to continuation or recurrence of a countervailable subsidy. As a result, we are revoking this order, effective May 1, 2005, the fifth anniversary of the date of publication in the **Federal Register** of the notice of continuation (*see* 65 FR 25304 (May 1, 2000)). We will notify the International Trade Commission of these results. Furthermore, we will instruct U.S. Customs and Border Protection to terminate suspension of liquidation, effective May 1, 2005.

Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing these results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: February 22, 2006.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E6-2926 Filed 3-1-06; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE**International Trade Administration****The Manufacturing Council: Meeting of the Manufacturing Council**

AGENCY: International Trade Administration, U.S. Department of Commerce.

ACTION: Notice of public meeting.

SUMMARY: The Manufacturing Council will hold a full Council meeting to discuss topics related to the state of manufacturing. The Manufacturing Council is a Secretarial Board at the Department of Commerce, established to ensure regular communication between Government and the manufacturing sector. This will be the fifth meeting of The Manufacturing Council. For information about the Council, please visit its Web site at: <http://www.manufacturing.gov/council>.

DATES: March 22, 2006.

TIME: 10:30 a.m.

ADDRESSES: Donald E. Stephens Convention Center, Rosemont, Illinois. This program is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be submitted no later than March 15, 2006, to The Manufacturing Council, Room 4043, Washington, DC 20230.

FOR FURTHER INFORMATION CONTACT: The Manufacturing Council Executive Secretariat, Room 4043, Washington, DC 20230 (Phone: 202-482-1369). Interested parties are encouraged to visit

and Community Self-Determination Act of 2000, Public Law 106-393.

SUMMARY: The BLM Coos Bay District RAC is scheduled to meet on March 13, 2006 from 9 a.m. until 12 p.m. at the BLM Coos Bay District Office. The BLM Office is located at 1300 Airport Lane in North Bend, Oregon. The purpose of this meeting will be for the RAC review previous fiscal years' accomplishments and budget expenditures. The election of the BLM Coos Bay District RAC Chair and Vice-chair will also occur at this meeting. There will be an opportunity for the public to address the BLM Coos Bay District RAC at approximately 10:30 a.m.

FOR FURTHER INFORMATION CONTACT: Mark Johnson, BLM Coos Bay District Manager, at (541) 756-0100 or Glenn Harkleroad, District Restoration Coordinator, at (541) 751-4361 or glenn_harkleroad@or.blm.gov. The mailing address for the BLM Coos Bay District Office is 1300 Airport Lane, North Bend, Oregon 97459.

Dated: March 1, 2006.

M. Elaine Raper,

Acting Coos Bay District Manager.

[FR Doc. E6-3428 Filed 3-9-06; 8:45 am]

BILLING CODE 4310-33-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 701-TA-270 (Second Review)]

Brass Sheet and Strip From France

AGENCY: United States International Trade Commission.

ACTION: Termination of review.

SUMMARY: On March 2, 2006, the Department of Commerce published notice in the **Federal Register** of a negative final determination of the likelihood of continuation or recurrence of a countervailable subsidy in connection with the subject five-year review on brass sheet and strip from France (71 FR 10651). Accordingly, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)), the five-year review of the countervailing duty order concerning brass sheet and strip from France (investigation No. 701-TA-270 (Second Review)) is terminated.

DATES: *Effective Date:* March 2, 2006.

FOR FURTHER INFORMATION CONTACT: Vincent Honnold (202-205-3314), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter

can be obtained by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

Authority: This five-year review is being terminated under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.69 of the Commission's rules (19 CFR 207.69).

Issued: March 6, 2006.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E6-3473 Filed 3-9-06; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF LABOR

Employment and Training Administration

Notice of Determinations Regarding Eligibility To Apply for Worker Adjustment Assistance

In accordance with section 223 of the Trade Act of 1974, as amended, (19 U.S.C. 2273), the Department of Labor herein presents summaries of determinations regarding eligibility to apply for trade adjustment assistance for workers (TA-W) number and alternative trade adjustment assistance (ATAA) by (TA-W) number issued during the periods of February, 2006.

In order for an affirmative determination to be made and a certification of eligibility to apply for directly-impacted (primary) worker adjustment assistance to be issued, each of the group eligibility requirements of section 222(a) of the Act must be met.

