

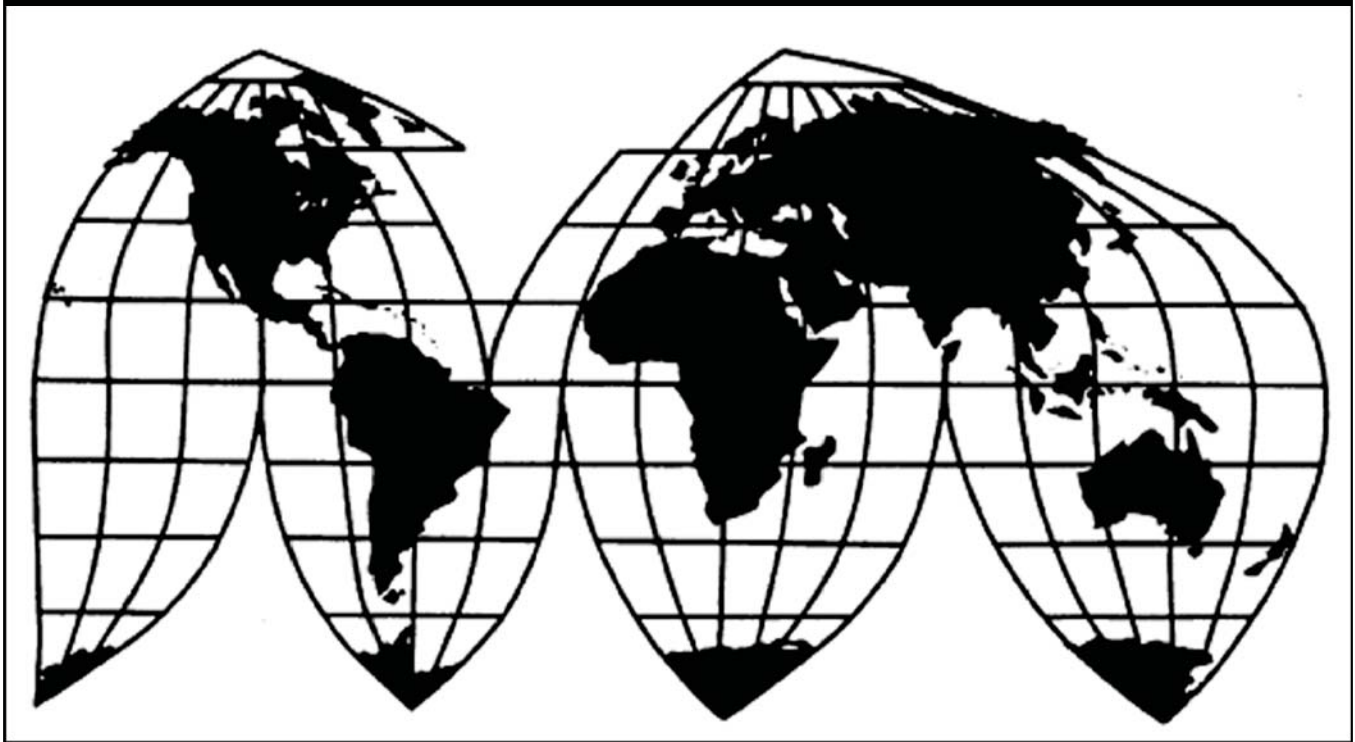
Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, and Taiwan

Investigation Nos. 731-TA-770-773 and 775 (Second Review)

Publication 4154

May 2010

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-770-773 and 775 (Second Review)

STAINLESS STEEL WIRE ROD FROM ITALY, JAPAN, KOREA, SPAIN, AND TAIWAN

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)), that revocation of the antidumping duty orders on stainless steel wire rod from Italy, Japan, Korea, Spain, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted these reviews effective July 1, 2009 (74 F.R. 31765, July 2, 2009) and determined on October 5, 2009, that it would conduct full reviews (74 F.R. 54068, October 21, 2009). 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 November 30, 2009 (74 F.R. 62588). The hearing was held in Washington, DC, on April 8, 2010, 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 Chairman Shara L. Aranoff, Vice Chairman Daniel R. Pearson, and Commissioner Deanna Tanner Okun dissenting with respect to Italy. Vice Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun dissenting with respect to Korea and Spain.

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 Tariff Act”), that revocation of the antidumping duty orders on subject imports of stainless steel wire rod (“SSWR”) from Italy, Japan, Korea, Spain, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. BACKGROUND

A. Original Investigations

In response to countervailing and antidumping duty petitions filed on July 30, 1997, by Al Tech Specialty Steel Corp. (“Al Tech”), Carpenter Technology Corp. (“Carpenter”), Republic Engineered Steels, Inc. (“Republic”), Talley Metals Technology, Inc. (“Talley”), and the United Steelworkers of America, AFL-CIO/CLC, the U.S. International Trade Commission (“Commission”) determined on September 1, 1998, that an industry in the United States was materially injured by reason of subject imports of SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan.² On September 15, 1998, the U.S. Department of Commerce (“Commerce”) issued a countervailing duty order on subject imports from

¹ Chairman Aranoff, Vice Chairman Pearson, and Commissioner Okun find that revocation of the antidumping duty order on SSWR from Italy 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. See Separate and Dissenting Views of Chairman Aranoff, Vice Chairman Pearson, and Commissioner Okun regarding subject imports from Italy. Vice Chairman Pearson and Commissioner Okun find that revocation of the antidumping duty orders on SSWR from Korea and Spain 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. See Separate and Dissenting Views of Vice Chairman Pearson and Commissioner Okun regarding subject imports from Italy, Japan, Korea, Spain, and Taiwan. Chairman Aranoff joins this opinion except as otherwise noted, whereas Vice Chairman Pearson and Commissioner Okun join sections I to IV-B, sections IV-C and IV-D with respect to subject imports from Japan and Taiwan, and section V-A of this opinion except as otherwise noted.

² See, e.g., Confidential Report, Memo. INV-HH-046 (“CR”) at I-3 (May 3, 2010); Public Report, Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan, Invs. Nos. 731-TA-770 to 773 and 775 (Second Review), USITC Pub. 4154 (“PR”) at I-2 (May 2010). (Commissioners Askey and Crawford issued separate dissenting opinions in which they explained their negative final determinations. Commissioner Hillman did not participate in the original investigations). The Commission made a negative final determination with respect to subject imports from Germany. See, e.g., Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan, Invs. Nos. 701-TA-373 and 731-TA-769-775 (Final), USITC Pub. 3126 (Sept. 1998) (containing the public version of the Commission’s views and report from the original investigations); Confidential Version of the Commission’s Original Determinations (EDIS document 410260) (“OCD”); and Confidential Version of the Report from the Original Investigations, Memorandum INV-V-057 (Aug. 11, 1998) (EDIS document number 410253), as revised by INV-V-058 (Aug. 12, 1998) (EDIS document 410256) and INV-V-060 (Aug. 18, 1998) (EDIS document 410254) and as supplemented by INV-V-061 (Aug. 19, 1998) (EDIS document 410258); INV-V-066 (Aug. 25, 1998) (EDIS document 410257); INV-V-067 (Aug. 28, 1998) (EDIS document 410255) and by INV-V-068 (EDIS document 410259) (“OCR”). The Commission’s negative determination with respect to subject imports from Germany was affirmed on appeal. Al Tech Specialty Steel Corp. v. United States, 27 CIT 1791 (Dec. 16, 2003).

Italy and antidumping duty orders on subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan.³

Because it found de minimis antidumping duty margins for three subject producers in the original investigations, Commerce excluded Hitachi Metals, Ltd. (“Hitachi”) (Japan), Yieh Hsing Enterprise Corp. Ltd. (“Yieh Hsing”) (Taiwan), and Acciaierie Valbruna S.r.l. (“Valbruna”) (Italy) from the scope of those antidumping duty orders.⁴ Valbruna, however, remained subject to a countervailing duty order on subject imports from Italy, until Commerce revoked that order effective September 15, 2003, as a result of its negative first five-year reviews of that order.⁵

B. First Reviews

In full first five-year reviews initiated on August 1, 2003, the Commission determined on July 28, 2004, that revocation of the antidumping duty orders on SSWR imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan would be likely to lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁶ Italian producer Cogne appealed the Commission’s decision to cumulate subject imports from Italy with imports from the other subject countries, particularly the Commission’s finding that subject imports from Italy were not likely to have no discernible adverse impact on the domestic industry.⁷ The U.S. Court of International Trade (“CIT”) upheld the Commission’s affirmative five-year review determination concerning subject imports from Italy.⁸ Separately, Commerce revoked the antidumping duty order on SSWR imports from Sweden effective April 23, 2007.⁹

³ See, e.g., 63 Fed. Reg. 49334 (Italy CVD); 63 Fed. Reg. 49327 (Italy AD), 49329 (Japan AD), 49331 (Korea AD), 49330 (Spain AD), 49329 (Sweden AD), 49332 (Taiwan AD).

⁴ See, e.g., 63 Fed. Reg. 49334 (Italy); 63 Fed. Reg. 49329 (Japan); 63 Fed. Reg. 49332 (Taiwan).

⁵ See, e.g., 69 Fed. Reg. 40354 (Jul. 2, 2004). Commerce already had excluded Cogne Acciai Speciali S.p.A. (“Cogne”) from the countervailing duty order on SSWR from Italy, as of November 7, 2003, in response to a report issued by the WTO Appellate Body concerning privatization. See, e.g., 68 FR 64858 (Nov. 17, 2003).

⁶ See, e.g., Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan, Invs. Nos. 731-TA-770-775 (Review), USITC Pub. 3707 (Jul. 2004) (containing the public version of the Commission’s views and report); Confidential First-Review Determinations (EDIS document 410265) (“1CD”); and Confidential Report for First Five-Year Reviews, Memorandum INV-BB-074 (June 10, 2004) (EDIS document 410262), as supplemented by Memorandum INV-BB-081 (June 24, 2004) (EDIS document 410469) and as revised by Memorandum INV-BB-082 (June 29, 2004) (EDIS document 410470) and INV-BB-089 (July 7, 2004) (EDIS document 410263) (“1CR”). The Commission’s opinion reflected the views of Commissioners Lane, Hillman, Koplán, and Miller. Vice Chairman Pearson and Commissioner Okun dissented with respect to SSWR from Italy, Korea, Spain, and Sweden.

⁷ Cogne Acciai Speciali S.P.A. v. United States, 29 CIT 1168 (2005).

⁸ The CIT concluded that substantial evidence supported the Commission’s finding, because the Italian producer had both excess capacity and the ability to shift SSWR between export markets and was likely to find the U.S. market more attractive than others in the reasonably foreseeable future. Id.

⁹ See, e.g., 72 Fed. Reg. 25261 (May 4, 2007) (determination issued under section 129 of the URAA (19 U.S.C. § 3538(b)(2)) in response to the WTO panel report in United States – Laws, Regulations, and Methodology for Calculating Dumping Margins (Zeroing) (EC)).

C. The Current Reviews

The Commission instituted these second five-year reviews effective July 1, 2009.¹⁰ The Commission received responses to the notice of institution from domestic producer Carpenter, Italian producer Cogne, and Korean producer POSCO Specialty Steel Co., Ltd. (“POSCOSS”).¹¹ The Commission decided to conduct full reviews of the antidumping duty orders on subject imports from Italy and Korea in light of adequate domestic and respondent interested party responses. It decided to conduct full reviews of each of the other orders for administrative efficiency.¹²

The Commission received pre- and post-hearing briefs filed on behalf of domestic producer Carpenter. Along with Carpenter, domestic producers North American Stainless (“NAS”) and Universal Stainless & Alloy Products, Inc. (“Universal”) submitted questionnaire responses and participated in the Commission’s hearing.¹³ The Commission also received pre- and post-hearing briefs from Italian producer Cogne and a pre-hearing brief from Korean producer POSCOSS. Cogne’s counsel also participated in the Commission’s hearing.

In these reviews, the Commission received useable questionnaire responses from four domestic firms that accounted for *** U.S. production and sales of SSWR in 2009: Allvac, Carpenter, NAS, and Universal.¹⁴ The Commission received foreign producers’ questionnaires from Cogne and POSCOSS, which are the only known producers of subject merchandise in Italy and Korea, respectively. No other foreign producers of subject merchandise submitted questionnaire responses in these reviews.¹⁵ The Commission also received questionnaire responses from 16 U.S. importers of SSWR and from 19 firms that reported they have not imported SSWR since 2004.¹⁶ The Commission mailed purchaser questionnaires to 33 companies believed to purchase SSWR. The Commission received questionnaire responses from nine purchasers whose purchase quantities represented 16.5 percent of U.S. producers’ total U.S. shipments in 2009 and 20.6 percent in 2008, while representing 44.6 percent of U.S. producers’ U.S. commercial shipments in 2009 and 55.1 percent in 2008.¹⁷

¹⁰ See, e.g., 74 Fed. Reg. 31765 (Jul. 2, 2009).

¹¹ The Commission determined that Carpenter’s individual response and the domestic interested party group response were adequate, as were the individual and respondent interested party group responses for Italy and Korea filed by Cogne and POSCOSS. The Commission did not receive a response to its notice of institution from any respondent interested parties in the reviews concerning subject imports from Japan, Spain, or Taiwan, and therefore determined that the respondent interested party group responses for these countries were not adequate. See, e.g., CR/PR at App. A (Explanation of Commission’s Determinations on Adequacy).

¹² See, e.g., CR/PR at App. A (Explanation of Commission’s Determinations on Adequacy).

¹³ Domestic producer ATI Allvac (“Allvac”) (a division of Allegheny Technologies Inc.) also submitted a questionnaire but did not participate in the hearing.

¹⁴ A fifth firm, Latrobe Specialty Steel (“Latrobe”), did not submit a complete questionnaire response but reported an annual capacity of *** short tons, which is less than *** percent of total U.S. SSWR production. A sixth firm, Charter Specialty Steel (“Charter”), produced SSWR during the earlier portion of the current review period but permanently exited the SSWR business in 2008. Although Charter submitted a domestic producer’s questionnaire response during the first reviews, it did not submit one in these reviews. Data on its shipments submitted during the Commission’s second reviews of the orders on SSWR from Brazil, France, and India, however, were included on the record in these reviews and updated to cover the remainder of the data collection period. See, e.g., CR at I-29, III-1; PR at I-21 to I-22, III-1.

¹⁵ See, e.g., CR at IV-14 to IV-28; PR at IV-12 to IV-17.

¹⁶ See, e.g., CR at I-31; PR at I-24; CR/PR at Table I-9.

¹⁷ See, e.g., CR at I-33; PR at I-25.

D. Other Investigations/Reviews/Orders Involving the Same or Related Products

Since December 1, 1993, an antidumping duty order has been in place on SSWR from India, and the Commission is scheduled to initiate a third five-year review of this order in July 2011 under section 751(c) of the Tariff Act.¹⁸ Antidumping duty orders on imports of SSWR from Brazil and France, which had been the subject of companion investigations and five-year reviews, were revoked on August 8, 2006, as a consequence of the Commission's negative determinations in second five-year reviews of those orders.¹⁹ A countervailing duty order on SSWR imports from Spain that had been imposed pursuant to an investigation completed in 1982²⁰ was revoked on August 2, 2000, as a consequence of the Commission's negative first five-year review of that order.²¹ The Commission has also conducted antidumping and/or countervailing duty investigations of two of the downstream products for which SSWR is an intermediate

¹⁸ See, e.g., Stainless Steel Wire Rod from India, Inv. No. 731-TA-638 (Final), USITC Pub. 2704 (Nov. 1993) (original determination); 58 Fed. Reg. 6335 (Dec. 1, 1993) (antidumping duty order); Stainless Steel Wire Rod from Brazil, India, France, and Spain, Invs. Nos. 701-TA-178 and 731-TA-636 to 638 (Review), USITC Pub. 3321 (Jul. 2000) (affirmative five-year review determinations with respect to imports from Brazil, India, and France and negative determination with respect to imports from Spain, with Commissioners Okun, Askey, and Koplán dissenting with respect to imports from France); Stainless Steel Wire Rod from Brazil, India, and France, Invs. Nos. 731-TA-636 to 638 (Second Review), USITC Pub. 3866 (July 2006) (affirmative five-year review determination with respect to imports from India and negative determinations with respect to imports from Brazil and France, with Commissioner Lane dissenting with respect to imports from Brazil and France and Commissioner Koplán dissenting with respect to imports from Brazil).

¹⁹ See, e.g., USITC Pub. 3866 (negative determinations with respect to subject imports from Brazil and France, Commissioner Lane dissenting with respect to Brazil and France and Commissioner Koplán dissenting with respect to Brazil); 71 Fed. Reg. 450130 (Aug. 8, 2006) (revocation of antidumping duty orders on imports from Brazil and France).

²⁰ See, e.g., Hot Rolled Stainless Steel Bar, Cold Formed Stainless Steel Bar, and Stainless Steel Wire Rod from Spain, Invs. Nos. 701-TA-176 to 178 (Final), USITC Pub. 1333 (Dec. 1982).

²¹ See, e.g., USITC Pub. 3321; 65 Fed. Reg. 47409 (Aug. 2, 2000) (revocation of countervailing duty order on imports from Spain). The Commission's affirmative five-year review companion determination with respect to SSWR from France was affirmed on appeal. See, e.g., Ugine-Savoie Imphy v. United States, 248 F. Supp. 2d 1208 (Ct. Int'l Trade 2002).

product – stainless steel wire²² and stainless steel bar.²³ The United States has also imposed import relief measures on imports of stainless steel products that included SSWR.²⁴

II. DOMESTIC LIKE PRODUCT

In making its determination under section 751(c) of the Tariff Act, the Commission defines “the domestic like product” and the “industry.”²⁵ The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”²⁶ The Commission’s practice in five-year reviews is to look to the like product definition from the original determinations and any completed reviews and consider whether the record indicates any reason to revisit the prior finding(s).²⁷

A. Product Description

Commerce has defined the scope of the orders subject to these reviews as follows:
{stainless steel} products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons, or other shapes, in coils, that may also be coated with a lubricant containing copper, lime, or oxalate. SSWR is made of alloy steels

²² In May 1999, the Commission made negative final injury determinations concerning imports of stainless steel round wire from Canada, India, Japan, Korea, Spain, and Taiwan that Commerce had found were sold at less-than-fair value in the United States. See, e.g., CR at I-8; PR at I-5.

²³ Between 1983 and 1988, subsidized imports of stainless steel bar from Brazil were subject to a suspension agreement, whereas a countervailing duty investigation of stainless steel bar imports from Spain yielded a negative final injury determination in 1982. See, e.g., CR at I-6; PR at I-4. In the first quarter of 1995, Commerce issued antidumping duty orders on stainless steel bar imports from Brazil, India, Japan, and Spain, but not imports from Italy, for which the Commission had made a negative final injury determination. See, e.g., CR at I-6; PR at I-4. The Commission made affirmative first and second five-year review determinations concerning those orders in 2001 and 2007, respectively. See, e.g., CR at I-6 to I-7; PR at I-4. Separately, stainless steel bar imports from France, Germany, Italy, Korea, and the United Kingdom became subject to antidumping duty orders in 2002 and imports from Italy became subject to a countervailing duty order. Commerce had made a negative final antidumping duty determination concerning stainless steel bar imports from Taiwan at the time of the original investigations. These antidumping and/or countervailing duty orders on imports from France, Germany, Italy, Korea, and the United Kingdom were revoked in the first quarter of 2008, after the Commission’s negative five-year review determinations. See, e.g., CR at I-7; PR at I-4 to I-5.

²⁴ On March 5, 2002, President Bush issued a proclamation to impose an additional 15 percent ad valorem tariff in the first year, 12 percent in the second year, and 9 percent in the third year. These steel safeguards were terminated on December 4, 2003. Earlier safeguard investigations conducted in 1982 and 1983 resulted in the implementation of four-year global quotas limiting SSWR imports into the United States to 19,100 tons in the first year, and 19,700 tons, 20,300 tons, and 20,900 tons in subsequent years. See, e.g., CR at I-8 to I-9; PR at I-5.

²⁵ 19 U.S.C. § 1677(4)(A).

²⁶ 19 U.S.C. § 1677(10); see, e.g., Cleo Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Dep’t of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); 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).

²⁷ See, e.g., Internal Combustion Industrial Forklift Trucks From Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); Crawfish Tail Meat From China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (Jul. 2003); Steel Concrete Reinforcing Bar From Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar. The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of stainless steel wire rod sizes normally sold in the United States is between 0.20 inches and 1.312 inch diameter. Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of these reviews.²⁸

This scope is identical to the scope in the original investigations and first five-year reviews.²⁹

Like other stainless steel products, SSWR is distinguished from carbon and lower-grade alloy steels by its superior resistance to corrosion or oxidation at ambient or elevated temperatures.³⁰ SSWR is an intermediate stainless steel product that is used to produce primarily wire, sometimes bar, and to a very small degree direct downstream products such as industrial fasteners, springs, medical and dental instruments, automotive parts, and welding electrodes.³¹ Although produced in a wide variety of grades, shapes, diameters, and sizes according to specific customer requirements, SSWR's defining characteristic is that it is produced in coils.³² SSWR is produced at least as large as 39 mm (1.54 inches) in diameter. The most common size, however, is 5.5 mm (0.217 inches) in diameter, circular cross-section, which is the smallest size normally produced on a hot-rolling mill and the size most commonly used for wire drawing.³³ Manufacturers generally employ three basic steps to produce SSWR regardless of the grade or cross-section of the final product, as follows: (1) producing rolled or continuous-cast billets from molten stainless steel; (2) hot-rolling the billets and coiling the wire rod in a hot-rolling mill; and (3) finishing (annealing, descaling and/or pickling and/or coating).³⁴

B. Findings in Original Investigations and First Reviews

In the original investigations, the Commission rejected arguments that it should find multiple like products consisting of different forms of SSWR. Instead, the Commission found a single domestic like product that was coextensive with the scope, consisting of a continuum of SSWR products that are produced in a wide variety of grades, specifications, shapes, and sizes.³⁵ In the first five-year reviews of these orders, the domestic industry asked for the same definition of the domestic like product, and

²⁸ In the scope section of the notice of its second review determinations, Commerce described the chemical make-up of the two excluded grades, identified the tariff subheadings under which the subject product is normally classified, and explained that the written description of the scope rather than the tariff subheadings was dispositive. See, e.g., 74 Fed. Reg. 56179 (Oct. 30, 2009).

²⁹ See, e.g., USITC Pub. 3126 at 4; USITC Pub. 3707 at 4.

³⁰ See, e.g., CR at I-24; PR at I-19.

³¹ See, e.g., CR at I-25 to I-26; PR at I-19 to I-20.

³² See, e.g., CR at I-25; PR at I-19.

³³ See, e.g., CR at I-25; PR at I-19.

³⁴ See, e.g., CR at I-26 to I-27; PR at I-20.

³⁵ See, e.g., USITC Pub. 3126 at 7.

respondent interested parties made no arguments. The Commission again defined a single domestic like that was coextensive with the scope.³⁶

C. Analysis and Conclusion

For purposes of these second five-year reviews, we define the domestic like product in the same manner as in the original investigations and first reviews. The record in these reviews indicates no material changes in pertinent product characteristics from the original investigations and first reviews.³⁷ Additionally, no party argued that the Commission should depart from the domestic like product definitions it adopted in those proceedings.³⁸ Consequently, for the reasons articulated in the original investigations and first five-year reviews of these orders, we define a single domestic like product that is coextensive with the scope.

III. DOMESTIC INDUSTRY

A. Background

During the period covered by the original investigations (calendar years 1995 to 1997 and interim periods), ***, Al Tech, Carpenter, and Talley produced SSWR in the United States. *** Republic and ***.³⁹ By the end of the period covered by the first five-year reviews (1998 to 2003), five firms produced SSWR in the United States: Allvac;⁴⁰ Al Tech/Empire/Dunkirk/Universal;⁴¹ Carpenter;⁴² and new entrants to the market Charter⁴³ and NAS.⁴⁴ Republic exited the SSWR business in *** and has not been involved in any SSWR operations since then.⁴⁵

³⁶ See, e.g., USITC Pub. 3707 at 5.

³⁷ See, e.g., CR at I-24 to I-27; PR at I-19 to I-20.

³⁸ See, e.g., Carpenter's Prehearing Br. at 5; Cogne's Prehearing Br. at 17.

³⁹ See, e.g., CR at I-27 to I-28; PR at I-21; CR/PR at Figure I-1.

⁴⁰ ***, a company that merged with Outokumpu Stainless, Inc. in 2001 to become Avesta Polarit, which was renamed Outokumpu Stainless in 2004 ("Outokumpu"). See, e.g., CR at I-28 to I-30; PR at I-21 to I-22; CR/PR at Figure I-1.

⁴¹ Following the bankruptcy of its Korean parent (Sammi Steel Corp. ("Sammi")) during the Asian financial crisis, Al Tech reorganized under Chapter 11, emerged from bankruptcy in 1999 as Empire Special Steel, Inc. ("Empire"), which itself went bankrupt and shut down in June 2001. Empire's assets were subsequently purchased by Dunkirk Specialty Steel ("Dunkirk") on February 8, 2002, which resumed plant operations on March 14, 2002. Dunkirk is a wholly owned subsidiary of Universal. See, e.g., CR at I-28 & n.52; PR at I-21 & n.52; CR/PR at Figure I-1.

⁴² Carpenter acquired Talley in 1998. See, e.g., CR at I-28; PR at I-21; CR/PR at Figure I-1.

⁴³ Charter began SSWR production in 2001 utilizing purchased billets that it rolled on an existing rod mill used primarily for producing carbon steel rod. See, e.g., CR at I-29; PR at I-21 to I-22; CR/PR at Figure I-1.

⁴⁴ NAS constructed a continuous casting machine for billets, a new combination rod/bar mill, and finishing facilities for SSWR and stainless steel bar at the location of its existing stainless steel flat products plant in Ghent, KY and began SSWR production at this facility in 2003. See, e.g., CR at I-29; PR at I-22; CR/PR at Figure I-1.

⁴⁵ See, e.g., CR at I-28; PR at I-21; CR/PR at Figure I-1.

According to the record in these reviews, four firms that submitted useable questionnaire responses accounted for *** U.S. production and sales of SSWR in 2009: Allvac, Carpenter, NAS, and Universal.⁴⁶

B. Legal Standard and Analysis of Related Parties

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”⁴⁷ 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.⁴⁸ In the original investigations and first reviews, the Commission defined the domestic industry to include all U.S. producers of SSWR.⁴⁹ Under the related parties provision of the statute, 19 U.S.C. § 1677 (4)(B), the Commission may, under appropriate circumstances, exclude certain producers from the domestic industry that import subject merchandise or have a corporate affiliation with importers or exporters of subject merchandise.

In the original investigations, Al Tech was a majority-owned subsidiary of subject Korean producer Sammi, and Carpenter had owned a share of subject Taiwan producer Walsin Cartech Specialty Steel Corp. (“Walsin”) for a portion of the period of investigation. Al Tech and Carpenter each had imported subject merchandise. The Commission found both Al Tech and Carpenter were related parties

⁴⁶ As discussed above, a fifth firm, Latrobe, did not submit a complete questionnaire response but reported an annual capacity of *** short tons, which is less than *** percent of total U.S. SSWR production. See, e.g., CR at I-28, III-1 at n.1; PR at I-21, III-1 at n.1.

⁴⁷ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 apply to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

⁴⁸ See, e.g., 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).

⁴⁹ See, e.g., USITC Pub. 3126 at 7-8; USITC Pub. 3707 at 6. The Commission determined that tolling companies that physically produced SSWR engaged in sufficient production-related activities to be included in the domestic industry, but did not include in the domestic industry tollees (companies that provided billet raw materials to tollers for production into SSWR). See, e.g., USITC Pub. 3126 at 7-8. ***, Allvac produced during the current review period a small quantity of SSWR for itself but primarily produced SSWR under a tolling agreement from billets supplied by Outokumpu. See, e.g., CR at I-18, I-28 to I-30, III-1 at n.1, III-4; PR at I-13, I-21, III-1 at n.1, III-2. Outokumpu not only produces the billets but also retains ownership of the SSWR through production, inventory, and up to sale of the product (which it arranges). Accordingly, certain data are only meaningfully available from Outokumpu. See, e.g., CR at III-9 n.6; PR at III-4 n.6 (“Staff have included Outokumpu’s sales and costs (including the tolling charges) in the aggregated sales data in this section. These include the quantity transferred under the tolling arrangement (and sold commercially) and the costs matched to those sales, which include the tolling charge.”). No party made any arguments concerning treatment of tolling operations. Consistent with the Commission’s general approach to tolling agreements and its findings in the original investigations and first reviews of these orders and absent any significant changes in the facts relied upon by the Commission in the prior proceedings concerning tolling arrangements, we treat Allvac, the toller, as a domestic producer because Allvac produces SSWR. See, e.g., CR at I-18, I-28 to I-30, III-1 at n.1, III-4; PR at I-18, I-28 to I-30, III-1 at n.1, III-2; see also, e.g., USITC Pub. 3126 at 7-8; USITC Pub. 3707 at 6. While toll producers that engage in sufficient production-related activity are included in the domestic industry, tollees that merely supply raw materials and pay a fabrication fee are not. See e.g., Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand, Invs. Nos. 701-TA-432 & 731-TA-1024 to 1028 (Review) and AA1921-188 (Third Review), USITC Pub. 4114 at 7-8, n.33 (Nov. 2009); Furfuryl Alcohol from China and Thailand, Invs. Nos. 731-TA-703 & 705 (Review), USITC Pub. 3412 at 6, n.23 (Apr. 2001), aff’d on other grounds, Indorama Chemicals (Thailand) Ltd. v. United States, 26 CIT 1059 (2003).

but did not find appropriate circumstances to exclude either from the domestic industry. Neither had imported significant quantities relative to production, and the Commission found no evidence that corporate relationships with subject producers had shielded the U.S. affiliates.⁵⁰

During the first reviews, only NAS had imported SSWR from a subject country. The Commission did not find appropriate circumstances to exclude NAS from the domestic industry as a related party, although its subject imports *** were equivalent to *** percent of its domestic production in 2003. As the Commission explained, no party had asked for its exclusion, whereas NAS supported continuation of the orders and showed commitment to U.S. SSWR production by constructing a new *** facility.⁵¹ The Commission did not find that importing activities gave NAS any particular advantage over other domestic producers, with its financial results being *** for the one year it produced, 2003.⁵²

During the current reviews, no domestic producer imported or purchased subject SSWR.⁵³ On the other hand, NAS is a related party because a third party, Acerinox, S.A. (“Acerinox”), is legally or operationally in a position to exercise direct or indirect control over both of its wholly owned subsidiaries, domestic producer NAS and Spanish producer of subject merchandise, Roldan, S.A. (“Roldan”).⁵⁴ Nevertheless, we do not find appropriate circumstances to exclude NAS from the domestic industry. NAS has made clear its commitment to U.S. operations by increasing its share of domestic SSWR production from *** percent in 2003 (when it began production operations) to *** percent in 2009 (followed by ***).⁵⁵ NAS ***.⁵⁶ Neither NAS nor any other firm reported importing subject merchandise from Roldan during the review period, and there is no indication that NAS’s affiliation with Roldan has otherwise skewed its performance compared to other domestic producers.⁵⁷

Based on the record and absent any contrary party arguments,⁵⁸ we find that appropriate circumstances do not exist to warrant excluding NAS from the domestic industry as a related party. Accordingly, given our definition of the domestic like product, we define the domestic industry as all U.S. producers of SSWR.

IV. CUMULATION

A. Background

In the original investigations, the Commission cumulated subject imports from Italy, Japan, Korea, Spain, and Taiwan for purposes of its affirmative material injury determinations, based on its finding of a reasonable overlap of competition among subject imports from the various sources and

⁵⁰ See, e.g., USITC Pub. 3126 at 8-9.

⁵¹ See, e.g., USITC Pub. 3707 at 6-7; 1CD at 3-4. At the time, the facility’s value was an estimated \$98 million, ***. See, e.g., Carpenter’s Posthearing Br. at Exh. 4.

⁵² See, e.g., USITC Pub. 3707 at 6-7; 1CD at 3-4.

⁵³ See, e.g., CR at III-7; PR at III-3.

⁵⁴ See, e.g., CR at III-2, IV-25; PR at III-1, IV-15. As a factual matter, however, NAS reports that it operates *** as discussed in more detail in the “other considerations” section below.

⁵⁵ See, e.g., CR/PR at Table I-8.

⁵⁶ See, e.g., CR/PR at Table I-8.

⁵⁷ See, e.g., CR at III-7; PR at III-3; CR/PR at Table III-9.

⁵⁸ See, e.g., Carpenter’s Response to Notice of Institution at 13-14; Cogne’s Response to Notice of Institution at 11.

between subject imports and the domestic like product.⁵⁹ In the first five-year reviews of these orders, the Commission did not find that subject imports from any of the subject countries would be likely to have no discernible adverse impact on the domestic industry in the event that the antidumping duty orders were revoked. It found a likely reasonable overlap of competition among all of the subject imports and between subject imports and the domestic like product, and it did not find significant differences in the conditions of competition among the various sources of SSWR. On that basis, the Commission cumulated subject imports from Italy, Japan, Korea, Spain, and Taiwan (as well as imports from Sweden, which are no longer subject to an order).⁶⁰

B. Legal Standards and Overview

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: 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.⁶¹

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(I) of the Tariff Act.⁶² The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

The statutory threshold for cumulation is satisfied, because all reviews were initiated on the same day.⁶³ Accordingly, we consider three issues in deciding whether to exercise our discretion to cumulate

⁵⁹ The Commission also cumulated less-than-fair-value imports from Sweden and subsidized imports from Italy, but those imports are not eligible for cumulation in these reviews because they are no longer subject to orders, as discussed above. *See, e.g.*, USITC Pub. 3126 at 10-13.

⁶⁰ *See, e.g.*, USITC Pub. 3707 at 8-16 (reflecting the views of Commissioners Lane, Hillman, Koplán, and Miller). In those reviews, however, Vice Chairman Pearson and Commissioner Okun cumulated three groups of countries (Japan/Taiwan; Italy/Korea; and Spain/Sweden), because they found significant differences in the likely conditions of competition among the three groups. Vice Chairman Pearson and Commissioner Okun found that subject imports from each of these countries were not likely to have no discernible adverse impact on the domestic industry in the event of revocation and they found a likely reasonable overlap of competition among all sources of SSWR. *See, e.g.*, USITC Pub. 3707 at 29-35.

⁶¹ 19 U.S.C. § 1675a(a)(7).

⁶² 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, ___ F.3d ___, App. No. 2009-1234, Slip Op. at 7-8 (Fed. Cir. Apr. 7, 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

⁶³ *See, e.g.*, 74 Fed. Reg. 31765 (Jul. 2, 2009).

subject imports, as follows: (1) whether subject imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry upon revocation of the orders; (2) whether there is a likelihood of a reasonable overlap of competition among subject imports of SSWR from the subject countries and the domestic like product; and (3) other considerations, such as whether there are similarities and differences in the likely conditions of competition under which subject imports are likely to compete in the U.S. SSWR market.^{64 65}

Domestic producer Carpenter asks the Commission to exercise its discretion to cumulate subject imports from Italy, Japan, Korea, and Taiwan for the injury analysis in these reviews. Carpenter takes no position on, but would not oppose, the Commission's cumulation of subject imports from Spain.⁶⁶ In their questionnaire responses, ***.⁶⁷ Cogne asks the Commission not to cumulate subject imports from Italy with other subject imports, arguing that subject imports from Italy are likely to have no discernible adverse impact upon revocation of the orders and that these imports are likely to face different conditions of competition than other imports. Cogne asks the Commission not to analyze subject imports from Spain separately unless it also analyzes subject imports from Italy separately.⁶⁸ POSCOSS asks the Commission not to cumulate subject imports from Korea based on its assertion that these imports are likely to have no discernible adverse impact if the antidumping duty order on imports from Korea is revoked.⁶⁹

Based on the record in these reviews and for the reasons articulated below, we find that subject imports from each of the five subject countries would not be likely to have no discernible adverse impact on the domestic industry in the event of revocation. We find a likely reasonable overlap of competition among subject imports from Italy, Japan, Korea, Spain, and Taiwan and between the subject imports and the domestic like product in the event of revocation. We do not find significant differences in the likely

⁶⁴ Vice Chairman Pearson and Commissioner Okun note that, while they consider the same issues discussed in this section in determining whether to exercise their discretion to cumulate the subject imports, their analytical framework begins with whether imports from the subject countries are likely to face similar conditions of competition. For those subject imports which are likely to compete under similar conditions of competition, they next proceed to consider whether there is a likelihood of a reasonable overlap of competition whereby those imports are likely to compete with each other and with the domestic like product. Finally, if based on that analysis they intend to exercise their discretion to cumulate one or more subject countries, they analyze whether they are precluded from cumulating such imports because the imports from one or more subject countries, assessed individually, are likely to have no discernible adverse impact on the domestic industry. See Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Invs. Nos. 731-TA-873 to 875, 877 to 880, and 882 (Review), USITC Pub. 3933 (Jul. 2007) (Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation). Accord Nucor Corp. v. United States, 605 F. Supp. 2d 1361, 1372 (Ct. Int'l Trade 2009); Nucor Corp. v. United States, 594 F. Supp. 2d 1320, 1345-47 (Ct. Int'l Trade 2008), aff'd, Slip Op. 2009-1234 (Fed Cir. Apr. 7, 2010).

⁶⁵ As explained below on page 48, Commissioners Lane and Pinkert apply a different analytical framework in determining whether other considerations justify declining to exercise their discretion to cumulate subject imports.

⁶⁶ Carpenter's position with respect to cumulation of subject imports from Spain changed over the course of the reviews. Compare, e.g., Carpenter's Prehearing Br. at 6-14; Hearing Tr. at 8 (Hartquist), 39-40 (Lasoff), 44-51 (Hartquist, Ziolkowski, Feeley, McGrath, Staley, Lasoff) with, e.g., Carpenter's Posthearing Br. at 2-8, Exh. 1 at 5, 32-33.

⁶⁷ See, e.g., CR/PR at Table I-8. In an affidavit submitted in Carpenter's posthearing brief, NAS ***. NAS is not affirmatively requesting that the Commission revoke the antidumping duty order on SSWR from Spain. See, e.g., Carpenter's Posthearing Br. at Exh. 1 at 1, Exh. 4.

⁶⁸ See, e.g., Cogne's Prehearing Br. at 14-20; Hearing Tr. at 12-13; Cogne's Posthearing Br. at 7-8, Exh. 1 at 2-10, 12-15, 17-19, 22, 23.

⁶⁹ See, e.g., POSCOSS' Prehearing Br. at 3-4.

conditions of competition affecting subject imports from the sources subject to these reviews.⁷⁰ We therefore exercise our discretion to cumulate subject imports from Italy, Japan, Korea, Spain, and Taiwan for purposes of our analysis in these reviews.⁷¹

C. Likelihood of No Discernible Adverse Impact⁷²

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.⁷³ 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.⁷⁴ With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.

In these reviews, Cogne argues that subject imports from Italy are likely to have no discernible adverse impact upon revocation of the order covering Italy,⁷⁵ and POSCOSS asserts that subject imports from Korea are likely to have no discernible adverse impact if the order covering Korea is revoked.⁷⁶ Based on the record in these reviews, however, we do not find that subject imports from any of the subject countries are likely to have no discernible adverse impact on the domestic industry in the event that the antidumping duty orders are revoked. Our analysis for each of the subject countries takes into account the nature of the product and the behavior of subject imports in the original investigations and during the first and current reviews. Subject imports from each of the subject countries are likely to be highly substitutable for, and competitive with, domestically produced SSWR.⁷⁷ Such competition is likely to be based, at least in part, on price, due to the importance of price in purchasing decisions.⁷⁸ For sales of SSWR, subject producers in each of the subject countries undersold domestic producers in the large majority of pricing comparisons during the original investigations and continued to undersell the

⁷⁰ Chairman Aranoff, Vice Chairman Pearson, and Commissioner Okun do not join this sentence because Chairman Aranoff finds that subject imports from Italy are likely to compete under different conditions of competition than other subject imports and because Vice Chairman Pearson and Commissioner Okun find that subject imports from Italy, Korea, and Spain individually are likely to compete under different conditions of competition than subject imports from each of the other subject countries.

⁷¹ Chairman Aranoff exercises her discretion to cumulate subject imports from Japan, Korea, Spain, and Taiwan for purposes of her analysis in these reviews. Vice Chairman Pearson and Commissioner Okun exercise their discretion to cumulate subject imports from Japan and Taiwan for purposes of their analysis in these reviews.

⁷² Vice Chairman Pearson and Commissioner Okun join this section only with respect to subject imports from Japan and Taiwan.

⁷³ 19 U.S.C. § 1675a(a)(7).

⁷⁴ SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

⁷⁵ See, e.g., Cogne’s Prehearing Br. at 14-20; Cogne’s Posthearing Br. at 7-8, Exh. 1 at 2-10, 12-15, 17-19, 22, 23.

⁷⁶ See, e.g., POSCOSS’ Prehearing Br. at 3-4.

⁷⁷ See, e.g., CR at II-18 to II-31; PR at II-11 to II-21; CR/PR at Tables II-2 to II-8.