I. Section (a)(2)(A) all of the following must be satisfied:

A. A significant number or proportion of the workers in such workers' firm, or an appropriate subdivision of the firm, have become totally or partially separated, or are threatened to become totally or partially separated;

B. The sales or production, or both, of such firm or subdivision have decreased absolutely; and

C. Increased imports of articles like or directly competitive with articles produced by such firm or subdivision have contributed importantly to such workers' separation or threat of

separation and to the decline in sales or production of such firm or subdivision; or

II. Section (a)(2)(B) both of the following must be satisfied:

A. A significant number or proportion of the workers in such workers' firm, or an appropriate subdivision of the firm, have become totally or partially separated, or are threatened to become totally or partially separated;

B. There has been a shift in production by such workers' firm or subdivision to a foreign county of articles like or directly competitive with articles which are produced by such firm or subdivision; and

C. One of the following must be satisfied:

1. The country to which the workers' firm has shifted production of the articles is a party to a free trade agreement with the United States;

2. The country to which the workers' firm has shifted production of the articles to a beneficiary country under the Andean Trade Preference Act, African Growth and Opportunity Act, or the Caribbean Basin Economic Recovery Act; or

3. There has been or is likely to be an increase in imports of articles that are like or directly competitive with articles which are or were produced by such firm or subdivision.

Also, in order for an affirmative determination to be made and a certification of eligibility to apply for worker adjustment assistance as an adversely affected secondary group to be issued, each of the group eligibility requirements of section 222(b) of the Act must be met.

(1) Significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated;

(2) The workers' firm (or subdivision) is a supplier or downstream producer to a firm (or subdivision) that employed a group of workers who received a certification of eligibility to apply for trade adjustment assistance benefits and such supply or production is related to the article that was the basis for such certification; and

(3) Either—

(A) The workers' firm is a supplier and the component parts it supplied for the firm (or subdivision) described in paragraph (2) accounted for at least 20 percent of the production or sales of the workers' firm; or

(B) A loss or business by the workers' firm with the firm (or subdivision) described in paragraph (2) contributed

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

*Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, and Japan,
Inv. Nos. 701-TA-269 and 270, and 731-TA-311-314, 317, and 379 (Second Review)*

On July 5, 2005, 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 on behalf of six domestic producers and four domestic trade unions: Heyco Metals, Inc.; Olin Corporation - Brass Group; Outokumpu American Brass; PMX Industries, Inc.; Revere Copper Products, Inc.; Scott Brass; International Association of Machinists and Aerospace Workers; United Auto Workers Local 2367; United Auto Workers Local 1024; and the United Steelworkers. The Commission also received a response from Wieland Metals, Inc., a domestic producer, as well as an importer of subject merchandise. Because the Commission received an adequate response from domestic producers and unions accounting for a substantial percentage of U.S. production, the Commission determined that the domestic interested party group response was adequate.

In the review concerning subject imports from Germany, the Commission received adequate responses from three producers of the subject merchandise in Germany – Wieland-Werke AG, Prymetall GmbH & Co. KG, and Schwermetall Halbzeugwerk GmbH & Co. KG – and a U.S. importer of the subject merchandise from Germany – Wieland Metals, Inc. Because the Commission received adequate responses representing a substantial percentage of the production of subject brass sheet and strip in Germany, the Commission determined that the respondent interested party group response for Germany was adequate. Accordingly, the Commission determined to proceed to a full review in *Brass Sheet and Strip from Germany*.

The Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from Brazil, Canada, France, Italy, or Japan. However, the Commission determined to conduct full reviews to promote administrative efficiency in light of its decision to conduct a full review with respect to *Brass Sheet and Strip from Germany*. A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).

APPENDIX B
HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, and Japan

Inv. Nos.: 701-TA-269 and 270 and 731-TA-311-314, 317, and 379 (Second Review)

Date and Time: January 24, 2006 - 9:30 a.m.

Sessions were held in connection with these second five-year review investigations in the Main Hearing Room, 500 E Street (room 101), SW, Washington, DC.

Opening Remarks:

In Support of the Continuation of the Orders: **David A. Hartquist**, Collier Shannon Scott, PLLC
In Opposition to the Continuation of the Orders: **Philippe M. Bruno**, Greenberg Traurig, LLP

In Support of the Continuation of the Antidumping and Countervailing Duty Orders:

Collier Shannon Scott, PLLC
Washington, DC
on behalf of

The Domestic Interested Parties

Joseph L. Mayer, President, Copper & Brass Fabricators Council, Inc.
Joseph D. Rupp, Chairman, President and Chief Executive Officer, Olin Corp.
Jeffrey J. Haferkamp, President, Olin Brass, Division of Olin Corp.
Thomas G. Baker, Vice President, Marketing and Sales, Olin Brass, Division of Olin Corp.
Warren E. Bartel, President, Outokumpu American Brass
Michele A. Potter, Marketing Manager, Outokumpu American Brass
Douglas W. Burkhardt, General Manager, Sales and Marketing, PMX Industries, Inc.
Michael T. Kerwin, Economist, Georgetown Economic Services
William B. Hudgens, Economist, Georgetown Economic Services

David A. Hartquist - OF COUNSEL
Jeffrey S. Beckington
Kathleen W. Cannon
Grace W. Kim

In Opposition to the Continuation of the Antidumping and Countervailing Duty Orders:

Arnold & Porter LLP
Washington, DC
on behalf of

Wieland-Werke AG
Prymetall GmbH & Co. KG
Schwermetall Halbzeugwerk GmbH & Co. KG

Werner Traa, Executive Board Member, Wieland-Werke AG
Joerg Hanisch, Executive Board Member, Wieland-Werke AG
Klaus Guttenberg, General Counsel, Wieland-Werke AG
Markus Schuler, Executive Vice President, Wieland Metals, Inc.
Ed Pages, President, Guarantee Specialties, Inc.
Bruce Malashevich, President, Economic Consulting Services, LLC

Michael T. Shor – OF COUNSEL

Greenberg Traurig, LLP
Washington, DC
on behalf of

Eluma S.A. (“Eluma”)

Valmir Baialuna, Sales Manager, Eluma

Philippe M. Bruno - OF COUNSEL

Rebuttal/Closing Remarks:

In Support of the Continuation of the Orders: **David A. Hartquist**, Collier Shannon Scott, PLLC
In Opposition to the Continuation of the Orders: **Michael T. Shor**, Arnold & Porter, LLP

APPENDIX C
SUMMARY DATA

Table C-1--Continued

BSS: Summary data concerning the U.S. market, 1999-2004, January-September 2004, and January-September 2005