⁷⁸ Purchasers listed quality, price, and delivery as the most important factors affecting their purchasing decisions. Because questionnaire respondents generally reported that subject and domestic producers met quality requirements, price is likely to play an important role in purchasing decisions. See, e.g., CR at II-21 to II-31; PR at II-11 to II-21; CR/PR at Tables II-4 to II-8.

domestic like product during the period covered by the first reviews, even after imposition of the antidumping duty orders.⁷⁹

Japan. During the original investigations, eight producers of SSWR in Japan submitted questionnaire responses.⁸⁰ Hitachi received a *de minimis* antidumping duty margin from Commerce and was excluded from the antidumping duty order.⁸¹ As of 1997, two producers in Japan individually accounted for at least *** percent of SSWR production in Japan *** (Nippon and Daido),⁸² with the others individually accounting for smaller shares.⁸³ Subject imports from Japan increased from *** short tons in 1995 to *** short tons in 1996 and *** short tons in 1997.⁸⁴ As a share of the U.S. market, these imports accounted for *** percent in 1995, *** percent in 1996, and *** percent in 1997.⁸⁵

During the first reviews, no Japanese producer submitted a questionnaire response.⁸⁶ Subject imports from Japan had a smaller U.S. market presence after imposition of the antidumping duty order.⁸⁷

⁷⁹ In the original investigations, subject imports from Italy (which at the time also included SSWR imports from Valbruna) undersold the domestic like product in 37 of 43 price comparisons at average margins of 8.7 percent; subject imports from Japan undersold the domestic like product in 26 of 32 comparisons at average margins of 11.0 percent; subject imports from Korea undersold the domestic like product in 34 of 37 comparisons at average margins of 13.6 percent; subject imports from Spain undersold the domestic like product in 14 of 16 comparisons at average margins of 11.7 percent; and subject imports from Taiwan undersold the domestic like product in 15 of 20 comparisons at average margins of 9.9 percent. See, e.g., CR/PR at Table V-10. In full-years 1998 through 2003, the period covered by the first reviews, subject imports from Italy undersold the domestic like product in 10 of 11 price comparisons at average margins of 24.1 percent; subject imports from Japan undersold the domestic like product in 16 of 23 comparisons at average margins of 46.8 percent; subject imports from Korea undersold the domestic like product in 44 of 54 comparisons at average margins of 18.0 percent; subject imports from Spain undersold the domestic like product in 6 of 7 comparisons at average margins of 10.4 percent; and subject imports from Taiwan undersold the domestic like product in 5 of 14 comparisons at average margins of 5.9 percent. See, e.g., CR/PR at Table V-9. As the volume of subject imports from each of the subject countries declined or disappeared entirely from the U.S. market, the instances of underselling observed in full-years 2004 through 2009, the period covered by the current reviews, also diminished. See, e.g., CR/PR at Table V-8.

⁸⁰ They are as follows: Aichi Steel Works, Ltd. (“Aichi”); Daido Steel Co. (“Daido”); Hitachi; Pacific Metals Co., Ltd. (“Pacific Metals”); Nippon Koshua Steel Co., Ltd. (“Nippon Koshua”); Nippon Steel Corp. (“Nippon”); Sanyo Special Steel Co., Ltd. (“Sanyo”); and Sumitomo Electric Industries, Ltd. (“Sumitomo”). See, e.g., CR at IV-19; PR at IV-13.

⁸¹ See, e.g., 63 Fed. Reg. 49329 (Japan).

⁸² See, e.g., OCR at VII-9 to VII-10; USITC Pub. 3126 at VII-3 to VII-5. In 1997, Nippon accounted for *** percent of total SSWR production in Japan, represented *** percent of total Japanese SSWR exports to the United States, and ***. See, e.g., OCR at VII-9; USITC Pub. 3126 at VII-4. Daido accounted for *** percent of total SSWR production in Japan, represented *** percent of total Japanese SSWR exports to the United States, and ***. See, e.g., OCR at VII-9 to VII-10; USITC Pub. 3126 at VII-4 to VII-5.

⁸³ Sanyo accounted for *** percent of total SSWR production in Japan and exported *** percent of its production to the U.S. market in 1997, with most of its exports going to ***. See, e.g., OCR at VII-10; USITC Pub. 3126 at VII-4. See also, e.g., OCR at VII-10; USITC Pub. 3126 at VII-4 to VII-5 (as a share of total SSWR production in Japan in 1997, the others accounted for: Nippon Koshuha (*** percent); Pacific Metals (*** percent but ***); Sumitomo (*** percent); and Aichi (***).

⁸⁴ See, e.g., CR/PR at Table I-1.

⁸⁵ See, e.g., CR/PR at Table I-1.

⁸⁶ See, e.g., USITC Pub. 3707 at 11.

⁸⁷ Subject imports from Japan declined from *** short tons in 1998 to *** short tons in 1999, *** short tons in 2000, *** short tons in 2001, *** short tons in 2002, and *** short tons in 2003. See, e.g., CR/PR at Table I-1. As a share of the U.S. market, subject imports from Japan declined from *** percent in 1998 to *** percent in 2003.

continue...

The Commission found that the available information from Steel and Metals Market Research (“SMR”) indicated that production and consumption of SSWR in Japan both increased since the original investigations, with production increasing to a greater extent.⁸⁸ The Commission relied on these data as well as data on the behavior of the Japanese producers during the original investigations in reaching its conclusion during the first reviews that subject imports from Japan were not likely to have no discernible adverse impact on the domestic industry in the event of revocation.

In the current reviews, Sumitomo reported that it has not produced or exported SSWR since January 1, 2004, but no Japanese producer of SSWR submitted a questionnaire response.⁸⁹ Subject imports from Japan had a nominal, if any, presence in the U.S. market during the review period, ***.⁹⁰ *** submitted data regarding the Japanese industry from market research company ***.⁹¹ According to these data, production capacity in Japan ***.⁹²

In this capital-intensive industry, SSWR producers strive to maintain high capacity in order to spread fixed costs over a larger production volume.⁹³ Record evidence indicates that the U.S. market is likely to be relatively attractive as an outlet for SSWR production compared to other markets as evidenced by the fact that ***, despite the transportation costs associated with such sales.⁹⁴ Moreover, concerns about transportation costs did not preclude subject producers from Japan from selling to the U.S. market during the original investigations or first reviews.⁹⁵ Data on relative prices in the U.S. and other regional markets is relatively limited on the current record, although average unit value (“AUV”) data suggest that the U.S. market is more attractive than ***.⁹⁶

No pricing data were obtained for the current review period for subject imports from Japan, consistent with the low volume imported from there.⁹⁷ During the original investigations, however, subject imports from Japan undersold the domestic like product in 26 of 32 of the monthly comparisons, and underselling continued during the period covered by the first reviews, occurring in 16 of 23

⁸⁷ ...continue

See, e.g., CR/PR at Table I-1.

⁸⁸ See, e.g., USITC Pub. 3707 at 11.

⁸⁹ See, e.g., CR at IV-19; PR at IV-13.

⁹⁰ See, e.g., CR/PR at Table I-1. The volume of subject imports from Japan was *** short tons in 2004, *** short tons in 2005, *** short tons in 2006, *** short tons in 2007, and *** short tons in 2008 and 2009. See, e.g., CR/PR at Table I-1.

⁹¹ See, e.g., CR at IV-19; PR at IV-13; CR/PR at Table IV-10. In addition to Hitachi, which is not subject to the order *** percent of SSWR production in Japan, this source identified five main SSWR producers in Japan: ***. See, e.g., CR/PR at Table IV-10. According to this source, SSWR production capacity in for subject producers in Japan ***, but *** dominant producers ***, had *** capacity changes between 2006 and 2009 and *** projected capacity changes through 2012. See, e.g., CR/PR at Table IV-10.

⁹² See, e.g., CR/PR at Table IV-10. In addition to having a relatively large SSWR production base in the original investigations, Japanese producers reported some excess capacity at that time, amounts that were not trivial relative to apparent U.S. consumption at the time. See, e.g., OCR at Table VII-3; USITC Pub. 3126 at Table VII-3 (showing capacity utilization of *** percent in 1995, *** percent in 1996, and *** percent in 1997).

⁹³ See, e.g., Carpenter’s Posthearing Br. at Exh. 1 at 30; CR at III-22 to III-23; PR at III-7; CR/PR at Table III-14; 1CR at D-4, D-5; USITC Pub. 3707 at D-4, D-5.

⁹⁴ See, e.g., CR/PR at Tables IV-1, IV-2; CR at IV-1; PR at IV-1.

⁹⁵ See, e.g., CR/PR at Table I-1.

⁹⁶ See, e.g., CR/PR at Tables IV-18, IV-19; CR at IV-30 to IV-31; PR at IV-18.

⁹⁷ See, e.g., CR at V-7; PR at V-4.

comparisons, even with the order in place.⁹⁸ In addition, as noted earlier, Japanese imports of stainless steel bar, a downstream product produced from SSWR, are currently subject to an antidumping duty order in the United States, giving producers in Japan an incentive to shift production from stainless steel bar to SSWR if the order on SSWR were revoked.

Based on these facts, we do not find that subject SSWR imports from Japan would likely have no discernible adverse impact on the domestic industry if the U.S. antidumping duty order on SSWR imports from Japan were revoked.

*Italy.*⁹⁹ By the end of the period covered by the original investigations, three firms produced SSWR in Italy: Cogne; Rodacciai S.p.A. (“Rodacciai”); and Valbruna.¹⁰⁰ Valbruna received a de minimis antidumping duty margin from Commerce and was excluded from the antidumping duty order.¹⁰¹ Valbruna, however, remained subject to a countervailing duty order on subject imports from Italy, until Commerce revoked that order effective July 2, 2004.¹⁰² Cogne accounted for *** percent of Italian production but *** percent of Italy’s SSWR exports to the United States in 1997, whereas Rodacciai accounted for *** percent of Italian production but less than *** percent of exports to the United States.¹⁰³ In the original investigations, subject SSWR imports from Italy (which included Valbruna’s imports) declined from *** short tons in 1995 to *** short tons in 1996 and increased to *** short tons in 1997.¹⁰⁴ Total SSWR imports from Italy accounted for a declining share of the U.S. market (*** percent in 1995, *** percent in 1996, and *** percent in 1997).¹⁰⁵

⁹⁸ See, e.g., USITC Pub. 3707 at 11.

⁹⁹ Chairman Aranoff does not join this subsection or the other portions of this opinion discussing the past or likely behavior of Italian producers of SSWR. She joins the Commission in finding that subject imports from Italy are not likely to have no discernible adverse impact on the domestic industry in the event that the order on imports from Italy is revoked, but reaches that decision based on the following analysis. Cogne, the sole Italian producer still subject to the order under review, accounted for *** percent of Italy’s exports of SSWR to the United States in 1997, the last year of the original period of investigation. See, e.g., CR at IV-14; PR at IV-12. Cogne’s exports to the United States declined to low levels after imposition of the order. See, e.g., CR/PR at Table I-1. Nevertheless, since the original investigations, Cogne has increased its production capacity and remains a significant producer and exporter of the subject product. See, e.g., CR/PR at Table IV-9. For the reasons discussed in her dissenting views, she does not agree with Cogne that its near-absence from the U.S. market for SSWR would prevent Cogne from qualifying for and making sales to U.S. customers within the reasonably foreseeable future. Moreover, Cogne concedes that it is interested in reentering the U.S. market in order to sell specialty grades, such as welding-grade SSWR, in the event that the order is revoked. See, e.g., Cogne’s Posthearing Br. at Exh. 1 at 1. Sales of specialty grades tend to be high margin, but low quantity, sales for the domestic industry. Losing even a small volume of such sales would meet the standard for a discernible adverse impact even though, as she explains in her dissenting views, she does not find that revocation of the order would result in the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

¹⁰⁰ As a result of an acquisition in 1995, a fourth Italian producer, Acciaierie di Bolzano S.p.A. (“Bolzano”), became a subsidiary of Valbruna. Collectively, they accounted for *** percent of Italian production and *** percent of SSWR exports from Italy to the United States in 1997. See, e.g., CR at IV-14 to IV-15; PR at IV-12.

¹⁰¹ See, e.g., 63 Fed. Reg. 49334. Rodacciai’s parent Giuseppe Roda had a 30-percent ownership interest in the Spanish firm Aceros Inoxidables Olarra, S.A. (“Olarra”) discussed below.

¹⁰² See, e.g., 69 Fed. Reg. 40354 (Jul. 2, 2004).

¹⁰³ See, e.g., CR at IV-14; PR at IV-12.

¹⁰⁴ See, e.g., CR/PR at Table I-1.

¹⁰⁵ See, e.g., CR/PR at Table I-1.

By the time of the first five-year reviews, two producers produced subject SSWR in Italy, Cogne and Rodacciai, although the latter appeared “to be only a minor exporter.”¹⁰⁶ Cogne’s U.S. exports declined to low levels after imposition of the antidumping duty order,¹⁰⁷ but the Commission found that Cogne *** increased its exports to other markets, such that in 2003, only *** of Cogne’s shipments served internal or commercial Italian markets.¹⁰⁸ The Commission found that Cogne’s shipments to its larger markets fluctuated *** between 1998 and 2003, demonstrating an ability and practice of shifting between export markets.¹⁰⁹ In finding in the first reviews that subject imports from Italy were not likely to have no discernible adverse impact in the event of revocation, the Commission also referred to Cogne’s *** short-ton capacity increase since the original investigations, its excess capacity equivalent to almost *** percent of the U.S. market, and Cogne’s affiliate (Cogne USA), which provided a ready outlet and distribution network for Cogne’s exports to the United States.¹¹⁰

In the current reviews, we incorporate those findings and note that only one producer in Italy currently manufactures subject SSWR, Cogne, which reportedly accounted for *** percent of SSWR production in Italy in 2009.¹¹¹ Cogne’s capacity fluctuated during the period covered by these reviews (2004 to 2009), but its capacity was *** than during the original investigations.¹¹² Cogne’s capacity utilization to produce SSWR fluctuated between 2004 and 2008 and declined ***.¹¹³ Cogne’s unused capacity in 2009 (*** short tons) was equivalent to *** of total apparent U.S. consumption in 2009.¹¹⁴ Although Cogne reports that its order books have recovered from the 2009 trough and are now virtually full,¹¹⁵ we do not give much weight to such data as an indication of Cogne’s likely capacity utilization in the reasonably foreseeable future. Cogne’s data concern only a single quarter – the second quarter of 2010. The data represent *** from Cogne’s utilization level for the most recent full-year period and from Cogne’s peak annual capacity utilization for the entire review period of ***.¹¹⁶ Although the SSWR

¹⁰⁶ See, e.g., USITC Pub. 3707 at 9 n.41.

¹⁰⁷ The volume of subject imports from Italy declined from *** short tons in 1998 to *** short tons in 1999, *** short tons in 2000, *** in 2001, and *** short tons in 2002 before increasing somewhat to *** short tons in 2003. See, e.g., CR/PR at Table I-1. In terms of the U.S. market between 1998 and 2003, subject imports from Italy never held a share greater than *** percent. See, e.g., CR/PR at Table I-1.

¹⁰⁸ See, e.g., USITC Pub. 3707 at 9; 1CD at 7.

¹⁰⁹ See, e.g., USITC Pub. 3707 at 9 n.45; 1CD at 7 n.45. The Commission found that the European market was likely to be less attractive to Cogne due to reported overcapacity. It found the Asian market where Cogne had invested in a new downstream Chinese production facility also was likely to be less attractive due to expectations of significant increases in Chinese SSWR production and pricing data that showed mixed but generally lower AUVs. See, e.g., USITC Pub. 3707 at 9; 1CD at 7.

¹¹⁰ See, e.g., USITC Pub. 3707 at 9-10; 1CD at 8.

¹¹¹ See, e.g., CR at IV-15; PR at IV-13. Valbruna is not subject to the order, and Rodacciai reported that it did not produce SSWR during the review period. See, e.g., CR at IV-15; PR at IV-13.

¹¹² Compare, e.g., CR/PR at Table IV-9 (showing Cogne’s production capacity ***) with, e.g., OCR at VII-6; USITC Pub. 3126 at VII-3 (indicating that Cogne’s production capacity in the original investigations rose from *** short tons in 1995 to *** short tons in 1996). Cogne ***, but ***. See, e.g., CR at IV-15; PR at IV-13.

¹¹³ Cogne’s capacity utilization was *** percent in 2004, *** percent in 2005, *** percent in 2006, *** percent in 2007, *** percent in 2008, and *** percent in 2009. See, e.g., CR/PR at Table IV-9.

¹¹⁴ We note that this unused capacity does not take into account any ability of Cogne to increase the amount of SSWR available for export to the United States by ***. See, e.g., CR/PR at Table I-1, IV-9.

¹¹⁵ See, e.g., Cogne’s Posthearing Br. at Exh. 1 at 4-5 (“CAS’ demand in 2010 has recovered from the 2009 trough, and in fact CAS’ order books for the second quarter of 2010 are effectively full. ... CAS’ order bookings to date for the second quarter of 2010 are *** short tons, which is *** percent of its *** ton capacity.”)

¹¹⁶ See, e.g., CR/PR at Table IV-9.

market is expected to improve somewhat from 2009 levels, we do not find a basis to conclude that conditions will support such *** utilization levels. Cogne has not shown how its particular circumstances are likely to diverge from the overall SSWR market so sharply as to enable to company to sustain operations at near-full capacity utilization. Moreover, Cogne submitted these data on the size of its SSWR order books relative to its SSWR production capacity in isolation without any updates on its end-of-period inventories, production, or shipment markets for that quarter (or for the intervening quarter, the first quarter of 2010).

Cogne has become *** export-oriented since the original investigations and first reviews,¹¹⁷ with exports as a share of its total shipments increasing from *** percent in 2004 to *** percent in 2009.¹¹⁸ Cogne's ***.¹¹⁹ In this capital-intensive industry,¹²⁰ Cogne is likely to continue to use increasing levels of exports as a means to maintain high capacity and dispose of its SSWR production. Contrary to Cogne's claims, we do not find Cogne's behavior during 2009, when it ***, to be an accurate indicator of its likely behavior in the event that the U.S. antidumping order on SSWR is revoked, because ***.¹²¹

Cogne reported ***.¹²² The record in these reviews indicates that subject SSWR from Italy had a nominal, if any, U.S. market presence during the review period.¹²³ Cogne argues that its *** means that it would need ***.¹²⁴ Nonetheless, Cogne's New Jersey sales force already supplies established clients in the U.S. market with stainless steel bar, tool steel, and valve steel and advertises a full range of SSWR products.¹²⁵ After the U.S. antidumping duty order on stainless steel bars from Italy was revoked in the first quarter of 2008, even Cogne acknowledges that it only took about a year for the company to export bars to the United States.¹²⁶ Even if ***, given the relatively limited number of SSWR purchasers in the U.S. market whose identities are already known to Cogne,¹²⁷ we find little support for Cogne's claims about the likely difficulty of re-entering the U.S. market.

¹¹⁷ Cogne is not subject to tariff or non-tariff barriers to trade in any country other than the United States. See, e.g., CR at IV-15 n.7; PR at IV-13 n.7.

¹¹⁸ Cogne's exports to "all other markets" accounted for between *** and *** percent of Cogne's total shipments during the review period, and the second largest share (*** percent) went to the European Union. Exports to "all other markets" ***. See, e.g., CR at IV-16; PR at IV-13; CR/PR at Table IV-9 at n.4. Cogne's exports to Asia, principally China, increased from *** percent of total shipments in 2004 to *** percent of total shipments in 2009 largely as a result of ***. See, e.g., CR at IV-16; PR at IV-13; CR/PR at Table IV-9.

¹¹⁹ See, e.g., CR/PR at Table IV-9.

¹²⁰ See, e.g., Carpenter's Posthearing Br. at Exh. 1 at 30; CR at III-22 to III-23; PR at III-7; CR/PR at Table III-14; 1CR at D-4, D-5; USITC Pub. 3707 at D-4, D-5.

¹²¹ See, e.g., Cogne's Posthearing Br. at Exh. 1 at 8-9, 9-10, 22.

¹²² See, e.g., CR at IV-15; PR at IV-13. ***. See, e.g., Cogne's Prehearing Br. at 17 n.1.

¹²³ The volume of subject imports from Italy was *** short tons in 2004, *** short tons in 2005, *** short tons in 2006, *** short tons in 2007 and 2008, and *** short tons in 2009. See, e.g., CR/PR at Table I-1. These imports never held a share of the U.S. market greater than *** percent during this time. See, e.g., CR/PR at Table I-1. The ***. See, e.g., CR/PR at Table IV-1 at note.

¹²⁴ Cogne further asserts that none of its U.S. salesmen has sold SSWR and none of its U.S. customers for non-SSWR products purchase SSWR or have ever inquired about purchasing SSWR either before or after imposition of the orders.

¹²⁵ See, e.g., Carpenter's Prehearing Br. at 22-24; Carpenter's Posthearing Br. at 7 (citing Cogne's counsel's testimony regarding the Crucible-related transaction at Hearing Tr. 141).

¹²⁶ See, e.g., Cogne's Posthearing Br. at 7-8, Exh. 1 at 1-2.

¹²⁷ According to Cogne, the universe of SSWR purchasers in the U.S. market is limited to only a handful of independent users, such as Central Wire, Industrial Alloys, Koswire, Zapp, and ECD (before it went bankrupt), none of which purchase non-SSWR products from Cogne USA. See, e.g., Cogne's Posthearing Br. at 9-10, Exh. 1 at 7-8; see also, e.g., CR at II-18; PR at II-11 to II-12.

Furthermore, record data refute Cogne's claims that the U.S. market is not relatively attractive.¹²⁸ There are limited data on the record in the current reviews regarding relative prices in the U.S. and other markets, in part due to the fact that Cogne ceased exporting to the United States during the review period. Available AUV data, however, suggest that the U.S. market is *** than markets in ***, and *** with ***.¹²⁹ Moreover, contrary to Cogne's assertion that NAS functions as an impenetrable shield to an increased subject import presence in the U.S. market, record data indicate that ***.¹³⁰ Indeed, ***.¹³¹ According to these data, ***, further illustrating the attractiveness of the U.S. market.¹³² Moreover, NAS, which accounted for *** percent of domestic production in 2009, is not the only U.S. SSWR supplier. The statute requires us to consider the likely effects of revocation on the domestic industry as a whole, including on the ***.¹³³ Indeed, Cogne, which ***,¹³⁴ admits that it has some interest in resuming sales to the U.S. market, and ***.¹³⁵ Despite Cogne's claims about the size of its markets in Europe relative to the U.S. market, ***.¹³⁶

During the review period, no pricing data were submitted regarding subject imports from Italy, consistent with the low volume imported from Italy.¹³⁷ On the other hand, subject imports from Italy undersold domestic SSWR in 37 of 44 comparisons in the original investigations, although Valbruna may have accounted for some of the underselling.¹³⁸ Pricing comparisons were more limited during the period covered by the first reviews due to Cogne's smaller presence in the U.S. market, and most of these instances occurred before imposition of the antidumping duty order. Available comparisons, however, did show underselling in 1998 and 1999.¹³⁹

¹²⁸ Cogne asserts it is no longer attracted to the U.S. market, compared to what it contends is a four-times larger and higher-priced European market to which it can ship at much lower transportation costs and where it has numerous sales offices and warehouses to sell SSWR and its other products. See, e.g., Cogne's Posthearing Br. at Exh. 1 at 2-3, 5.

¹²⁹ See, e.g., CR/PR at Tables IV-18, IV-19; CR at IV-30 to IV-31; PR at IV-18.

¹³⁰ Compare, e.g., CR/PR at Tables IV-18, IV-19 with, e.g., CR/PR at Table III-9 (showing AUV data for NAS' commercial sales).

¹³¹ See, e.g., CR/PR at Table IV-9 at n.1, Table IV-19 at n.1; Cogne's Posthearing Br. at Exh. 1 at 20.

¹³² See, e.g., CR at III-16; PR at III-4 to III-5; CR/PR at Tables III-9 and IV-19 & n.1. We are mindful of the limited utility of comparisons of AUVs where there are differences in product mix and have taken care to compare AUVs involving similar product mixes, where possible, and to use AUV comparisons as only one of numerous factors relevant to our analyses in these reviews.

¹³³ See, e.g., 19 U.S.C. § 1675a(a)(1) ("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 ... "); 19 U.S.C. § 19 U.S.C. § 1677(4)(A) (defining "industry" as "the producers as a whole of a domestic like product ... "). For similar reasons, we reject Cogne's arguments that the domestic industry is likely to be ***. See, e.g., Cogne's Prehearing Br. at 16-17. As we found to be the case in the original investigations and first reviews, commercial shipments account for a sizeable portion of the domestic industry's total shipments that we cannot ignore under the statute. See, e.g., CR/PR at Table III-4.

¹³⁴ See, e.g., CR/PR at Table IV-19 at n.1

¹³⁵ See, e.g., Cogne's Prehearing Br. at 17-18; Cogne's Posthearing Br. at Exh. 1 at 1, 23.

¹³⁶ See, e.g., CR/PR at Tables I-1, IV-1, IV-2, IV-9; CR at IV-1; PR at IV-1.

¹³⁷ See, e.g., CR at V-7; PR at V-4.

¹³⁸ See, e.g., USITC Pub. 3707 at 10; 1CD at 8.

¹³⁹ See, e.g., USITC Pub. 3707 at 10; 1CD at 8. As discussed above, Cogne challenged the Commission's cumulation analysis, particularly its finding that subject imports from Italy would not be likely to have no discernible adverse impact if the order were revoked, but the CIT upheld the Commission's cumulation analysis and affirmative five-year review determination. Cogne, 29 CIT 1168 (2005).

For these reasons, we do not find that SSWR imports from Italy would likely have no discernible adverse impact on the domestic industry if the antidumping duty order on these imports were revoked.

Korea. By 1997, the final full year of the original investigation period, three firms produced SSWR in Korea: Changwon Specialty Steel Co., Ltd. (“Changwon”);¹⁴⁰ Dongbang Special Steel Co. (“Dongbang”); and Pohang Iron and Steel Co., Ltd. (“POSCO”).¹⁴¹ Changwon, which began production in April 2007, accounted for *** percent of Korea’s white-coil production for full-year 1997, *** percent of black-coil production, and *** percent of Korean exports to the U.S. market.¹⁴² SSWR subject imports from Korea to the U.S. market declined from 10,938 short tons in 1995 to 10,437 short tons in 1996 and increased to 13,937 short tons in 1997.¹⁴³ As a share of the U.S. market, SSWR imports from Korea accounted for *** percent in 1995, *** percent in 1996, and *** percent in 1997).¹⁴⁴

In the first reviews, two producers accounted for all SSWR production in Korea, Changwon and Dongbang.¹⁴⁵ In concluding that subject imports from Korea were not likely to have no discernible adverse impact in the event of revocation, the Commission noted that subject imports from Korea maintained a presence in the U.S. market after imposition of the order, although they gradually declined from their peak in 1997 to 1,437 short tons in 2003.¹⁴⁶ The Commission noted that SSWR capacity in Korea *** and that Changwon and Dongbang had a combined capacity utilization of *** percent in 2003. Despite the high percentage, the Commission noted that excess capacity in Korea of *** short tons in 2003 was equivalent to *** percent of apparent U.S. consumption.¹⁴⁷ The Commission observed that Korean exports to Asia increased over the period measured by the first reviews but that the majority of Korean SSWR shipments remained in the home market.¹⁴⁸ The Commission found mixed evidence with respect to pricing in various world markets, but noted that at least some sources suggested generally

¹⁴⁰ Korean producer Sammi went bankrupt, and in 1997 POSCO purchased Sammi’s production facilities during the bankruptcy proceedings and formed a new company called Changwon. Although Changwon submitted a questionnaire response in the original investigations regarding its operations in 1997, Sammi did not submit a questionnaire response regarding its operations for the period prior to 1997. See, e.g., OCR at VII-11; USITC Pub. 3126 at VII-5.

¹⁴¹ See, e.g., OCR at VII-11 to VII-12; USITC Pub. 3126 at VII-5. In 1997, Changwon and Dongbang produced “white coil” SSWR (finished SSWR that had been pickled and annealed), whereas POSCO produced only “black coil” SSWR (SSWR that had not been pickled or annealed). See, e.g., OCR at VII-12, VII-15; USITC Pub. 3126 at VII-5 to VII-6.

¹⁴² See, e.g., OCR at VII-12; USITC Pub. 3126 at VII-6. At the time, Changwon ***. See, e.g., OCR at VII-12, VII-15; USITC Pub. 3126 at VII-6. Dongbang accounted for *** percent of white coil production in 1997 and *** percent of Korean SSWR rod exports to the United States. See, e.g., OCR at VII-14; USITC Pub. 3126 at VII-6. In addition to the United States, Dongbang’s major export markets for SSWR produced ***. See, e.g., OCR at VII-12; USITC Pub. 3126 at VII-6. POSCO accounted for *** percent of Korea’s black-coil production in 1997, *** on its SSWR equipment, ***. POSCO reported *** of SSWR during the original investigations. See, e.g., OCR at VII-15; USITC Pub. 3126 at VII-6.

¹⁴³ See, e.g., CR/PR at Table I-1.

¹⁴⁴ See, e.g., CR/PR at Table I-1.

¹⁴⁵ See, e.g., USITC Pub. 3707 at 11.

¹⁴⁶ The volume of subject imports from Korea declined from 12,984 short tons in 1998 to 10,570 short tons in 1999, 9,058 short tons in 2000, short tons in 2001, 5,593 in 2002 and 4,482 short tons in 2003. See, e.g., CR/PR at Table I-1. As a share of apparent U.S. consumption between 1998 and 2003, subject imports from Korea declined from *** percent in 1998 to *** percent in 1999, *** percent in 2000, *** percent in 2001, *** percent in 2002, and *** percent in 2003. See, e.g., CR/PR at Table I-1.

¹⁴⁷ See, e.g., USITC Pub. 3707 at 11; 1CD at 9.

¹⁴⁸ See, e.g., OCR at Tables IV-10 and IV-11; USITC Pub. 3126 at Tables IV-10 and IV-11.

higher prices in the U.S. market than in Asia. The Commission found this to be consistent with what was only a gradual decline in Korean exports to the U.S. market during the first review period.¹⁴⁹

In the instant reviews, the record reflects only one current subject SSWR producer in Korea, POSCOSS, which is the current name for the facility once owned by Sammi and more recently known as Changwon.¹⁵⁰ Subject SSWR from Korea had a small, if any, U.S. market presence between 2004 and 2009, with POSCOSS reporting that it last exported SSWR to the United States in ***, all of which was white-coil SSWR.¹⁵¹ Home market shipments accounted for the largest share of POSCOSS' total shipments, representing *** percent in 2009, which is ***. Exports to Asia accounted for ***.¹⁵²

POSCOSS ***.¹⁵³ POSCOSS ***.¹⁵⁴ POSCOSS' production capacity *** during the review period, although its capacity utilization ***.¹⁵⁵ POSCOSS' excess capacity of *** short tons in 2009 was equivalent to *** percent of apparent U.S. consumption in that year, without even having to ***.¹⁵⁶ Given the need in this capital-intensive industry to maintain high capacity to spread fixed costs over a larger production volume discussed above, our findings above concerning the relative attractiveness of the U.S. market, our findings from the original investigations and first reviews, and the existence of a ***,¹⁵⁷ we find POSCOSS is likely to export SSWR to the United States in the event the antidumping duty order is revoked in order to maintain high capacity. Although ***.¹⁵⁸

During the review period, the Commission received pricing data that accounted for approximately 40.0 percent of the relatively low volume of subject SSWR imported from Korea in 2005. These data, which ***, showed primarily overselling (** instances ranging up to *** percent) and only one instance of underselling (of *** percent).¹⁵⁹ Nevertheless, the Commission found that subject imports from Korea undersold domestic SSWR in 34 of 37 comparisons in the original investigations and in 44 of 54 comparisons during the first reviews.¹⁶⁰

For these reasons, we do not find that SSWR imports from Korea would likely have no discernible adverse impact on the domestic industry if the U.S. antidumping duty order on these imports were revoked.

¹⁴⁹ See, e.g., USITC Pub. 3707 at 12; 1CD at 9.

¹⁵⁰ See, e.g., CR at IV-20 to IV-21; PR at IV-14 to IV-15. Korean producer Dongbang closed its SSWR facility in 2006, and POSCO did not produce SSWR during the review period. See, e.g., CR at IV-21; PR at IV-14.

¹⁵¹ See, e.g., CR at IV-21; PR at IV-14 to IV-15. The volume of subject imports from Korea was 1,982 short tons in 2004, 2,626 short tons in 2005, 385 short tons in 2006, 24 short tons in 2007, and 0 in 2008 and 2009. See, e.g., CR/PR at Table I-1. As a share of apparent U.S. consumption, subject imports from Korea increased from *** percent in 2004 to *** percent in 2005 but dropped to *** percent in 2006 and *** percent in 2007, 2008, and 2009. See, e.g., CR/PR at Table I-1.

¹⁵² See, e.g., CR/PR at Table IV-12 (showing exports as a share of total production to *** and to ***).

¹⁵³ See, e.g., CR at IV-24; PR at IV-15.

¹⁵⁴ See, e.g., CR at IV-21, IV-24; PR at IV-14, IV-15.

¹⁵⁵ POSCOSS' capacity utilization was *** percent in 2004, *** percent in 2005, *** percent in 2006, *** percent in 2007, *** percent in 2008, and *** percent in 2009. See, e.g., CR/PR at Table IV-12.

¹⁵⁶ Derived from CR/PR at Tables I-1 and IV-12.

¹⁵⁷ See, e.g., CR/PR at Table I-9 (identifying importer ***).

¹⁵⁸ According to ***. See, e.g., CR at IV-24; PR at IV-15.

¹⁵⁹ See, e.g., CR at V-7; PR at V-4; CR/PR at Table ***.

¹⁶⁰ See, e.g., USITC Pub. 3707 at 12; 1CD at 10.

Spain. During the original investigations, Roldan reportedly dominated the Spanish SSWR industry.¹⁶¹ A second firm, Olarra, which was 30-percent owned by Italian producer Rodacciai's parent Guiseppe Roda, ***,¹⁶² Roldan accounted for *** percent of SSWR production in Spain and *** percent of SSWR exports from Spain in 1997.¹⁶³ In the original investigations, SSWR imports from Spain increased from 2,663 short tons in 1995 to 2,854 short tons in 1996 and 4,705 short tons in 1997.¹⁶⁴ Total SSWR imports from Spain accounted for an increasing share of the U.S. market (**% percent in 1995, *** percent in 1996, and *** percent in 1997).¹⁶⁵

In the first reviews, neither of the two known Spanish producers, Roldan and Olarra, submitted questionnaire responses, so the Commission had limited information concerning the Spanish SSWR industry.¹⁶⁶ In reaching its decision that subject imports from Spain were not likely to have no discernible adverse impact in the event of revocation, the Commission noted that available information suggested greater capacity during the first five-year reviews than existed during the original investigations.¹⁶⁷ The two Spanish producers increased production by *** percent between 1998 and 2003.¹⁶⁸ Although the majority of Spanish production was shipped to the home market in the original investigations, the Commission noted that Spanish SSWR production had increased more than Spanish consumption, suggesting more exports of SSWR.¹⁶⁹

In the current reviews, again no Spanish firm responded to the Commission's questionnaire.¹⁷⁰ Subject imports from Spain had a nominal, if any, presence in the U.S. market during the review period, ***.¹⁷¹ *** submitted data regarding the Spanish industry from market research company ***.¹⁷² In addition to ***,¹⁷³ According to this source, SSWR production capacity in Spain ***.¹⁷⁴ Because of the lack of participation by any producer in either the first or second reviews, we do not have data on excess capacity in Spain, but ***.¹⁷⁵

No pricing data were submitted for the current review period for subject imports from Spain, consistent with the low volume imported from there.¹⁷⁶ On the other hand, underselling by subject imports from Spain predominated during the period covered by the first reviews, occurring in 6 of 7

¹⁶¹ See, e.g., OCR at VII-15, VII-17; USITC Pub. 3126 at VII-6.

¹⁶² See, e.g., OCR at VII-7, VII-15, VII-17; USITC Pub. 3126 at VII-3, VII-6.

¹⁶³ See, e.g., OCR at IV-17; USITC Pub. 3126 at VII-6.

¹⁶⁴ See, e.g., CR/PR at Table I-1.

¹⁶⁵ See, e.g., CR/PR at Table I-1.

¹⁶⁶ See, e.g., USITC Pub. 3707 at 13.

¹⁶⁷ See, e.g., USITC Pub. 3707 at 13; 1CD at 10.

¹⁶⁸ See, e.g., USITC Pub. 3707 at 13; 1CD at 10.

¹⁶⁹ See, e.g., USITC Pub. 3707 at 13; 1CD at 10.

¹⁷⁰ See, e.g., CR at IV-25; PR at IV-15. In seeking a questionnaire response for Roldan, staff contacted its U.S. affiliate NAS, but NAS was unable to obtain a questionnaire response from Roldan. See, e.g., CR at IV-25; PR at IV-15; Carpenter's Posthearing Br. at Exh. 4.

¹⁷¹ See, e.g., CR/PR at Table I-1. The volume of subject imports from Spain was 34 short tons in 2004, 8 short tons in 2005, 20 short tons in 2006, and 0 short tons in 2007, 2008, and 2009. See, e.g., CR/PR at Table I-1.

¹⁷² See, e.g., CR at IV-25; PR at IV-15; CR/PR at Table IV-13.

¹⁷³ See, e.g., CR/PR at Table IV-13.

¹⁷⁴ See, e.g., CR/PR at Table IV-13.

¹⁷⁵ See, e.g., OCR at Table VII-6; USITC Pub. 3126 at Table VII-6.

¹⁷⁶ See, e.g., CR at V-7; PR at V-4

instances, as it did during the original investigations when underselling was reported in 14 of 16 comparisons.¹⁷⁷

Based on these facts and our findings above concerning the relative attractiveness of the U.S. market, we do not find that SSWR imports from Spain would likely have no discernible adverse impact on the domestic industry if the U.S. antidumping duty order on these imports were revoked.

Taiwan. During the original investigations, two firms produced SSWR in Taiwan, Walsin-Cartech Specialty Steel Corp. (“Walsin-Cartech”) and Yieh Hsing.¹⁷⁸ Yieh Hsing received a *de minimis* final antidumping duty margin, so Commerce excluded it from the order in the original investigations.¹⁷⁹ Walsin-Cartech’s production and capacity *** between 1995 and 1997, during which time its exports to the United States increased ***.¹⁸⁰ In the original investigations, subject SSWR imports from Taiwan increased from *** short tons in 1995 to *** short tons in 1996 and *** short tons in 1997.¹⁸¹ Subject SSWR imports from Taiwan accounted for an increasing share of the U.S. market (*** percent in 1995, *** percent in 1996, and *** percent in 1997).¹⁸²

In the first reviews, two producers accounted for all SSWR production in Taiwan, Walsin Lihwa Corp. (“Walsin”) (the successor to Walsin-Cartech) and nonsubject producer Yieh Hsing.¹⁸³ In concluding that subject imports from Taiwan were not likely to have no discernible adverse impact in the event of revocation, the Commission noted that subject imports from Taiwan maintained a presence in the U.S. market even after imposition of the antidumping duty order.¹⁸⁴ At the time of the first five-year reviews, Walsin exported more than *** of its shipments and had *** short tons since the original investigations.¹⁸⁵ Moreover, its excess capacity of *** short tons in 2003 was equivalent to more than *** percent of apparent U.S. consumption that year.¹⁸⁶ The Commission found mixed evidence concerning prices in various world markets, but noted at least some sources suggested higher prices in the U.S. market than in Taiwan, an inference that was consistent with Taiwan’s shipment of *** short tons to the United States in 2002 despite the antidumping duty order.¹⁸⁷

In the current reviews, no producer of SSWR in Taiwan responded to the Commission’s questionnaires.¹⁸⁸ Subject imports from Taiwan maintained a presence in the U.S. market during the review period, ***.¹⁸⁹ *** submitted data regarding the Taiwan industry from ***.¹⁹⁰ This source

¹⁷⁷ See, e.g., USITC Pub. 3707 at 13; 1CD at 10.

¹⁷⁸ See, e.g., OCR at VII-15, VII-17; USITC Pub. 3126 at VII-7.

¹⁷⁹ See, e.g., 63 Fed. Reg. 49332.

¹⁸⁰ See, e.g., OCR at VII-19; USITC Pub. 3126 at VII-8.

¹⁸¹ See, e.g., CR/PR at Table I-1.

¹⁸² See, e.g., CR/PR at Table I-1.

¹⁸³ See, e.g., USITC Pub. 3707 at 14; 1CD at 12.

¹⁸⁴ The volume of subject imports from Taiwan declined from *** short tons in 1998 to *** short tons in 1999, and *** short tons in 2000 before increasing to *** short tons in 2001 and then declining to *** in 2002 and *** short tons in 2003. See, e.g., CR/PR at Table I-1. As a share of apparent U.S. consumption between 1998 and 2003, subject imports from Taiwan declined from *** percent in 1998 to *** percent in 1999 and 2000, and *** percent in 2001 but increased to *** percent in 2002 before declining to *** percent in 2003. See, e.g., CR/PR at Table I-1.

¹⁸⁵ See, e.g., USITC Pub. 3707 at 14; 1CD at 12.

¹⁸⁶ See, e.g., USITC Pub. 3707 at 14; 1CD at 12.

¹⁸⁷ See, e.g., USITC Pub. 3707 at 14-15; 1CD at 12.

¹⁸⁸ See, e.g., CR at IV-27; PR at IV-16.

¹⁸⁹ See, e.g., CR/PR at Table I-1. The volume of subject imports from Taiwan was *** short tons in 2004, *** short tons in 2005, *** short tons in 2006, *** short tons in 2007, *** short tons in 2008, and *** short tons in

continue...

identified ***.¹⁹¹ According to this source, SSWR production capacity in Taiwan ***.¹⁹² Imports of stainless steel bar from Taiwan are currently subject to a U.S. antidumping duty order, as discussed above, and Carpenter points out that Walsin could shift some production from stainless steel bar to SSWR in the event the U.S. order on SSWR were revoked.¹⁹³

Virtually no pricing data were submitted for the current review period for subject imports from Taiwan.¹⁹⁴ During the first reviews, subject imports from Taiwan undersold domestic SSWR in 5 of 14 instances, compared to 15 of 20 comparisons in the original investigations.¹⁹⁵

Based on these facts and our findings above concerning the relative attractiveness of the U.S. market, we do not find that SSWR imports from Taiwan would likely have no discernible adverse impact on the domestic industry if the U.S. antidumping duty order on these imports were revoked.

D. Likelihood of a Reasonable Overlap of Competition¹⁹⁶

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.¹⁹⁷ Only a “reasonable overlap” of competition is required.¹⁹⁸ 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.¹⁹⁹

¹⁸⁹ ...continue

2009. See, e.g., CR/PR at Table I-1.

¹⁹⁰ See, e.g., CR at IV-27; PR at IV-16; CR/PR at Table IV-15.

¹⁹¹ See, e.g., CR/PR at Table IV-15.

¹⁹² See, e.g., CR/PR at Table IV-15. During the original investigations, Walsin-Cartech showed ***. See, e.g., OCR at Table VII-8; USITC Pub. 3126 at Table VII-8.

¹⁹³ See, e.g., Carpenter’s Prehearing Br. at 30-32.

¹⁹⁴ Current pricing data represented only *** and consisted of ***. See, e.g., CR at V-7; PR at V-4; CR/PR at Tables ***.

¹⁹⁵ See, e.g., USITC Pub. 3707 at 15; 1CD at 12.