| Item | (Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted) | | | | | | | | | | | | | | |
|--|--|---------|---------|---------|---------|---------|-------------------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------------|
| | Reported data | | | | | | | Period changes | | | | | | | |
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | January-September | | 1999-2004 | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | Jan.-Sept. 2004-2005 |
| | | | | | | | 2004 | 2005 | | | | | | | |
| U.S. basic producers: | | | | | | | | | | | | | | | |
| Average capacity quantity | 634,779 | 644,373 | 587,613 | 628,599 | 598,991 | 606,983 | 456,363 | 448,083 | -4.4 | 1.5 | -8.8 | 7.0 | -4.7 | 1.3 | -1.8 |
| Production quantity | 573,981 | 558,227 | 387,191 | 446,192 | 407,574 | 441,125 | 346,976 | 302,879 | -23.1 | -2.7 | -30.6 | 15.2 | -8.7 | 8.2 | -12.7 |
| Capacity utilization (1) | 90.4 | 86.6 | 65.9 | 71.0 | 68.0 | 72.7 | 76.0 | 67.6 | -17.7 | -3.8 | -20.7 | 5.1 | -2.9 | 4.6 | -8.4 |
| U.S. shipments: | | | | | | | | | | | | | | | |
| Quantity | 557,813 | 552,724 | 382,267 | 436,520 | 399,963 | 428,939 | 337,473 | 298,001 | -23.1 | -0.9 | -30.8 | 14.2 | -8.4 | 7.2 | -11.7 |
| Value | 579,105 | 623,848 | 434,505 | 476,451 | 447,739 | 592,521 | 463,234 | 481,621 | 2.3 | 7.7 | -30.4 | 9.7 | -6.0 | 32.3 | 4.0 |
| Unit value | \$1.04 | \$1.13 | \$1.14 | \$1.09 | \$1.12 | \$1.38 | \$1.37 | \$1.62 | 33.1 | 8.7 | 0.7 | -4.0 | 2.6 | 23.4 | 17.7 |
| Export shipments: | | | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | 42,229 | 39,150 | 31,954 | 33,027 | 31,921 | 36,398 | 35,479 | 26,297 | -13.8 | -7.3 | -18.4 | 3.4 | -3.3 | 14.0 | -25.9 |
| Inventories/total shipments (1) | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Production workers | 1,560 | 1,466 | 1,281 | 1,348 | 1,308 | 1,203 | 1,217 | 1,122 | -22.9 | -6.0 | -12.6 | 5.2 | -3.0 | -8.0 | -7.8 |
| Hours worked (1,000s) | 3,433 | 3,250 | 2,695 | 2,855 | 2,719 | 2,624 | 2,021 | 1,779 | -23.6 | -5.3 | -17.1 | 5.9 | -4.8 | -3.5 | -12.0 |
| Wages paid (\$1,000) | 73,432 | 70,554 | 61,275 | 63,956 | 65,239 | 64,314 | 46,592 | 41,061 | -12.4 | -3.9 | -13.2 | 4.4 | 2.0 | -1.4 | -11.9 |
| Hourly wages | \$21.39 | \$21.71 | \$22.74 | \$22.40 | \$23.99 | \$24.51 | \$23.05 | \$23.08 | 14.6 | 1.5 | 4.7 | -1.5 | 7.1 | 2.2 | 0.1 |
| Productivity (pounds per hour) | 167.2 | 171.8 | 143.7 | 156.3 | 149.9 | 168.1 | 171.7 | 170.3 | 0.5 | 2.7 | -16.4 | 8.8 | -4.1 | 12.2 | -0.8 |
| Unit labor costs | \$0.13 | \$0.13 | \$0.16 | \$0.14 | \$0.16 | \$0.15 | \$0.13 | \$0.14 | 14.0 | -1.2 | 25.2 | -9.4 | 11.7 | -8.9 | 1.0 |
| Net sales (3): | | | | | | | | | | | | | | | |
| Quantity | 618,559 | 607,953 | 425,452 | 477,693 | 433,965 | 468,561 | 367,523 | 333,216 | -24.2 | -1.7 | -30.0 | 12.3 | -9.2 | 8.0 | -9.3 |
| Value | 659,604 | 710,815 | 502,923 | 538,653 | 498,797 | 662,630 | 518,715 | 551,870 | 0.5 | 7.8 | -29.2 | 7.1 | -7.4 | 32.8 | 6.4 |
| Unit value | \$1.07 | \$1.17 | \$1.18 | \$1.13 | \$1.15 | \$1.41 | \$1.41 | \$1.66 | 32.6 | 9.6 | 1.1 | -4.6 | 1.9 | 23.0 | 17.3 |
| Cost of goods sold (COGS) | 585,341 | 634,186 | 468,186 | 497,114 | 460,339 | 625,773 | 490,771 | 533,697 | 6.9 | 8.3 | -26.2 | 6.2 | -7.4 | 35.9 | 8.7 |
| Gross profit or (loss) | 74,263 | 76,629 | 34,737 | 41,539 | 38,458 | 36,857 | 27,944 | 18,173 | -50.4 | 3.2 | -54.7 | 19.6 | -7.4 | -4.2 | -35.0 |
| SG&A expenses | 25,330 | 32,920 | 29,397 | 31,578 | 29,035 | 22,621 | 16,951 | 15,825 | -10.7 | 30.0 | -10.7 | 7.4 | -8.1 | -22.1 | -6.6 |
| Operating income or (loss) | 48,933 | 43,709 | 5,340 | 9,961 | 9,423 | 14,236 | 10,993 | 2,348 | -70.9 | -10.7 | -87.8 | 86.5 | -5.4 | 51.1 | -78.6 |
| Capital expenditures | 48,561 | 60,409 | 43,455 | 18,020 | 26,874 | 23,293 | 15,709 | 15,417 | -52.0 | 24.4 | -28.1 | -58.5 | 49.1 | -13.3 | -1.9 |
| Unit COGS | \$0.95 | \$1.04 | \$1.10 | \$1.04 | \$1.06 | \$1.34 | \$1.34 | \$1.60 | 41.1 | 10.2 | 5.5 | -5.4 | 1.9 | 25.9 | 19.9 |
| Unit SG&A expenses | \$0.04 | \$0.05 | \$0.07 | \$0.07 | \$0.07 | \$0.05 | \$0.05 | \$0.05 | 17.9 | 32.2 | 27.6 | -4.3 | 1.2 | -27.8 | 3.0 |
| Unit operating income or (loss) | \$0.08 | \$0.07 | \$0.01 | \$0.02 | \$0.02 | \$0.03 | \$0.03 | \$0.01 | -61.6 | -9.1 | -82.5 | 66.1 | 4.1 | 39.9 | -76.4 |
| COGS/sales (1) | 88.7 | 89.2 | 93.1 | 92.3 | 92.3 | 94.4 | 94.6 | 96.7 | 5.7 | 0.5 | 3.9 | -0.8 | 0.0 | 2.1 | 2.1 |
| Operating income or (loss)/ sales (1) | 7.4 | 6.1 | 1.1 | 1.8 | 1.9 | 2.1 | 2.1 | 0.4 | -5.3 | -1.3 | -5.1 | 0.8 | 0.0 | 0.3 | -1.7 |

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Undefined.