¹⁹⁶ Vice Chairman Pearson and Commissioner Okun join this section only with respect to subject imports from Japan and Taiwan.

¹⁹⁷ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

¹⁹⁸ See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); Wieland Werke, 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, Invs. Nos. 701-TA-386 and 731-TA-812 to 813 (Prelim.), 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, Invs. Nos. 731-TA-761 to 762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

¹⁹⁹ See generally Cheflin Corp. v. United States, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

In the original investigations, the Commission found a reasonable overlap of competition among subject imports and the domestic like product and cumulated subject imports from Italy, Japan, Korea, Spain, and Taiwan.²⁰⁰ The Commission found a likely reasonable overlap of competition among imports from these sources in the first five-year reviews and cumulated subject imports from Italy, Japan, Korea, Spain, and Taiwan.²⁰¹

In the current reviews, domestic producer Carpenter asserts that evidence on the current record continues to support a finding of a likelihood of a reasonable overlap of competition.²⁰² Cogne and POSCOSS do not make any arguments concerning a likely reasonable overlap of competition in the event the orders were revoked.

1. Fungibility²⁰³

In the original investigations, the Commission found that SSWR from all subject countries was fungible with SSWR from other subject countries and with the domestic like product.²⁰⁴ Only Japanese respondents asserted that their imports did not compete with the domestic like product, with other parties appearing to concede fungibility.²⁰⁵ The Commission found, however, that the limited evidence of quality differences was outweighed by other evidence showing a reasonable overlap of competition between imports from Japan and the domestic like product.²⁰⁶ In the first five-year reviews, the Commission found that, once made to customers' specifications, SSWR made domestically and in the subject countries were generally substitutable and interchangeable in uses.²⁰⁷

In the current reviews, *** responding domestic producers and *** of responding importers reported that SSWR produced in the subject countries was "always" or "frequently" interchangeable with SSWR produced in the other subject countries and with the domestic like product. Purchasers typically reported SSWR to be sometimes or frequently comparable regardless of the subject or domestic source.²⁰⁸ Questionnaire respondents also generally reported that producers in the United States and each of the subject countries met quality requirements,²⁰⁹ and no party argued otherwise.

²⁰⁰ See, e.g., USITC Pub. 3126 at 12-13.

²⁰¹ See, e.g., USITC Pub. 3707 at 15.

²⁰² See, e.g., Carpenter's Prehearing Br. at 8-12.

²⁰³ Commissioner Lane notes that, with respect to fungibility, her analysis does not require such similarity of products that a perfectly symmetrical fungibility is required. In her view, this factor would be better described as an analysis of whether subject imports from each country and the domestic like product could be substituted for each other. See Separate Views of Commissioner Charlotte R. Lane, Certain Lightweight Thermal Paper from China, Germany, and Korea, Invs. Nos. 701-TA-451 and 731-TA-1126-1128 (Prelim.), USITC Pub. 3964 at 32-33 (Nov. 2007).

²⁰⁴ See, e.g., COD at 15-17; USITC Pub. 3126 at 11-13.

²⁰⁵ See, e.g., COD at 15; USITC Pub. 3126 at 12.

²⁰⁶ The Commission found a reasonable overlap given that four grades (***) accounted for *** percent of the domestic industry's merchant market shipments and *** percent of shipments of subject merchandise from Japan. Although most purchasers reported domestic SSWR as inferior in quality to Japanese SSWR, they reported products from both sources to be largely comparable in many other respects; moreover, importers and domestic producers generally reported products from both sources to be interchangeable. See, e.g., COD at 16-17; USITC Pub. 3126 at 12-13.

²⁰⁷ See, e.g., USITC Pub. 3707 at 15; ICD at 13.

²⁰⁸ See, e.g., CR/PR at Table II-6.

²⁰⁹ See, e.g., CR/PR at Table II-8.

2. Overlapping Geographic Markets

SSWR imported from the subject countries and produced in the United States was sold nationwide during the original investigations,²¹⁰ and nothing on the record of the first reviews undermined that conclusion.²¹¹ Although there were only limited or no subject imports during the review period, importers generally reported selling to multiple geographic regions,²¹² supporting a likelihood of geographic overlap among subject imports and the domestic like product in the event of revocation.

3. Common Channels of Distribution

During the original investigations, the large majority of SSWR produced in the United States was captively consumed, but the Commission found that the great majority of both domestic and imported open-market shipments were sold directly to end users, such as wire redrawers and fastener manufacturers.²¹³ In the first reviews, the Commission found that subject imports and domestically produced SSWR for the commercial market were sold to end users,²¹⁴ and we find data in the current reviews are generally consistent with the earlier proceedings.²¹⁵

4. Simultaneous Market Presence

In the original investigations, meaningful volumes of imports from all of the subject countries were present in the U.S. market throughout the period of investigation along with the domestic like product.²¹⁶ In the first reviews, the Commission found that subject imports likely would be present from all countries if the orders were removed, because import statistics and quarterly pricing data showed that SSWR from each of the subject countries had been sold in the U.S. market during the review period.²¹⁷ Subject imports generally had lower or no presence in the U.S. market during the current review period (full-years 2004 to 2009).²¹⁸ As discussed above, however, we find that upon revocation, imports from all subject sources will likely have sufficient presence in the U.S. market to have a discernible adverse impact on the domestic industry. We find that these imports will likely be simultaneously present in the market alongside SSWR produced domestically as they were during the original investigations.

²¹⁰ See, e.g., COD at 15; USITC Pub. 3126 at 11-12.

²¹¹ See, e.g., USITC Pub. 3707 at 16; 1CD at 13.

²¹² See, e.g., CR at II-1; PR at II-1 (indicating that domestic producers and importers shipped to multiple geographic locations in the United States).

²¹³ See, e.g., COD at 15; USITC Pub. 3126 at 12.

²¹⁴ See, e.g., USITC Pub. 3707 at 15-16; 1CD at 13.

²¹⁵ See, e.g., CR/PR at Table II-1 (showing overlapping channels of distribution for sales of SSWR produced domestically and imported into the United States); Hearing Tr. at 67 (Blot) (observing that service centers (distributors) typically handle small volumes of SSWR). Some reported data appear to suggest that ***. See, e.g., CR/PR at Table II-1 & n.1.

²¹⁶ See, e.g., COD at 15; USITC Pub. 3126 at 12.

²¹⁷ See, e.g., USITC Pub. 3707 at 16; 1CD at 13.

²¹⁸ See, e.g., CR/PR at Table I-1; see also, e.g., CR/PR at Table IV-5 (which may include entries by producers not subject to the orders).

5. Conclusion

Based on the traditional four competition factors that the Commission considers, we conclude that subject imports from each of the subject countries are fungible with one another and with the domestic like product and that SSWR from each of these sources would likely move in the same channels of distribution and would likely compete simultaneously in the same geographic markets upon revocation of the orders. We note that the focus of the Commission's inquiry in five-year reviews is whether there would likely be competition *upon revocation of the relevant orders*, even if there currently are no imports from a subject country.²¹⁹ Accordingly, we conclude that there likely would be a reasonable overlap of competition among the subject imports and between the subject imports and the domestic like product if the antidumping duty orders were revoked.

E. Other Considerations²²⁰

Having concluded above that subject imports from each of these subject countries would not be likely to have no discernible adverse impact on the domestic industry if the orders were revoked and having also concluded that there would likely be a reasonable overlap of competition among subject imports from each of these sources and between subject imports and the domestic like product, Commissioner Lane and Commissioner Pinkert would cumulate these imports unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted. In determining whether to exercise their discretion to cumulate subject imports in these reviews, Chairman Aranoff and Commissioner Williamson consider whether subject imports from one source are likely to compete under similar or different conditions in the U.S. market than other subject imports.²²¹ We have applied our respective analyses here.

In the first reviews, the Commission did not find that subject imports from any of the subject countries under review were likely to compete under different conditions in the U.S. market in the event of revocation.²²² In these reviews, Cogne asks the Commission to decline to cumulate subject imports from Italy based on its assertion that subject imports from Italy are likely to compete under different conditions of competition than other imports subject to these reviews in the event of revocation.²²³

²¹⁹ See, e.g., Cheflene Corp. v. United States, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002) (“The statute and legislative history are clear: the Commission is not required to find that subject imports currently compete in the U.S. market.”).

²²⁰ Vice Chairman Pearson and Commissioner Okun do not join this section.

²²¹ See, e.g., Allegheny Ludlum Corp., 475 F. Supp. 2d at 1378 (recognizing the wide latitude the Commission has in selecting the type of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); Nucor v. United States, 569 F. Supp. 2d at 1337-38; United States Steel, Slip Op. 08-82.

²²² See, e.g., USITC Pub. 3707 at 8-16 (reflecting the views of Commissioners Lane, Hillman, Koplán, and Miller). In those reviews, however, Vice Chairman Pearson and Commissioner Okun cumulated three groups of countries (Japan/Taiwan; Italy/Korea; and Spain/Sweden), because they found significant differences in the likely conditions of competition among the three groups. Vice Chairman Pearson and Commissioner Okun found that subject imports from each of these countries were not likely to have no discernible adverse impact on the domestic industry in the event of revocation and they found a likely reasonable overlap of competition among all sources of SSWR. See, e.g., USITC Pub. 3707 at 29-35.

²²³ See, e.g., Cogne's Prehearing Br. at 18-20; Cogne's Posthearing Br. at Exh. 1 at 10-11, 12-13, 17-19.

1. Japan, Korea, Spain, and Taiwan

The record in the current reviews indicates that SSWR products manufactured by subject producers in Japan, Korea, Spain, and Taiwan and by producers in the United States are highly substitutable for one another, subject producers in each of these subject countries have substantial capacity to produce SSWR and available excess capacity, subject producers in each of these subject countries are export-oriented, and subject producers in each of these subject countries have a history of underselling the domestic like product in the original investigations and first reviews, as discussed above. For these reasons, we do not find any justification to decline to exercise our discretion to cumulate subject imports from Japan, Korea, Spain, and Taiwan, and we have cumulated them in these reviews.

2. Italy²²⁴

Although Cogne contends that there are some differences between subject imports from Italy and other subject countries, we do not find any differences that justify declining to exercise our discretion to cumulate subject imports from Italy with subject imports from Japan, Korea, Spain, and Taiwan. Indeed, we find that the record in the current reviews belies Cogne's claims: the record indicates that SSWR products manufactured by subject producers in each of these subject countries and in the United States are highly substitutable for one another, subject producers in all five of the subject countries have substantial capacity to produce SSWR and available excess capacity, subject producers in all five subject countries are export-oriented, and subject producers in all five of these subject countries have a history of underselling the domestic like product in the original investigations and first reviews, as discussed above.

Cogne claims that the volume of subject imports from Italy declined overall during the original investigations whereas subject imports from the other countries increased overall between 1995 and 1997. As Cogne correctly notes, during the original investigations, subject imports from Italy, which also included imports from Valbruna, declined from *** short tons in 1995 to *** short tons in 1996 and then increased to *** short tons in 1997. To the extent that this information might be relevant to our decision on cumulation, we note that, even in 1997, subject imports from Italy accounted for *** percent of apparent U.S. consumption, a share that was greater than *** and not much smaller than ***.²²⁵

Cogne claims that its current production capacity is small and that its order books were nearly full in the second quarter of 2009. Cogne's reported production capacity in 2009, however, ***.²²⁶ Moreover, Cogne's own table illustrates that subject production capacity in each of the subject countries is substantial and that subject production capacity in Italy is ***.²²⁷ Although production capacity in Japan ***,²²⁸ the record reflects that subject producers in each of the subject countries have available excess SSWR capacity, as discussed above. Finally, although Cogne reports that its order books have recovered from the 2009 trough and are now virtually full,²²⁹ we do not give much weight to such data as

²²⁴ Chairman Aranoff does not join this section. See Separate and Dissenting Views of Chairman Aranoff, Vice Chairman Pearson, and Commissioner Okun regarding subject imports from Italy.

²²⁵ See, e.g., CR/PR at Table I-1. During the original investigations, Cogne accounted for *** percent of total exports of SSWR from Italy in 1997, as noted above, meaning that imports of subject SSWR from Cogne alone were equivalent to approximately *** percent of apparent U.S. consumption in 1997. Derived from CR at IV-14; PR at IV-12; CR/PR at Table I-1.

²²⁶ See, e.g., CR/PR at Table I-1, IV-9.

²²⁷ See, e.g., Cogne's Posthearing Br. at Exh. 1 at 13.

²²⁸ See, e.g., Cogne's Posthearing Br. at Exh. 1 at 13.

²²⁹ See, e.g., Cogne's Posthearing Br. at Exh. 1 at 4-5 ("CAS' demand in 2010 has recovered from the 2009 trough, and in fact CAS' order books for the second quarter of 2010 are effectively full. ... CAS' order bookings to continue...

an indication of Cogne’s likely capacity utilization in the reasonably foreseeable future, as discussed earlier. Cogne’s data concern only a single quarter – the second quarter of 2010. The data represent *** from Cogne’s utilization level for the most recent full-year period and from Cogne’s peak annual capacity utilization for the entire review period of ***.²³⁰ Although the SSWR market is expected to improve somewhat from 2009 levels, we do not find a basis to conclude that conditions will support such *** utilization levels. Cogne has not shown how its particular circumstances are likely to diverge from the overall SSWR market so sharply as to enable the company to sustain operations at near-full capacity utilization. Moreover, Cogne submitted these data on the size of its SSWR order books relative to its SSWR production capacity in isolation without any updates on its end-of-period inventories, production, or shipment markets for that quarter (or for the intervening quarter, the first quarter of 2010).

Cogne also points to the fact that Italy is the only subject country that is a net importer of SSWR. To the extent that this fact might be relevant to our decision on cumulation, we note that the record also reflects that Italy is the third largest exporter of SSWR in the world.²³¹ Moreover, despite its claims that it is not export-oriented, Cogne’s export-orientation ***, as also discussed above.²³²

Because we do not find a basis to decline to exercise our discretion to cumulate subject imports from Italy, Japan, Korea, Spain, and Taiwan, we cumulate subject imports from Italy, Japan, Korea, Spain, and Taiwan for purposes of our analysis in these reviews.

V. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDERS UNDER REVIEW ARE REVOKED

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping duty order unless (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”²³³ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual 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.”²³⁴ Thus, the likelihood standard is prospective

²²⁹ ...continue

date for the second quarter of 2010 are *** short tons, which is *** percent of its *** ton capacity.”)

²³⁰ See, e.g., CR/PR at Table IV-9.

²³¹ See, e.g., CR/PR at Table IV-8.

²³² See, e.g., CR/PR at Table IV-9.

²³³ 19 U.S.C. § 1675a(a).

²³⁴ SAA at 883-84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” Id. at 883.

in nature.²³⁵ The CIT has found that “likely,” as used in the five-year review provisions of the Tariff Act, means “probable,” and the Commission applies that standard in five-year reviews.^{236 237 238}

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.”²³⁹ 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.”²⁴⁰

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 effects, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”²⁴¹ 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 under review, whether the industry is vulnerable to material injury if the order were revoked, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).²⁴² The statute further provides that the presence or absence of any factor that the

²³⁵ 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.

²³⁶ 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 mem., 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

²³⁷ For a complete statement of Commissioner Okun’s interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Argentina, Brazil, Germany, and Italy, Invs. Nos. 701-TA-362 (Review) and 731-TA-707 to 710 (Review) (Remand), USITC Pub. 3754 (Feb. 2005).

²³⁸ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape From Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (Jun. 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 these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

²³⁹ 19 U.S.C. § 1675a(a)(5).

²⁴⁰ 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.

²⁴¹ 19 U.S.C. § 1675a(a)(1).

²⁴² 19 U.S.C. § 1675a(a)(1). We note that Commerce has not made any duty absorption findings concerning the imports subject to these reviews. See, e.g., CR at I-19 n.35; PR at I-14 n.35.

Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.²⁴³

In evaluating the likely volume of imports of subject merchandise if the orders under review were 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.²⁴⁴ In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors, as follows: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.²⁴⁵

In evaluating the likely price effects of subject imports if the orders under review were revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.²⁴⁶

In evaluating the likely impact of imports of subject merchandise if the orders under review were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.²⁴⁷ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders at issue and whether the industry is vulnerable to material injury if the orders were revoked.²⁴⁸

²⁴³ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

²⁴⁴ 19 U.S.C. § 1675a(a)(2).

²⁴⁵ 19 U.S.C. § 1675a(a)(2)(A-D).

²⁴⁶ See 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.

²⁴⁷ 19 U.S.C. § 1675a(a)(4).

²⁴⁸ 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.

In these reviews, several foreign producers of subject merchandise did not respond to the Commission's questionnaires, as discussed above. Accordingly, we have relied on the facts otherwise available when appropriate in these reviews, which consist primarily of information from the original investigations and first five-year reviews, information available from published sources, and information submitted in these reviews, including by the domestic industry, Cogne, POSCOSS, and other questionnaire respondents.^{249 250}

B. Conditions of Competition and Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."²⁵¹

We find that some conditions of competition identified by the Commission in the original investigations and/or first reviews continue to be relevant to our analysis in these reviews. First, demand for SSWR depends primarily on demand for the downstream products in which SSWR is used. Specifically, SSWR is used to produce stainless steel wire, stainless steel bars, and for applications that require the special corrosion-resistant characteristics of this stainless steel product, such as in end uses in automotive, medical instruments, and general manufacturing industries.²⁵² As such, SSWR does not have its own business cycle but rather reflects trends in general economic conditions and in the industries for which it is used.²⁵³

Second, SSWR represents a relatively large share of the cost of the downstream products in which it is used, and questionnaire respondents reported few substitutes for SSWR.²⁵⁴ SSWR is typically made to customer specifications. Sales are primarily made directly to end users, with spot sales and short-

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

²⁵⁰ Commissioner Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. See 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties' suggested interpretations of the record evidence. Regardless of the level of participation, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. "In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive." SAA at 869.

²⁵¹ 19 U.S.C. § 1675a(a)(4).

²⁵² See, e.g., USITC Pub. 3126 at 13-14; USITC Pub. 3707 at 19-21; CR at II-13; PR at II-8. Some purchasers reported purchasing SSWR for use in applications for which Buy America and/or Defense Federal Acquisition Regulation Supplement ("DFARS") requirements apply. See, e.g., CR at II-19 to II-21, II-26, II-30 to II-31; PR at II-12 to II-13, II-17, II-19 to II-20.

²⁵³ See, e.g., CR at II-16; PR at II-10.

²⁵⁴ See, e.g., CR at II-17; PR at II-10 to II-11. Demand for SSWR may not be as responsive to changes in price for purchase related to government (especially Department of Defense) contracts. See, e.g., CR at II-12; PR at II-9.

term contracts accounting for most sales in the U.S. market. Price, as well as quality, are the most important factors influencing purchasing decisions.²⁵⁵

Third, in this capital-intensive industry, SSWR producers strive to maintain high capacity utilization in order to spread fixed costs over a larger production volume.²⁵⁶

We also find several changes in conditions of competition in the U.S. market since the original investigations and/or first reviews that are relevant to our analysis in these reviews.

Demand. During the original investigations, the Commission found overall demand for SSWR in the United States, as measured by apparent U.S. consumption, had increased due to general growth in the economy and the development of new applications for SSWR products, with demand in 1997 at a peak.²⁵⁷ During the first reviews, however, the Commission found that apparent U.S. consumption of SSWR dropped *** in 2001 and remained *** below its 1998 level. Apparent U.S. consumption was *** short tons in 1998, but in 2003 it was only *** short tons. The Commission surmised that competition from imports in the downstream market for wire, as well as the 2001 recession, may have led to this decline, but it noted agreement among the parties to those reviews that apparent U.S. consumption was likely to grow over the next few years.²⁵⁸

In the current reviews, most questionnaire respondents reported that U.S. demand for SSWR declined between 2004 and 2009. As explanation for this trend, they pointed to the current recession, declines in U.S. demand for stainless steel wire, the movement offshore of some stainless steel wire production, and, relative to sales of stainless steel wire by U.S. producers, increasing imports of stainless steel wire (including imports from India of stainless steel wire rather than SSWR that was subject to an antidumping duty order).²⁵⁹ According to data collected in these reviews, apparent U.S. consumption continued its longer-term declining trend, decreasing from *** short tons in 2004 to *** short tons in 2005, increasing to *** short tons in 2006, declining to *** short tons in 2007, and increasing to *** short tons in 2008. Apparent U.S. consumption then declined substantially to *** short tons in 2009, which is consistent with the recessionary economic environment at that time.²⁶⁰ Questionnaire respondents generally reported expectations that demand would continue to fluctuate but recover somewhat in the reasonably foreseeable future as economic conditions improve.²⁶¹

Supply. As discussed in the domestic industry section above, the identity of the domestic producers supplying the U.S. SSWR market has changed substantially since the original investigations and even first reviews, particularly with the emergence of NAS. In 2003, at the end of the first reviews, Carpenter and Talley accounted for more than *** percent of the domestic industry's total net sales quantity and production in 2003.²⁶² NAS has increased its share of domestic SSWR production from *** percent in 2003 (when it began production operations) to *** percent in 2009, whereas the other domestic producers account for *** percent (Allvac), *** percent (Carpenter, which acquired Talley in 1998), and *** percent (Universal).²⁶³

²⁵⁵ See, e.g., USITC Pub. 3707 at 19; ICD at 16-17; CR at II-21 to II-31, V-4; PR at II-13 to II-21.