(3) Financial data include the operations of both basic producers and rerollers.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data submitted in response to Commission questionnaires.

Table C-2
BSS: Summary data of U.S. rerollers, 1999-2004, January-September 2004, and January-September 2005

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

| Item | Reported data | | | | | | January-September | | Period changes | | | | | | |
|-------------------------------------|---------------|---------|---------|---------|---------|---------|-------------------|---------|----------------|-----------|-----------|-----------|-----------|-----------|-------------------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 | 1999-2004 | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | Jan.-Sept. 2004-2005 |
| | | | | | | | | | | | | | | | |
| U.S. rerollers: | | | | | | | | | | | | | | | |
| Average capacity quantity | 58,870 | 59,231 | 60,121 | 62,256 | 60,296 | 60,283 | 45,212 | 45,212 | 2.4 | 0.6 | 1.5 | 3.6 | -3.1 | -0.0 | 0.0 |
| Production quantity | 45,314 | 42,660 | 27,116 | 29,586 | 22,673 | 30,141 | 24,475 | 20,624 | -33.5 | -5.9 | -36.4 | 9.1 | -23.4 | 32.9 | -15.7 |
| Capacity utilization (1) | 77.0 | 72.0 | 45.1 | 47.5 | 37.6 | 50.0 | 54.1 | 45.6 | -27.0 | -4.9 | -26.9 | 2.4 | -9.9 | 12.4 | -8.5 |
| U.S. shipments: | | | | | | | | | | | | | | | |
| Quantity | 43,988 | 41,707 | 27,236 | 29,460 | 22,681 | 28,879 | 23,871 | 20,025 | -34.3 | -5.2 | -34.7 | 8.2 | -23.0 | 27.3 | -16.1 |
| Value | 64,419 | 66,090 | 42,984 | 43,989 | 36,638 | 53,463 | 47,495 | 46,389 | -17.0 | 2.6 | -35.0 | 2.3 | -16.7 | 45.9 | -2.3 |
| Unit value | \$1.46 | \$1.58 | \$1.58 | \$1.49 | \$1.62 | \$1.85 | \$1.99 | \$2.32 | 26.4 | 8.2 | -0.4 | -5.4 | 8.2 | 14.6 | 16.4 |
| Export shipments: | | | | | | | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Inventories/total shipments (1) . . | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Production workers | 122 | 122 | 102 | 109 | 82 | 96 | 96 | 85 | -21.3 | 0.0 | -16.4 | 6.9 | -24.8 | 17.1 | -11.5 |
| Hours worked (1,000s) | 291 | 290 | 213 | 237 | 176 | 222 | 177 | 135 | -23.7 | -0.3 | -26.5 | 11.0 | -25.5 | 26.1 | -23.6 |
| Wages paid (\$1,000) | 5,564 | 5,607 | 4,531 | 5,125 | 3,609 | 4,336 | 3,382 | 2,639 | -22.1 | 0.8 | -19.2 | 13.1 | -29.6 | 20.1 | -22.0 |
| Hourly wages | \$19.09 | \$19.31 | \$21.24 | \$21.65 | \$20.46 | \$19.50 | \$19.15 | \$19.55 | 2.1 | 1.1 | 10.0 | 1.9 | -5.5 | -4.7 | 2.1 |
| Productivity (pounds per hour) . . | 155.5 | 146.9 | 127.1 | 125.0 | 128.5 | 135.5 | 138.6 | 152.8 | -12.8 | -5.5 | -13.5 | -1.7 | 2.8 | 5.4 | 10.2 |
| Unit labor costs | \$0.12 | \$0.13 | \$0.17 | \$0.17 | \$0.16 | \$0.14 | \$0.14 | \$0.13 | 17.2 | 7.0 | 27.1 | 3.7 | -8.1 | -9.6 | -7.4 |

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

APPENDIX D

**U.S. PRODUCERS', U.S. IMPORTERS', U.S. PURCHASERS', AND FOREIGN
PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE
COUNTERVAILING DUTY ORDERS AND THE ANTIDUMPING DUTY
ORDERS AND THE LIKELY EFFECTS OF REVOCATION;
FOREIGN PRODUCERS' COMMENTS REGARDING CHANGES IN
FACTORS AFFECTING SUPPLY**