²⁵⁶ See, e.g., Carpenter's Posthearing Br. at Exh. 1 at 30; CR at III-22 to III-23; CR/PR at Table III-14; 1CR at D-4, D-5; Hearing Tr. at 20, 89-90 (Zilkowski), 151-54 (Ferrin).

²⁵⁷ See, e.g., USITC Pub. 3126 at 13-14; OCD at 18.

²⁵⁸ See, e.g., USITC Pub. 3707 at 19-21; ICD at 16-17.

²⁵⁹ See, e.g., CR at II-12 to II-16; PR at II-8 to II-10.

²⁶⁰ See, e.g., CR/PR at Table I-1; see also CR/PR at Figures E-1 and E-2 (steep declines in construction spending and motor vehicle assemblies).

²⁶¹ See, e.g., CR at II-15 to II-16; PR at II-9.

²⁶² See, e.g., USITC Pub. 3707 at 19-20; ICD at 17.

²⁶³ See, e.g., CR/PR at Table I-8.

Although the Commission found that the domestic industry had increased SSWR production capacity between the original investigations and first reviews, the domestic industry decreased its capacity by *** percent between 2004 and 2009.²⁶⁴

In the original investigations, the Commission found that the statutory captive production provision did not apply, but it considered the significant volume of captive consumption of SSWR as a condition of competition.²⁶⁵ In its first review determinations, the Commission found that captive consumption of SSWR to manufacture downstream products accounted for over *** percent of the industry's shipments in 2003, but noted that this ratio had been gradually declining since 1998 due to decreases in internal consumption by *** and increasing participation in the merchant market by new domestic producers.²⁶⁶ Captive consumption of SSWR for use in the production of downstream products continued to account for a substantial portion of the domestic industry's total shipments during the current reviews.²⁶⁷ *** internally consumes SSWR to produce ***.²⁶⁸ In 2009, ***,²⁶⁹ In 2009, NAS accounted for approximately *** percent of total commercial sales by value, while Carpenter accounted for approximately *** percent of total commercial sales, by value.²⁷⁰

In the first reviews, the Commission observed that subject imports remained in the U.S. market but steadily declined from their peak in 1997.²⁷¹ As we found above, subject imports from Italy, Japan, Korea, Spain, and Taiwan had a limited, if any, presence in the U.S. market during the review period, collectively accounting for *** percent of total apparent U.S. consumption in 2004, *** percent in 2005, *** percent in 2006, *** percent in 2007, and *** percent in 2008 and 2009.²⁷²

Including imports from Sweden (for which the antidumping duty order was revoked as of April 23, 2007) and imports from the two producers in subject countries that were not covered by any orders, nonsubject imports accounted for *** percent of the U.S. market in 1997, the last year of the original investigations, and steadily increased their share during the period covered by the first reviews, until they peaked at *** percent of the market in 2000, before falling to *** percent in 2003.²⁷³ At that time, antidumping duty orders were in place on SSWR from Brazil, India, and France, and safeguard

²⁶⁴ The domestic industry's capacity increased from *** short tons in 2004 to *** short tons in 2005, decreased to *** short tons in 2006, increased to *** short tons in 2007, and then decreased to *** short tons in 2008 and *** short tons in 2009. See, e.g., CR/PR at Table III-3. During this period, NAS and Allvac added capacity and *** decreased its capacity by *** percent by ***. See, e.g., CR at III-3; PR at III-2. Other products that use the same equipment and machinery as SSWR include specialty steels, stainless, electronic, high temperature alloys (***), cold-drawn bar and angle (***), and nickel, titanium, specialty steel products (***). See, e.g., CR at III-3 at n.2; PR at III-2 n.2.

²⁶⁵ See, e.g., USITC Pub. 3126 at 13-14; OCD at 18.

²⁶⁶ See, e.g., USITC Pub. 3707 at 19-20; ICD at 17-18.

²⁶⁷ As a share of total shipments by the domestic industry, by quantity, internal consumption of SSWR accounted for *** percent in 2004, *** percent in 2005, *** percent in 2006, *** percent in 2007, *** percent in 2008, and *** percent in 2009. See, e.g., CR/PR at Table III-4.

²⁶⁸ See, e.g., CR at III-5; PR at III-2.

²⁶⁹ See, e.g., CR/PR at Table III-8 at n.2. By value, internal consumption in 2009 was \$***. See, e.g., CR/PR at Table III-9.

²⁷⁰ See, e.g., CR/PR at Table III-8 at n.1. By value, commercial sales in 2009 were \$***. See, e.g., CR/PR at Table III-9.

²⁷¹ See, e.g., USITC Pub. 3707 at 20-21; ICD at 18.

²⁷² See, e.g., CR/PR at Table I-1.

²⁷³ See, e.g., CR/PR at Table I-1.

measures were in effect between March 5, 2002 and December 4, 2003, on steel products including SSWR.²⁷⁴

During the current review period, imports into the United States of SSWR manufactured by producers not subject to the orders and by producers in nonsubject countries declined and accounted for an irregularly declining share of apparent U.S. consumption. As a share of apparent U.S. consumption, nonsubject imports declined from *** percent in 2004 to *** percent in 2005 and *** percent in 2006, increased to *** percent in 2007, but then declined to *** percent in 2008 and *** percent in 2009.²⁷⁵ The leading nonsubject sources of SSWR during the current review period include China and *** (prior to 2009); the United Kingdom, Sweden, and France, which collectively accounted for 51.7 percent of total U.S. imports of SSWR in 2009; and ***, which alone accounted for *** percent of total U.S. imports of SSWR in 2009.²⁷⁶ The countervailing duty order on SSWR from Italy was revoked effective September 15, 2003,²⁷⁷ and the antidumping duty orders on imports of SSWR from Brazil and France were revoked on August 8, 2006.²⁷⁸ An antidumping duty order is still in place regarding SSWR from India.²⁷⁹

Substitutability. SSWR is manufactured in a wide variety of shapes, sizes, and grades in both commodity and niche varieties. The primary use for SSWR in the United States is for the production of wire.²⁸⁰ As explained above in the discussion of cumulation, market participants find subject imports from Italy, Japan, Korea, Spain, and Taiwan to be generally interchangeable with one another and with the domestic like product.²⁸¹ Purchasers listed quality, price, and delivery as the most important factors affecting their purchasing decisions. Because questionnaire respondents generally reported that subject and domestic producers met quality requirements, price is likely to play an important role in purchasing decisions.²⁸²

Other Considerations. Raw material costs are a substantial factor in industry profitability and vary with the costs of inputs to stainless steel, which are mainly steel scrap or iron ore and alloying elements nickel, chromium, and molybdenum.²⁸³ The domestic industry has responded to changes in raw material costs by adjusting its sales prices.²⁸⁴ As a result, the domestic industry's metal margin (defined as the difference between its average-unit sales price and the average-unit cost of raw materials) fluctuated moderately and averaged about \$*** per short ton between 2004 and 2008, although it was \$*** per short ton in 2009.²⁸⁵ The domestic industry's ratio of raw materials to sales and to total cost of

²⁷⁴ See, e.g., USITC Pub. 3707 at 20-21; 1CD at 18.

²⁷⁵ See, e.g., CR/PR at Table I-1.

²⁷⁶ See, e.g., CR at IV-1; PR at IV-1.

²⁷⁷ See, e.g., 69 Fed. Reg. 40354 (Jul. 2, 2004). Commerce already had excluded Cogne from the countervailing duty order on SSWR from Italy, as of November 7, 2003, in response to a report issued by the WTO Appellate Body concerning privatization. See, e.g., 68 FR 64858 (Nov. 17, 2003).

²⁷⁸ See, e.g., CR at I-5; PR at I-3.

²⁷⁹ See, e.g., CR at I-5 to I-7; PR at I-3.

²⁸⁰ See, e.g., CR at I-24 to I-27, V-7; PR at I-19 to I-20, V-4.

²⁸¹ See, e.g., CR at II-18 to II-31; PR at II-11 to II-21; CR/PR at Tables II-2 to II-8.

²⁸² See, e.g., CR at II-21 to II-31; PR at II-13 to II-21; CR/PR at Tables II-4 to II-8.

²⁸³ See, e.g., CR at III-15, V-1; PR at III-5. In 2009, the vast majority of the domestic industry's *** shipments consisted of *** grade SSWR, with ***. See, e.g., CR/PR at Tables III-5, IV-3. Austenitic SSWR also accounted for the vast majority of U.S. importers' total shipments and internal consumption/transfers to related firms in 2009. See, e.g., CR/PR at Table IV-4.

²⁸⁴ See, e.g., CR at III-15; PR at III-5.

²⁸⁵ See, e.g., CR at III-15; PR at III-5; CR/PR at Table III-10.

goods sold (“COGS”) rose irregularly between 2004 and 2008.²⁸⁶ The domestic industry reported that any differences in unit costs among domestic producers are attributable to differences in product mix, with NAS concentrating in 300-series commodity grades and Carpenter producing the full product line but upgrading its product mix toward more specialty grades.²⁸⁷

C. Revocation of the Antidumping Duty Orders Under Review Is Likely to Lead to Continuation or Recurrence of Material Injury

1. Likely Volume of Cumulated Subject Imports

a. Findings in the Original Investigations and First Five-Year Reviews

In the original investigations, the Commission found that the volume of cumulated subject imports rose by *** percent from 1995 to 1997 and subject imports’ market share rose from *** percent over the period. It noted that the increase in the volume of subject imports was greater than the rise in apparent U.S. consumption over the period. The Commission found the increase in volume and market share of the subject imports to be significant.²⁸⁸ At the time, the Commission cumulated imports from Italian producer Valbruna because its imports were subject to an affirmative final subsidy determination by Commerce.

In its first review determinations, the Commission noted that cumulated subject imports (which at that time included SSWR imports from Sweden that are now no longer subject to an order) had declined gradually since imposition of the orders but remained in the market, accounting for *** percent of apparent U.S. consumption. It found that the domestic industry had been unable to increase its market share until 2002-2003 due to an increase in nonsubject imports. It found that capacity and excess capacity in the subject countries had increased significantly since the original investigations. Total capacity had increased by at least *** short tons, and known excess capacity in the subject countries totaled at least *** short tons, equivalent to more than *** of apparent U.S. consumption in 2003.²⁸⁹

The Commission found several factors indicating that subject exporters were likely to increase exports to the United States to significant levels if the orders were revoked. First, the subject imports maintained their presence in the United States to a significant degree, indicating the importance of the U.S. market to the subject exporters. Second, the subject producers exported a substantial portion of their shipments, and transportation costs did not appear to provide much disincentive to shipping SSWR to the United States from Asia and Europe. Third, the United States was an attractive market. Some sources suggested that prices for SSWR generally had been lower in Asia and Europe than in the United States during the majority of the review period (although the relationship between U.S. and European prices fluctuated in 2003 and 2004), indicating that the U.S. market remained attractive. The increase in nonsubject imports until 2001 when apparent U.S. consumption fell also evidenced the attractiveness of

²⁸⁶ The ratio of raw materials to sales varied from *** percent to *** percent but was *** percent in 2009. The domestic industry’s raw material AUVs rose irregularly from \$*** per short ton to \$*** per short ton and was \$*** per short ton in 2009. The ratio of raw material costs to total COGS rose irregularly from *** percent in 2004 to *** percent in 2008 but was only *** percent in 2009. See, e.g., CR at III-15; PR at III-5; CR/PR at Table III-10.

²⁸⁷ See, e.g., CR at III-16; PR at III-5; Hearing Tr. at 17 (Feeley), 20 (Ziolkowski), 53 (Hudgens); Carpenter’s Posthearing Br. at Exh. 1 at 8, 24.

²⁸⁸ See, e.g., USITC Pub. 3126 at 14-15; OCD at 18-20.

²⁸⁹ See, e.g., USITC Pub. 3707 at 21-22; 1CD at 18-19.

the U.S. market. The safeguard measure on SSWR, described earlier, also was terminated in December 2003, which the Commission believed would make imports more competitive in the United States.²⁹⁰

The Commission found that the domestic industry was able to improve its market share to a significant degree in 2003 but noted that the U.S. market in 2003 was less than *** the size of the market in 1997, enhancing the significance of the increased subject imports it found to be likely if the orders were revoked. On that basis, the Commission concluded that the likely volume of imports of the subject merchandise, both in absolute terms and relative to production and consumption in the United States, would be significant absent the restraining effects of the antidumping orders.²⁹¹

b. The Current Reviews²⁹²

Several factors support the conclusion that cumulated subject import volume is likely to be significant in the event of revocation.

First, the volume of subject imports from the cumulated subject countries increased rapidly in the original investigations both absolutely and relative to apparent U.S. consumption and production.²⁹³ Cumulated subject imports maintained a presence in the period covered by the first reviews and only withdrew from the U.S. market completely during the most recent part of the period covered by these second reviews.²⁹⁴

Second, there is considerable production capacity in the subject countries. Collectively, subject producers in Italy, Japan, Korea, Spain, and Taiwan had an estimated capacity of more than 1.0 million short tons in 2009.²⁹⁵

Third, there is significant unused capacity in the subject countries. Although we are unable to quantify precisely the unused production capacity in each of the subject countries because of the failure of many subject producers to respond to the Commission's questionnaire in these reviews, it is clear that the excess capacity has become substantial, as the effects of the world-wide economic slowdown have deepened. Capacity utilization for Italian producer Cogne *** from *** percent in 2004 to *** percent in 2008 before dropping to *** percent in 2009.²⁹⁶ Capacity utilization for Korean producer POSCOSS *** percent in 2004 to *** percent in 2008 and *** percent in 2009.²⁹⁷ Because of a lack of participation in these reviews by subject producers of SSWR from Japan, Spain, and Taiwan, we do not have data on

²⁹⁰ See, e.g., USITC Pub. 3707 at 22; ICD at 19-20.

²⁹¹ See, e.g., USITC Pub. 3707 at 23; ICD at 20.

²⁹² Chairman Aranoff joins the Commission's analysis of the likely volume, likely price effects, and likely impact of the cumulated subject imports in the event of revocation, except that she has determined not to cumulate subject imports from Italy with those from the other subject countries. To the extent that the remainder of these views specifically refer to Italian producer Cogne, she does not join those portions of the Commission's views. In all other instances, in place of the data cited, she relies on data reported in USITC Pub. 3126 at V-8; CR/PR at Tables I-1, I-10-12, IV-1, IV-7, IV-9, IV-18-19, V-9-10; and Cogne's Posthearing Brief, Exh. 1 at 2-5, 10-11, Exh. 4, 5, and 9.

²⁹³ See, e.g., CR/PR at Table I-1 (showing the cumulated volume of subject imports from the subject countries increased from 29,393 short tons in 1995 to 35,084 short tons in 1996 and 50,851 short tons in 1997, corresponding to an increasing market share from *** percent in 1995 to *** percent in 1996 and *** percent in 1997) (including imports from Italian producer Valbruna through 1997).

²⁹⁴ See, e.g., CR/PR at Table I-1 (showing that the market share of cumulated subject imports declined from *** percent in 1998 to *** percent in 1999 and *** percent in 2000, increased to *** percent in 2001 and *** percent in 2002 and then declined to *** percent in 2003 and *** percent in 2004 before increasing to *** percent in 2005 and then declining to *** percent in 2006, *** percent in 2007, and *** in 2008 and 2009).

²⁹⁵ (Derived from CR/PR at Tables IV-9, IV-10, IV-12, IV-13, and IV-15).

²⁹⁶ See, e.g., CR/PR at Table IV-9.

²⁹⁷ See, e.g., CR/PR at Table IV-12.

current excess capacity in those countries.²⁹⁸ Nevertheless, collectively, the subject producers in Italy and Korea decreased their capacity utilization from *** percent in 2004 to *** percent in 2008 and then to *** percent in 2009. Subject producers in the other subject countries also reported having excess capacity in the original investigations and first-year reviews, when they last submitted information on their operations, as discussed above. The excess capacity available from just Italy and Korea in 2009 was *** short tons, an amount that *** apparent U.S. consumption of *** short tons in that year and that ***.²⁹⁹ The combined excess capacity of all five subject countries is likely to be significantly larger than these figures for Italy and Korea. We note that these excess capacity estimates do not even factor in any shifting of production from non-SSWR products or any shifting of volumes currently supplying other markets to the U.S. market.³⁰⁰

Fourth, subject SSWR producers depend to a significant degree on exports. Cogne's *** percent in 2004 to *** percent in 2009.³⁰¹ Despite the fact that POSCOSS reports that it *** percent in 2004 to *** percent in 2009.³⁰² Because of a lack of participation by subject producers in the other subject countries, we do not have full information on their degree of export orientation. Available information ***, however, shows that subject producers in Japan, Spain, and Taiwan exported large volumes of SSWR and that their exports were relatively large compared to available published data on their SSWR production capacity between 2004 and 2008.³⁰³ Data from the original investigations and first reviews also indicate large exports from the subject producers in Japan, Spain, and Taiwan during those periods, as discussed above.

Finally, the United States is an attractive market for subject producers.³⁰⁴ Given the capital-intensive nature of this industry and the need to operate at high capacity to spread fixed costs over a larger production volume, the aggregate excess capacity among the subject countries will likely provide a strong incentive for subject producers of SSWR to increase shipments to export markets, including the United States, if the orders are revoked. ***, illustrating the attractiveness of the U.S. market to producers in

²⁹⁸ See, e.g., CR at IV-19 to IV-20, IV-25 to IV-28; PR at IV-13 to IV-17.

²⁹⁹ Relative to apparent U.S. consumption, combined excess capacity in just Italy and Korea has grown over the current review period from *** percent in 2004 to *** percent in 2008 and *** percent in 2009. (Derived from CR/PR at Tables I-1, IV-9, IV-12).

³⁰⁰ ***. See, e.g., CR at II-6; PR at II-4. *** currently export stainless steel wire to the United States. See, e.g., CR at II-9; PR at II-5. Imports of stainless steel bar from Japan and Spain are still subject to antidumping duty orders in the United States. See, e.g., CR at I-6 to I-7; PR at I-4 to I-5.

³⁰¹ See, e.g., CR/PR at Table IV-9.

³⁰² See, e.g., CR at IV-21; PR at IV-14; CR/PR at Table IV-12.

³⁰³ See, e.g., CR/PR at Table IV-11 (showing SSWR exports from Japan of 97,392 short tons in 2008), Table IV-10 (showing production capacity of *** short tons in 2008 for subject producers in Japan); Table IV-14 (showing SSWR exports from Spain of 52,027 short tons in 2008), Table IV-13 (showing production capacity of *** short tons in 2008); and Table IV-16 (showing SSWR exports from Taiwan of 99,425 short tons in 2008), Table IV-15 (showing that Walsin Lihwa accounted for *** of the *** short tons of SSWR production capacity in Taiwan in 2008).

³⁰⁴ We also considered the other economic factors enumerated in the statute in connection with the likely volume analysis. The evidence in the record with respect to current inventories of the subject merchandise, or likely increases in inventories, is incomplete (due to the lack of information from many foreign producers) and inconclusive, although evidence in the original investigations and first reviews indicated available inventories of subject merchandise from the cumulated subject countries. See, e.g., CR/PR at Tables IV-9, IV-12. With respect to third-country import barriers, the record does not indicate that any exist on SSWR exports from the subject countries. See, e.g., CR at II-4; PR at II-4.

Europe and Asia despite the transportation costs associated with such sales, as discussed above.³⁰⁵ Moreover, concerns about transportation costs did not preclude subject producers from selling to the U.S. market during the original investigations or first reviews, as also discussed above.³⁰⁶ Data on relative prices in the U.S. and other regional markets is relatively limited on the current record, although AUV data suggest that the U.S. market is more attractive than ***, as discussed above.^{307 308} Contrary to the assertions of Cogne and POSCOSS that NAS functions as an impenetrable shield to an increased subject import presence in the U.S. market, data on the current record indicate that ***.³⁰⁹ Moreover, as also discussed above, ***, is not the only U.S. SSWR supplier. The statute requires us to consider the likely effects of revocation on the domestic industry as a whole, including on the ***.³¹⁰

Accordingly, based on the demonstrated ability of the subject SSWR producers in the subject countries to increase imports into the U.S. market rapidly and to try to stay in the U.S. market even after imposition of the antidumping duty orders, their substantial production capacity and significant combined unused capacity, their ability to shift production to SSWR from other products using the same manufacturing facilities and/or shift SSWR from downstream applications and/or shift sales from other markets, their export-orientation, and the attractiveness of the U.S. market, we find that the likely volume of cumulated subject imports, in absolute terms and relative to both U.S. production and consumption, would be significant in the event of revocation.

2. Likely Price Effects of Cumulated Subject Imports

a. Findings in the Original Investigations and First Reviews

In the original investigations, the Commission found that purchasers of SSWR considered price to be an important factor in making purchasing decisions. The subject imports from the subject countries undersold the domestic like product in 83.9 percent of comparisons,³¹¹ and the Commission found that the subject imports suppressed price increases to a significant degree. Domestic prices were declining or flat and the industry's cost of goods sold rose as a fraction of net sales even though demand was increasing.³¹²

The Commission found that the conditions of competition at the time of its first reviews were generally similar to those that prevailed during the original investigations, although at that time there was greater domestic production capacity but less demand for SSWR. It found no indication that the nature of the imported product had changed. The record indicated a moderate degree of substitutability between

³⁰⁵ See, e.g., CR/PR at Tables IV-1, IV-2; CR at IV-1; PR at IV-1.

³⁰⁶ See, e.g., CR/PR at Table I-1.

³⁰⁷ See, e.g., CR/PR at Tables IV-18, IV-19; CR at IV-30 to IV-31; PR at IV-18.

³⁰⁸ Chairman Aranoff does not join the remainder of this paragraph.

³⁰⁹ Compare, e.g., CR/PR at Tables IV-18, IV-19 with, e.g., CR/PR at Table III-9 (showing AUV data for NAS' commercial sales).

³¹⁰ See, e.g., 19 U.S.C. § 1675a(a)(1) (“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 ... ”); 19 U.S.C. § 1677(4)(A) (defining “industry” as “the producers as a whole of a domestic like product ... ”). For similar reasons, we reject arguments by Cogne and POSCOSS that the domestic industry is likely to be ***. See, e.g., Cogne's Prehearing Br. at 16-17; POSCOSS' Prehearing Br. at 6. As we found to be the case in the original investigations and first reviews, commercial shipments account for a sizeable portion of the domestic industry's total shipments that we cannot ignore under the statute. See, e.g., CR/PR at Table III-4.

³¹¹ This conclusion was based on pricing data for the subject imports that the Commission cumulated in the original investigations, and thus included data on imports from Sweden and Italian producer Valbruna, which are no longer subject to orders in these reviews.

³¹² See, e.g., USITC Pub. 3126 at 15-16; OCD at 21.

the subject imports and domestic SSWR and that price, as well as quality, were the most important factors influencing purchasing decisions.³¹³ The Commission found that subject imports continued to undersell domestic SSWR to a significant extent even with the orders in place (in 127 of 177 comparisons from 1998 to 2003), for the majority of comparisons for each of the six pricing products, and at average underselling margins of 17.9 percent.³¹⁴ The Commission found domestic prices were weak over the period of review, with domestic SSWR prices falling during 1998 and then fluctuating between 1999 and 2003.³¹⁵ Prices for raw materials fluctuated over the period and increased as a ratio to the value of net sales from *** percent. The domestic industry could not raise prices sufficiently to cover costs. Recent increases in the prices for raw materials led domestic producers to attempt to raise prices to offset these rising costs.³¹⁶

The Commission found several factors continued to make it difficult for the domestic industry to increase prices. While the industry had added capacity, demand remained below the level during the original investigations. Competition in the downstream market for wire also forced purchasers of SSWR to be particularly sensitive to price. It found that all of these factors were likely to continue to keep domestic prices for SSWR weak even with the orders in place.³¹⁷ Noting that subject imports continued to undersell domestic SSWR in order to maintain a presence in the U.S. market, the Commission found that, if the orders were revoked, purchasers of SSWR would have further leverage for obtaining lower prices from the domestic producers. Because of the substitutability of the subject imports and the importance of price in purchasing decisions, it found that the increasing volumes of subject imports would likely undersell domestic SSWR to a significant degree to regain market share. The Commission found that this underselling would likely suppress price increases and depress domestic prices to a significant degree.³¹⁸

b. The Current Reviews

In the current reviews, purchasers listed quality, price, and delivery as the most important factors affecting their purchasing decisions. Because questionnaire respondents generally reported that subject and domestic producers met quality requirements and that subject imports are highly substitutable for the domestic like product, price is likely to play an important role in purchasing decisions in the event that the antidumping duty orders on subject imports are revoked, just as it did during the original investigations.³¹⁹ The current record indicates that spot sales play a large role in the U.S. market, accounting for 90 percent or more of the four responding domestic producers' sales and over half of responding importers' sales.³²⁰

³¹³ See, e.g., USITC Pub. 3707 at 23; ICD at 21.

³¹⁴ See, e.g., USITC Pub. 3707 at 23; ICD at 13.

³¹⁵ Domestic prices for three pricing products fell by *** percent over the period, prices for two pricing products fell by approximately *** percent, and prices for one pricing product rose by *** percent. While the safeguard measure would be expected to bolster U.S. prices, the Commission found demand was weak during 2002 and 2003 so any positive effect on prices was limited, and the safeguard measure had since been revoked. See, e.g., USITC Pub. 3707 at 23; ICD at 21.

³¹⁶ See, e.g., USITC Pub. 3707 at 24; ICD at 21.

³¹⁷ See, e.g., USITC Pub. 3707 at 24; ICD at 21-22.

³¹⁸ See, e.g., USITC Pub. 3707 at 24; ICD at 22.

³¹⁹ See, e.g., CR at II-21 to II-31; PR at II-11 to II-21; CR/PR at Tables II-4 to II-8.

³²⁰ See, e.g., CR at V-4 to V-5; PR at V-2 to V-3.

Given these conditions and the relatively few purchasers of SSWR in the U.S. commercial market,³²¹ pricing information is likely to be disseminated relatively easily, and price changes are likely to occur relatively quickly.

Subject imports undersold the domestic like product at significant margins and in a majority of comparisons during the original investigations.³²² Even under the discipline of the antidumping duty orders, subject imports from the cumulated subject countries continued to undersell the domestic like product in a majority of observations and at significant margins during the period covered by the first reviews.³²³ Quarterly pricing data collected for 2004 through 2009 show only limited underselling by ***, but there were only limited or no U.S. imports of subject merchandise from each of the subject countries during this period, suggesting that the orders provided some discipline on pricing practices of the subject imports in the U.S. market in recent years.³²⁴

Between 2004 and 2008, prices for U.S.-produced SSWR generally followed raw material prices before decreasing into 2009 as the recession continued. In particular, products 1 and 2 (each at least 8 percent nickel by weight) and product 3 (at least 10 percent nickel) show a pattern similar to nickel price trends, with a large price spike in 2007 followed by a downtrend in 2008 and some price recovery in 2009. Product 6, which contains no nickel, has a much flatter trend, and products 4 and 5 had large gaps in the pricing data.³²⁵ As noted above, raw materials accounted for between *** and *** percent of domestic producers' COGS between 2004 and 2009 and raw material prices have been historically volatile, so it is important for domestic producers to be able to pass on their raw material costs through surcharges or other such means, which they were apparently generally able to do during the current review period.³²⁶

In view of the factors motivating foreign producers of the subject merchandise to increase shipments to the United States and the degree of substitutability between subject and U.S.-produced SSWR, producers in the subject countries are likely to use underselling to increase market share in the United States. The record already reflects competitive pricing in the U.S. market among domestic producers and imports from nonsubject suppliers, even though nonsubject suppliers held a declining share of the U.S. market during the review period.³²⁷ Purchasers admitted switching suppliers after imposition of the orders for price-based reasons, that they expected price-based competition in the event of revocation, and that they anticipated obtaining lower prices in the event the orders were revoked.³²⁸ We find that underselling by subject imports is likely to result in significant negative price effects in the event of revocation, particularly given the historical volatility of raw material prices, the importance of surcharges to producers in this industry, the large portion of sales on the spot market, and the competitive nature of the U.S. market, and in light of long-term trends showing generally declining demand for SSWR in the U.S. market described above. Thus, given the likely significant volume of cumulated subject imports, the importance of price in the SSWR market, the interchangeability of subject imports and the domestic like product, the adverse price effects of low-priced imports in the original investigations and the first reviews even with the orders in place, and evidence of long-term declines in apparent U.S.

³²¹ See, e.g., CR at II-18; PR at II-11; Cogne's Posthearing Br. at 9-10, Exh. 1 at 7-8 (identifying *** as the main purchasers of SSWR in the U.S. market during the review period).

³²² See, e.g., CR/PR at Table V-10 (stating that at least some of the data for Italy concern imports from Valbruna, which is no longer subject to any order).

³²³ See, e.g., CR/PR at Table V-9.

³²⁴ See, e.g., CR/PR at Table I-1, V-8.

³²⁵ See, e.g., CR at V-7 to V-8; PR at V-5; CR/PR at Tables V-1 to V-6, Figure V-2, Appendix F.

³²⁶ See, e.g., CR at V-1 to V-2; PR at V-1; CR/PR at Appendix F.

³²⁷ See, e.g., CR/PR at Table I-1.

³²⁸ See, e.g., CR at II-18 to II-31; PR at II-11 to II-21.

consumption of SSWR, we conclude that, if the orders under review were revoked, significant volumes of cumulated subject imports from Italy, Japan, Korea, Spain, and Taiwan would significantly undersell the domestic like product to gain market share and likely would have significant depressing and/or suppressing effects on prices of the domestic like product.

3. Likely Impact of Cumulated Subject Imports³²⁹

a. Findings in the Original Determinations and First Reviews

In the original investigations, the Commission found that the domestic industry's production and capacity utilization fell during each year of the period of investigation. Its shipments fell over the period as did employment levels. The domestic industry's financial performance also generally deteriorated and the domestic industry's operating profits declined from 1995 to 1996, before turning into operating losses in 1997.³³⁰

In its five-year review determinations, the Commission found that the condition of the domestic industry had deteriorated and found the industry to be vulnerable. The industry ***. The domestic industry's total sales fell over the period, and the cost of goods sold including raw material costs did not fall as quickly, resulting in losses. Raw material prices had begun to increase and the Commission found this would place further pressure on the domestic industry's financial condition. While the domestic industry captively consumed a portion of its production, the Commission found that the current level of captive consumption was lower than the level during the original investigations when the Commission found the domestic industry to be materially injured by subject imports.³³¹

Although the domestic industry had increased its capacity as a result of the start-up of Charter and NAS in 2001 and 2003 respectively, domestic production fell over the period, decreasing from 1998

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

Commerce conducted expedited sunset reviews of each of the antidumping duty orders. With respect to the antidumping duty order on subject imports from Italy, Commerce found likely margins of 11.25 percent for Cogne and all others. With respect to the antidumping duty order on subject imports from Japan, Commerce found likely margins of 34.21 percent for Daido, 21.18 percent for Nippon, 34.21 percent for Sanyo, 34.21 percent for Sumitomo, and 25.26 percent for all others. With respect to the antidumping duty order on subject imports from Korea, Commerce found likely margins of 5.77 percent for Dongbang, Changwon, POSCO, and all others, and a margin of 28.44 percent for Sammi. With respect to the antidumping duty order on Spain, Commerce found a likely margin of 2.71 percent for Roldan and all others. With respect to the antidumping duty order on subject imports from Taiwan, Commerce found a likely margin of 8.29 percent for Walsin Cartech and all others. See, e.g., CR/PR at Table I-5. The lower antidumping duty margins for Italy and Spain and the revocation of the antidumping duty order on SSWR from Sweden result from Commerce's determinations issued under section 129 of the URAA (19 U.S.C. § 3538(b)(2)) in response to the WTO panel report in United States – Laws, Regulations, and Methodology for Calculating Dumping Margins (Zeroing) (EC). See, e.g., 72 Fed. Reg. 25261 (May 4, 2007) (notice of determinations under Section 129 of the Uruguay Round Agreements Act and revocations and partial revocations of certain antidumping duty orders).

³³⁰ See, e.g., USITC Pub. 3126 at 17-19; OCD at 22-24.

³³¹ See, e.g., USITC Pub. 3707 at 25-26; 1CD at 23.

to 2001 and then recovering only somewhat in 2002 and 2003. Consequently, the industry's capacity utilization fell from *** percent in 1998 to *** percent in 2003.³³²

The Commission found that neither the antidumping duty orders nor the safeguard measure enabled the industry to improve its position over the period. In the face of a recession and weak demand, both subject and nonsubject imports continued to capture a significant portion of the U.S. market despite the domestic industry's additions to capacity, which should have enabled it to increase its market share with the antidumping duty orders in place. The industry was unable to increase its market share until 2003, when nonsubject and subject imports declined. The Commission also found that the domestic industry's employment levels and capital expenditures reflected the weakness of the domestic industry.³³³

Based on its findings that revocation of the antidumping duty orders would likely lead to a significant increase in the volume of subject imports that would undersell the domestic like product and significantly suppress or depress already weak U.S. prices, it found that the volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of a vulnerable domestic industry. These reductions, in turn, would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, the Commission concluded in the first reviews that, if the antidumping duty orders were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.³³⁴

b. The Current Reviews

The condition of the domestic industry declined irregularly between 2004 and 2009, before deteriorating dramatically in 2009. Apparent U.S. consumption declined from *** short tons in 2004 to *** short tons in 2005, increased to *** short tons in 2006 but then declined to *** short tons in 2007, increased to *** short tons in 2008, and declined substantially to *** short tons in 2009.³³⁵ The domestic industry's SSWR production, U.S. shipments, net sales quantities, and capacity utilization followed a similar trend.³³⁶ The domestic industry's capacity increased from *** short tons in 2004 to *** short tons in 2005, decreased to *** short tons in 2006, increased to *** short tons in 2007, but then decreased to *** short tons in 2008 and *** short tons in 2009.³³⁷ The domestic industry's employment-related indicators showed similar patterns.³³⁸ In terms of the domestic industry's financial performance, gross

³³² See, e.g., USITC Pub. 3707 at 26; 1CD at 23.

³³³ See, e.g., USITC Pub. 3707 at 26; 1CD at 24.

³³⁴ See, e.g., USITC Pub. 3707 at 26-27; 1CD at 24.

³³⁵ See, e.g., CR/PR at Table I-1.

³³⁶ The domestic industry's production decreased from *** short tons in 2004 to *** short tons in 2005, increased to *** short tons in 2006, before decreasing to *** short tons in 2007, increasing to *** short tons in 2008, and decreasing to *** short tons in 2009. U.S. shipments decreased from *** short tons in 2004 to *** short tons in 2005, increased to *** short tons in 2006, before decreasing to *** short tons in 2007, increasing to *** short tons in 2008, and decreasing to *** short tons in 2009. Net sales quantities decreased from *** short tons in 2004 to *** short tons in 2005, increased to *** short tons in 2006, before decreasing to *** short tons in 2007, increasing to *** short tons in 2008, and then decreasing to *** short tons in 2009. Capacity utilization declined from *** percent in 2004 to *** percent in 2005, increased to *** percent in 2006, declined to *** percent in 2007, increased to *** percent in 2008, and then declined to *** percent in 2009. See, e.g., CR/PR at Table I-1.

³³⁷ See, e.g., CR/PR at Table I-1.

³³⁸ The domestic industry's production and related workers (PRWs) decreased from *** in 2004 to *** in 2005 and then increased to *** in 2006 and *** in 2007 before declining to *** in 2008 and *** in 2009. The number of hours worked increased irregularly from *** in 2004 to *** in 2007 and then declined to *** in 2009. Hourly

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profits were greatest in 2007 but were losses in 2009. The domestic industry recorded an operating margin of positive *** percent in 2004, negative *** percent in 2005, negative *** percent in 2006, positive *** percent in 2007, positive *** percent in 2008, and negative *** percent in 2009.³³⁹ The industry's capital expenditures increased from \$*** in 2004 to \$*** in 2005, decreased to \$*** in 2006, increased to \$*** in 2007 and \$*** in 2008, but then declined to \$*** in 2009.³⁴⁰ We find, based on these data, particularly the sharp declines in 2009, that the domestic industry is in a weakened state and therefore vulnerable to the likely volume and price effects of subject imports.

As discussed in previous sections, we conclude that revocation of the antidumping duty orders on imports of SSWR from Italy, Japan, Korea, Spain, and Taiwan would likely lead to a significant increase in the cumulated volume of subject imports that would likely undersell the domestic like product and significantly suppress or depress U.S. prices. We find that the likely volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These reductions would have a direct adverse impact on the industry's profitability and employment as well as its ability to raise capital and make and maintain necessary capital investments. We conclude that, if the antidumping duty orders were revoked, subject imports from Italy, Japan, Korea, Spain, and Taiwan would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

We have considered the likely role of nonsubject imports in the U.S. market. As discussed above, nonsubject imports took on an increasingly significant role in the U.S. market after the imposition of the antidumping duty orders but have since reduced their market presence.³⁴¹ We find that nonsubject imports are not likely to prevent subject imports from reentering the U.S. market in the event of the revocation of the antidumping duty orders. The presence of these imports from nonsubject producers from the subject countries and from nonsubject countries does not diminish the attractiveness of the U.S. market to producers in the subject countries, especially given the large amount of unused subject capacity. We note that nonsubject imports were sharply lower in 2009 (*** percent market share compared to *** percent market share in 2008) and that, although this decline may not be permanent, it is likely to provide increased opportunity for likely competitively priced subject imports to reenter the U.S. market, at least in the reasonably foreseeable future. Accordingly, we find that cumulated subject imports are likely to have a significant adverse impact upon the domestic industry in the event of revocation, notwithstanding the presence of nonsubject imports in the U.S. market.

Finally, we have considered the likely future effects of suppressed demand for SSWR on the domestic industry. The global economic crisis has adversely affected the domestic industry through lower industry sales volumes, capacity utilization, and prices. It is unclear when U.S. demand will improve. Nevertheless, for the reasons described above, we find that subject imports would further reduce domestic sales volumes and prices significantly and thus would be likely to have a significant adverse impact on the domestic industry in the event of revocation regardless of demand levels. We also note that subject imports increased and gained market share while demand increased during the period covered by the original investigations and continued to maintain a presence in the U.S. market during the

³³⁸ ...continue

wages increased from \$*** in 2004 to \$*** in 2005 and \$*** in 2006 before declining to \$*** in 2007, increasing to \$*** in 2008, and then declining to \$*** in 2009. Productivity in short tons per hour declined from *** in 2004 to *** in 2005, increased to *** in 2006, declined to *** in 2007, increased to *** in 2008, and declined to *** in 2009. See, e.g., CR/PR at Table I-1.

³³⁹ See, e.g., CR/PR at Table I-1; CR at III-9; PR at III-4.

³⁴⁰ See, e.g., CR/PR at Table I-1; CR at III-9; PR at III-4.

³⁴¹ See, e.g., CR/PR at Table I-1.

period covered by the first reviews, even after imposition of the antidumping duty orders, despite an overall decline in U.S. demand between 1998 and 2003.³⁴²

CONCLUSION

For the above reasons, we determine that revocation of the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

³⁴² See, e.g., CR/PR at Table I-1.

DISSENTING VIEWS OF CHAIRMAN SHARA L. ARANOFF WITH RESPECT TO SUBJECT IMPORTS FROM ITALY
AND
SEPARATE AND DISSENTING VIEWS OF VICE CHAIRMAN DANIEL R. PEARSON AND COMMISSIONER DEANNA TANNER OKUN WITH RESPECT TO SUBJECT IMPORTS FROM ITALY, JAPAN, KOREA, SPAIN, AND TAIWAN

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended, that revocation of the antidumping duty orders on stainless steel wire rod (“SSWR”) from Japan and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, and that revocation of the antidumping duty orders on SSWR from Italy, Korea, and Spain 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.³⁴³

We join the Views of the Commission concerning background, domestic like product, domestic industry, the no discernible adverse impact and likelihood of a reasonable overlap of competition sections of the cumulation analysis with respect to subject imports from Japan and Taiwan, and the legal standard governing five-year reviews. We write separately, however, with respect to our cumulation analysis of the likely conditions of competition that are distinctive to the affected industry, and our analysis of the likelihood of continuation or recurrence of material injury if the antidumping duty orders regarding subject imports from Italy, Japan, Korea, Spain, and Taiwan are revoked.³⁴⁴

I. CUMULATION

A. Legal Standard

While we consider the same issues discussed in the Commission’s Views in determining whether to exercise our discretion to cumulate the subject imports, our analytical framework begins with whether imports from the subject countries are likely to face similar conditions of competition.³⁴⁵ For those

³⁴³ Chairman Aranoff joins only sections I.B.2 and II.C of these Dissenting Views with respect to subject imports from Italy. She determines that revocation of the antidumping duty orders with respect to Korea and Spain would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time and joins the Views of the Commission with respect to subject imports from Japan, Korea, Spain, and Taiwan.

³⁴⁴ Chairman Aranoff joins the Commission’s Views with respect to the legal standard for cumulation, cumulation of subject imports from Japan, Korea, Spain and Taiwan, and her determination that revocation of the antidumping duty orders on subject imports from Japan, Korea, Spain, and Taiwan on a cumulated basis would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. She only joins these Dissenting Views with respect to her determination not to cumulate subject imports from Italy with other subject imports because imports from Italy are likely to compete in the United States market under different conditions of competition and her determination that revocation of the antidumping duty order on subject imports from Italy would not be likely to lead to continuation or recurrence of material injury to the domestic industry producing SSWR within a reasonably foreseeable time.

³⁴⁵ See Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Invs. Nos. 731-TA-873 to 875, 877 to 880, and 882 (Review), USITC Pub. 3933 (July 2007) (Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation). Accord Nucor Corp. v. United States, 605 F. Supp.2d 1361, 1372 (Ct. Int’l Trade 2009); Nucor Corp. v. United States, 594 F. Supp.2d 1320, 1345-47 (Ct. Int’l Trade 2008), aff’d Slip Op. 2009-1234, -1235 (Fed Cir., April 7,

continue...

subject imports which are likely to compete under similar conditions of competition, we next proceed to consider whether there is a likelihood of a reasonable overlap of competition whereby those imports are likely to compete with each other and with the domestic like product. Finally, if based on that analysis we intend to exercise our discretion to cumulate one or more subject countries, we analyze whether we are precluded from cumulating such imports because the imports from one or more subject countries, assessed individually, are likely to have no discernible adverse impact on the domestic industry.