U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

U.S. producers were asked whether they anticipated any changes in the character of their operations or organization relating to the production or rerolling of C20000-series BSS in the future if the countervailing duty and antidumping duty orders were to be revoked (Question II-4). Their responses were as follows:

* * * * *

U.S. producers were asked whether they anticipated any changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values relating to the production of BSS in the future if the countervailing duty and antidumping duty orders were to be revoked (Question II-17). Their responses were as follows:

* * * * *

U.S. producers were asked to describe the significance of the existing countervailing duty and antidumping duty orders covering imports of C20000-series BSS from the subject countries in terms of their effect on their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values (Question II-16). Their responses were as follows:

* * * * *

U.S. IMPORTERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

U.S. importers were asked whether they anticipated any changes in the character of their operations or organization relating to the importation of C20000-series BSS in the future if the countervailing duty and antidumping duty orders were to be revoked (Question II-4). Their responses were as follows:

* * * * *

U.S. importers were asked whether they anticipated any changes in their imports, U.S. shipments of imports, or inventories of C20000-series BSS in the future if the countervailing duty and antidumping duty orders were to be revoked (Question II-10). Their responses were as follows:

* * * * *

U.S. importers were asked to describe the significance of the existing countervailing duty and antidumping duty orders covering imports of C20000-series BSS from the subject countries in terms of their effect on their imports, U.S. shipments of imports, and inventories (Question II-9). Their responses were as follows:

* * * * *

U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

U.S. purchasers were asked to describe the likely effects of any revocation of the countervailing duty and antidumping duty orders covering BSS from Brazil, Canada, France, Germany, Italy, and Japan in terms of: (1) the purchaser's future activities and (2) the U.S. market as a whole (Question III-35). Their responses were as follows:

* * * * *

FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Foreign producers were asked whether they anticipated any changes in the character of their operations or organization relating to the production of C20000-series BSS in the future if the countervailing duty and/or antidumping duty orders were to be revoked (Question II-3). Their responses were as follows:

* * * * *

Foreign producers were asked whether they anticipated any changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of C20000-series BSS in the future if the countervailing duty and/or antidumping duty orders were to be revoked (Question II-15). Their responses were as follows:

* * * * *

Foreign producers were asked to describe the significance of the existing countervailing duty and/or antidumping duty orders covering imports of C20000-series BSS from the subject countries in terms of their effect on their production capacity, production, home market shipments, exports to the United States and other markets, and inventories (Question II-14). Their responses were as follows:

* * * * *

FOREIGN PRODUCERS' COMMENTS REGARDING CHANGES IN FACTORS AFFECTING SUPPLY

Foreign producers were asked whether any changes have occurred in any other factors affecting supply (e.g., changes in availability or prices of energy or labor; transportation conditions; production capacity and/or methods of production; technology; export markets; or alternative production opportunities) that affected the availability of Brazilian, Canadian, French, German, Italian, or Japanese-produced C20000-series BSS in the U.S. market since 1999 (Question III-6). Their responses were as follows:

* * * * *

Foreign producers were asked whether they anticipated any changes in terms of the availability of Brazilian, Canadian, French, German, Italian, or Japanese-produced C20000-series BSS in the U.S. market in the future (Question III-7). Their responses were as follows:

* * * * *

Foreign producers were asked to describe how easily they can shift their sales of C20000-series BSS between the U.S. market and alternative country markets (Question III-8). Their responses were as follows:

* * * * *

Foreign producers were asked whether the product range, product mix, or marketing of C20000-series BSS in their home market is significantly different from the product range, product mix, or marketing of C20000-series BSS for export to the United States or to third-country markets (Question III-9). Their responses were as follows:

* * * * *

Foreign producers were asked to discuss any anticipated changes in terms of the product range, product mix, or marketing of C20000-series BSS in their home market, for export to the United States, or for export to third-country markets in the future, identifying the time period(s) involved and the factor(s) that they believe would be responsible for such changes (Question III-10). Their responses were as follows:

* * * * *

Foreign producers were asked if the C20000-series BSS produced by their firm and sold in their home market is interchangeable (i.e., can be used in the same applications) with their firm's C20000-series BSS sold to the United States and/or to third-country markets (Question III-14). Their responses were as follows:

* * * * *

Foreign producers were asked to describe the end uses of the C20000-series BSS that they manufacture and sell to their home market. If these end uses differ from those of the C20000-series BSS that they sell to the U.S. market or to third-country markets, explain (Question III-15). Their responses were as follows:

* * * * *