B. Analysis of Likely Conditions of Competition Among Subject Imports³⁴⁶

In determining whether to exercise our discretion to cumulate subject imports, we first assess whether the subject imports from each subject country are likely to compete under similar conditions of competition in the U.S. market if the orders are revoked.³⁴⁷ Based on our cumulation analysis, we find significant differences in the conditions of competition between the subject imports from Japan and Taiwan, and subject imports from Italy, Korea, and Spain. We therefore exercise our discretion to cumulate the likely volume and effects of subject imports from Japan and Taiwan, and to assess the likely volume and effects of subject imports from Italy, Korea, and Spain separately from any other country.

1. Japan and Taiwan

In the original investigations, subject imports from Japan and Taiwan drove the rapid increase in import volume. Subject imports from Japan increased from *** short tons in 1995 to *** short tons in 1997, an increase of *** percent in just two years. Subject imports from Taiwan increased at an explosive rate, leaping from just *** short tons in 1995 to *** short tons in 1997. The rate of increase in volume of subject imports from Japan and Taiwan easily outstripped that of any other subject country, nonsubject imports, or overall demand, as measured by apparent U.S. consumption.³⁴⁸ These dynamic increases in volume were accompanied by sharp drops in average unit values.³⁴⁹

The antidumping orders on Japan and Taiwan were imposed in September 1998. By 1999, subject imports from Japan had fallen to *** tons, down nearly *** percent from the peak just two years earlier, and down nearly *** percent from the 1995 starting point. Subject import volume from Japan continued to dwindle thereafter until *** after 2007; there were *** subject imports from Japan in 2008 and 2009.³⁵⁰ Subject imports from Taiwan in 1999 were *** short tons, down *** percent from the 1997

³⁴⁵ ...continue
2010).

³⁴⁶ Chairman Aranoff joins only subsection 2 of this section, concerning subject imports from Italy.

³⁴⁷ See, e.g., Nucor Corp. v. United States, Slip Op. 2009-1234, -1235 at 7-10 (Fed. Cir., April 7, 2010) (“the ITC’s consideration of the likely differing conditions of competition in deciding whether to cumulate the subject imports as part of the sunset review determination was a reasonable and permissible interpretation of the discretion conferred by § 1675a(a)(7). . . .” Id. at 10.), aff’g, 594 F. Supp.2d 1320 (Ct. Int’l Trade 2008); Allegheny Ludlum Corp. v. United States, 475 F. Supp. 2d 1370, 1378 (Ct. Int’l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); Nucor Corp. v. United States, 605 F. Supp.2d 1361, 1369-72 (Ct. Int’l Trade 2009); Nucor v. United States, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int’l Trade 2008); United States Steel Corp. v. United States, Slip Op. 08-82 (Aug. 5, 2008).

³⁴⁸ CR/PR at Table I-1.

³⁴⁹ CR/PR at Table I-1.

³⁵⁰ CR/PR at Table I-1.

peak. There was a brief increase in 2001, but after 2003 subject imports from Taiwan, like those from Japan, declined significantly. Total subject imports from Taiwan in 2009 were just *** short tons.³⁵¹

The record in the original investigations demonstrated that subject producers in Japan and Taiwan were capable of responding quickly and intensively to openings in the U.S. market. The volume trends since the orders were imposed suggest that the orders were responsible for largely excluding subject imports from Japan and Taiwan from the U.S. market. During the original investigations, eight Japanese SSWR producers, with a reported production capacity of *** in 1997, and two subject Taiwanese SSWR producers, with a reported production capacity of *** in 1997, provided useable data to the Commission.³⁵² In the first and second reviews, the Commission received no useable data from SSWR producers in Japan and incomplete data from a subject SSWR producer in Taiwan for those review periods.³⁵³ In the current reviews, based on data submitted by *** from market research company ***, subject SSWR production capacity has increased to *** in Japan and *** in Taiwan.³⁵⁴ Nothing in the record suggests that producers in those two countries are operating under conditions of competition any different from those found in the original investigations. We therefore exercise our discretion to assess cumulatively the volume and effect of subject imports from Japan and Taiwan.

2. Italy

Evidence gathered in these reviews suggests that the remaining subject producer in Italy,³⁵⁵ Cognac, would operate under conditions of competition differing from those facing the other subject producers if the orders were revoked. In the original investigations, the volume of U.S. imports of SSWR from Italy was actually lower in 1997, at *** short tons, than in the first year of the period of investigation. Italy's market share fell from *** percent in 1995 to *** percent in 1997. Of the five subject countries, Italy was the only one that saw declines in volumes or market share.³⁵⁶

The imposition of the orders had an immediate and significant effect on imports from Cognac. Imports from Italy had been *** percent of apparent U.S. consumption in 1997 (of which Cognac supplied *** percent)³⁵⁷, but in 1998, subject imports accounted for *** percent. The imposition of the orders eventually drove most subject imports out of the U.S. market, but subject imports from Italy exited first

³⁵¹ CR/PR at Table I-1.

³⁵² OCR at VII-7 and VII-19, and Tables VII-3 and VII-8. Despite relatively high capacity utilization levels for the Japanese SSWR producers in the original investigations, the volume of their excess capacity in 1997 is equivalent to about *** of the apparent U.S. consumption in 2009. During the original investigations, the Japanese SSWR producers exported about *** of their total shipments. OCR at Table VII-3. During the original investigations, the subject Taiwanese SSWR producers increased their production capacity by about *** from 1995 to 1997, to *** in 1997. As production capacity increased, subject Taiwanese producers' exports as a share of their total shipments increased from *** in 1997. OCR at Table VII-8.

³⁵³ CR at IV-19, PR at IV-13 and CR at IV-27, PR at IV-16. In the first reviews, the Commission received incomplete data from Taiwanese SSWR producer, Walsin Lihwa Corp. CR at IV-27, PR at IV-16. The Commission received no response from Taiwan in these second reviews. CR at IV-27, PR at IV-16.

³⁵⁴ CR/PR at Tables IV-10 and IV-15.

³⁵⁵ While there are two SSWR producers in Italy, Valbruna received a *de minimis* antidumping duty margin from Commerce in the original investigations and has not been subject to an antidumping duty order. Valbruna remained subject to a countervailing duty order on subject imports from Italy, until that order was revoked by Commerce in July 2004. CR at IV-15, n.5, PR at IV-12, n.5. Valbruna accounted for *** of Italy's exports to the United States in 1997, and accounts for *** of its fairly traded exports during the current review period. CR at IV-14, PR at IV-12 and Table I-1.

³⁵⁶ CR/PR at Table I-1.

³⁵⁷ CR at IV-14, PR at IV-12.

and have stayed out of the market since.³⁵⁸ Indeed, evidence gathered in the first reviews indicated that the subject producer in Italy adjusted to its exclusion from the U.S. market without significant difficulty. The industry operated at high levels of capacity utilization. Cogne exported the majority of its shipments, but it found large markets in Asia as well as in *** and the European Union.³⁵⁹

The record gathered in these second reviews indicate that the subject producer is still an active exporter.³⁶⁰ While the record indicates that in 2009 the industry operated at a significantly lower rate of capacity utilization, the rate for 2004 to 2008 and during the first period of review was similar to that reported in the original investigations.³⁶¹ But the firm's apparent heavy reliance on exports is somewhat misleading. The vast majority of its export shipments are in fact ***.³⁶² Another significant portion of Cogne's exports are shipped within the European Union, a market described by Cogne as being significantly larger than the U.S. market.³⁶³ Shipments within the EU are more analogous to home market shipments than true exports for Cogne and have significantly lower transportation costs than shipments to extra-European markets.³⁶⁴ Furthermore, the EU has expanded since our first reviews, adding 12 new member states.³⁶⁵ Cogne also exports to Asia, and its exports to Asia have risen from *** percent of its shipments in 2004 to *** percent in 2009.³⁶⁶ The increase in shipments in Asia is largely a result of ***.³⁶⁷

Shipments to the U.S. market did not increase significantly, either relatively or absolutely, during the original investigations, trends which set Italy apart from all other remaining subject countries. In the years since the orders were imposed, the Italian producer successfully found other markets. Cogne has unique advantages regarding most of its exports, either through ownership ties, proximity, or the advantages of common currency and reduced trade barriers. While it is reasonable to presume that all SSWR manufacturers seek to maximize production, Cogne has successfully done so without access to the U.S. market since the orders were imposed.³⁶⁸ On balance, we find that the subject producer in Italy likely would face conditions of competition different from those faced by producers in other subject countries. We therefore assess the volume and effects of subject imports from Italy separately from any other subject country.

³⁵⁸ CR/PR at Table I-1.

³⁵⁹ USITC Pub. 3707 at 34.

³⁶⁰ CR/PR at Table IV-9. While Italy is a net importer, we recognize that this is not primarily due to Cogne transfers and thus we have not relied on it in our analysis. Cogne posthearing brief at Exh. 1, pp.10-11.

³⁶¹ During the original investigations, SSWR producers in Italy had capacity utilization levels ranging from a low of ***. OCR at Table VII-2. In the first reviews, the subject Italian capacity utilization levels ranged from a low of ***. ICR at Table IV-5. In the current reviews, the subject Italian capacity utilization levels for the 2004 to 2008 period ranged from a low of ***, and then declined to *** in 2009. CR/PR at Table IV-9.

³⁶² CR at IV-16, PR at IV-13

³⁶³ CR at IV-16, PR at IV-13 Cogne posthearing brief at Exh. 1, pp. 2-3.

³⁶⁴ Cogne posthearing brief at Exh. 1, pp. 2-3. See, e.g., Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, and Germany, Invs. Nos. 731-TA-707-709 (Second Review), USITC Pub. 3918 at 13 (May 2007).

³⁶⁵ CR at IV-16 n.8, PR at IV-13 n.8.

³⁶⁶ CR/PR at Table IV-9.

³⁶⁷ CR at IV-16, PR at IV-13.

³⁶⁸ Chairman Aranoff finds that, unlike the SSWR industries in the other subject countries, Cogne has little or no incentive to seek to optimize its capacity utilization by aggressively seeking new export markets. Cogne submitted un rebutted evidence that its capacity utilization, while low in 2009, has rebounded to high levels in 2010. Cogne posthearing brief at Exh. 1, p.4. Accordingly, she finds that subject imports from Italy will compete under different conditions of competition in the U.S. market than will imports from the other subject countries.

3. Korea

In the original investigations, subject imports from Korea increased at a far less significant rate than did subject imports from Japan or Taiwan, and to some degree less than subject imports from Spain. Evidence gathered in these reviews³⁶⁹ suggest that the industry in Korea will operate under conditions of competition that distinguish it from the industries in the other subject countries.

The imposition of the orders did not have an immediate effect on the volume of imports from Korea. Subject imports from Korea remained close to pre-order levels through 2000 but decreased sharply thereafter, and virtually disappeared from the U.S. market after 2005, despite relatively low dumping margins.³⁷⁰ The Korean industry has consolidated to a single SSWR producer since 2006, and production capacity has remained at virtually the same level it was during the first reviews which was only slightly higher than during the original investigations.³⁷¹ As evident in the first five-year reviews, the home market remains the primary focus for Korean SSWR shipments, accounting for between *** of SSWR shipments during the period examined in these reviews.³⁷² The subject producer in Korea still ships to export markets,³⁷³ but gradually shifted to, and has maintained, receptive and valuable markets away from the United States.³⁷⁴ The principal destination for Korean SSWR exports continues to be to purchasers in Asia, which accounted for a low of *** in 2004 and a high of *** in 2008 of all Korean SSWR shipments during the period examined in these reviews.³⁷⁵ Thus, even though the export market is not insignificant, the Korean producer has found outlets other than the U.S. market for its exports.

The record gathered in these reviews indicates that the producer in Korea would face conditions of competition different from those faced by producers in the other subject countries. First, the principal market for Korean SSWR shipments continues to be its home market, unlike the shipment patterns for other subject countries. Second, subject imports from Korea remained in the U.S. market after imposition of the orders, and, despite low dumping margins, gradually exited as the Korean producer developed export markets outside the United States. Third, Korean capacity has remained steady since the original investigations. These distinctions suggest that the Korean producer would respond to revocation differently than producers in the other subject countries. We therefore assess the volume and effects of subject imports from Korea separately from any other subject country.

³⁶⁹ In the current reviews, the Commission received usable data from POSCOSS, which is estimated to account for *** percent of total SSWR rod production in Korea in 2009. CR at IV-21, PR at IV-14.

³⁷⁰ CR/PR at Tables I-1 and I-5.

³⁷¹ Korea's reported SSWR capacity was *** short tons (white coil) in 1997 (original investigations), *** short tons (white coil) from 1998 to 2003 (first five-year reviews), and *** short tons from 2004 to 2009 (second five-year reviews). OCR at Table VII-4, 1CR at Table IV-11, CR at Table IV-12.

³⁷² CR/PR at Table IV-12.

³⁷³ The export market accounted for between *** percent of SSWR shipments in the period examined in these reviews. CR/PR at Table IV-12.

³⁷⁴ During the first reviews, shipments to the U.S. market accounted for *** percent of shipments in 1998 but only *** percent by 2003, while shipments to purchasers in Asia shifted from *** percent in 1998 to *** percent of all shipments in 2003. 1CR/1PR at Table IV-11.

³⁷⁵ CR/PR at Table IV-12. As discussed below, the Asian markets are expanding and forecasted to experience the highest rate of increase in demand. CR at IV-24 and 30, PR at IV-15 and IV-18. Based on the *** demand for wire rod is projected to increase by *** per year through 2012 whereas demand in Europe and the United States are projected to increase by ***, respectively. ***. POSCOSS reports in its 2010 business plan ***. CR at IV-24, PR at IV-15.

4. Spain

In the original investigations, subject imports from Spain were the smallest in volume and increased at a far less significant rate than did subject imports from Japan or Taiwan.³⁷⁶ Evidence gathered in these reviews suggests that subject producers in Spain will operate under conditions of competition that distinguish them from the industries in the other subject countries.

The volume of subject imports from Spain did not change significantly after the orders were imposed, and actually increased in some years, but remained close overall to pre-order levels through 2003. These imports were subject to the second lowest initial dumping margins of any of the countries subject to these investigations.³⁷⁷ We found in the first five-year reviews that the continued steady presence of these imports suggested that they had found purchasers relatively insensitive to the uncertainties posed by the orders, and that revocation would have little effect on volume.

Moreover, after 2003, the pattern changed; subject imports from Spain virtually disappeared from the U.S. market, coinciding with the start-up of SSWR production by U.S. producer North American Stainless (“NAS”) in July 2003.³⁷⁸ U.S. producer NAS, and the largest Spanish producer, Roldan, are related as wholly-owned subsidiaries of Acerinox, S.A.³⁷⁹ Prior to 2003 or 2004, Roldan was the only significant exporter to the U.S. market.³⁸⁰ While there is evidence in these reviews that these subsidiaries are ***³⁸¹ the evidence also demonstrates that with the emergence of NAS as the dominant U.S. producer, subject imports from Spain have largely left the U.S. market.³⁸²

In short, conditions of competition have changed for producers in Spain in ways that likely would affect the way they respond to revocation. They remained in the U.S. market after the order and only left the U.S. market, despite low dumping margins, after the related U.S. producer commenced SSWR production and gained an increasing foothold in the U.S. market.³⁸³ Producers in Spain will thus be operating under conditions of competition significantly different from those facing them during the original investigations, and also significantly different from those likely to face producers of subject merchandise in Japan or Taiwan, or even those in Italy or Korea. We therefore exercise our discretion to assess the volume and effect of subject imports from Spain separately from any other subject country.

³⁷⁶ CR/PR at Table I-1.

³⁷⁷ CR/PR at Table I-5. For Spain, the final margin determined by Commerce in the original investigations was 4.72 percent.

³⁷⁸ CR at III-2, PR at III-1.

³⁷⁹ CR at IV-25, PR at IV-15.

³⁸⁰ Hearing Tr. at 52 (Lasoff). During the original investigations, two Spanish SSWR producers were identified, Roldan and Olarra, S.A., and both provided information to the Commission. Roldan reportedly dominated the Spanish SSWR industry, accounting for *** of SSWR production in Spain and *** of SSWR exports to the U.S. market. OCR at VII-15. In the first and second reviews, neither firm provided information to the Commission. In the current reviews, *** submitted data regarding the Spanish industry from market research company *** which, in addition to ***, identified a ***. Based on this data, *** in 2009. CR/PR at Table IV-13.

³⁸¹ Petitioners’ posthearing brief, Exh. 1, p.2 and Exh. 4; CR at IV-25, PR at IV-15.

³⁸² CR/PR at Table I-1 and I-8.

³⁸³ At the Commission’s hearing, NAS’ Vice President indicated that Roldan would not ship to the United States if it could do so at a better price than NAS because “the investment originates from Spain here at North American Stainless, and whether it’s rod in this instance or even flat products we do not elect to compete with ourselves, and therefore there would be {no} interest on Roldan’s part, capacity or not, to bring the product here, mostly owing to the fact it’s an investment of theirs, let alone the excess capacity NAS now has. It would not serve the company.” Hearing Tr. at 47-48 (Feeley). In an affidavit submitted in Carpenter’s posthearing brief, “NAS has indicated in its questionnaire that ***. NAS’QR at Question I-3. NAS is not affirmatively requesting that the Commission revoke the antidumping duty order on stainless steel wire rod from Spain.” Petitioners’ Posthearing Brief, Exhibit 4 at 1.

5. Conclusion

We join in the Commission majority's findings in Sections IV.C-D with respect to subject imports from Japan and Taiwan, and therefore concur with the finding that there likely would be a reasonable overlap of competition between subject imports from Japan and Taiwan, and do not find that subject imports from these subject countries would likely have no discernible adverse impact on the domestic industry in the event of revocation of the orders. Therefore, we exercise our discretion to cumulate subject imports from Japan and Taiwan, and to assess the likely subject imports from Italy, Korea, and Spain separately from any other country. Based on our cumulation determination, we have examined the likelihood of continuation or recurrence of material injury if the antidumping duty orders are revoked.

II. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDERS ON SUBJECT IMPORTS ARE REVOKED

We join in Section V.A of the Commission's Views, which discusses the legal standards.³⁸⁴

A. Conditions of Competition and Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."³⁸⁵

1. Demand

Demand for SSWR depends primarily on demand for the downstream products in which SSWR is used. Specifically, SSWR is used to produce stainless steel wire, stainless steel bars, and for applications that require the special corrosion-resistant characteristics of this stainless steel product, such as in end uses in automotive, medical instruments, and general manufacturing industries.³⁸⁶ As such, SSWR does not have its own business cycle but rather reflects trends in general economic conditions and in the industries for which it is used.³⁸⁷

Apparent U.S. consumption increased over the original period of investigations. Apparent U.S. consumption in 1997 was *** short tons, up *** percent from the 1995 level of *** short tons.³⁸⁸ In its original determination, the Commission attributed the increase in demand to general growth in the economy and also the use of SSWR in "new and expanding applications such as bar conversion and automotive applications, and replacement of carbon steel products."³⁸⁹

The last year of the period examined in the original investigations has proven to be a peak for SSWR demand. Apparent consumption in the United States reached *** short tons in 2000, the second full year of the orders, but even that peak was *** below the 1997 level. In this current period of review, apparent consumption was at its highest in the first year, 2004, at *** short tons, down *** percent from

³⁸⁴ Chairman Aranoff also joins in Section V.B and C of the Commission's Views with respect to its analysis and determinations insofar as it addresses likely conditions of competition and volume, price effects, and impact of subject imports from Japan, Korea, Spain, and Taiwan.

³⁸⁵ 19 U.S.C. § 1675a(a)4.

³⁸⁶ CR at II-13, PR at II-8.

³⁸⁷ CR at II-16, PR at II-10.

³⁸⁸ CR/PR at Table I-1.

³⁸⁹ USITC Pub. 3126 at 14, citing II-2.

the 1997 peak. In 2009, apparent U.S. consumption was just *** short tons.³⁹⁰ Questionnaire respondents generally reported expectations that demand would continue to fluctuate but recover somewhat in the reasonably foreseeable future as economic conditions improve.³⁹¹

Domestic producers indicate that demand will rise 24 percent over the next three years. Production in the automotive market is expected to increase 25 percent in 2010 alone. But growth in other areas is likely to be slow in 2010 and modest in subsequent years, leaving apparent U.S. consumption well below even 2008 levels.³⁹² Respondent Cogne notes that the decline in demand for SSWR was more *** than the decline in demand for stainless steel bar, but expects the worldwide market for stainless steel long products to reach ***.³⁹³

2. Supply

a. Domestic producers

In the original investigations, five domestic producers were identified: Al Tech, Carpenter, Republic, Talley, and ***; *** toll produced for ***.³⁹⁴ Total domestic production capacity in 1997 was substantially less than apparent U.S. consumption.³⁹⁵ Even operating at peak capacity utilization, the domestic industry was unable to supply all the needs of the U.S. SSWR market.³⁹⁶

The domestic industry has changed significantly since the original determination. Republic ceased SSWR operations; Talley was acquired by Carpenter; Al Tech reorganized under Chapter 11, emerged as Empire Specialty Steel, shut down, had its assets purchased by Dunkirk, and began operating again in 2002. Avesta Sheffield merged with Outokumpu Stainless and ***. Finally, two new producers entered the U.S. market: Charter Specialty Steel constructed a finishing mill and began production in 2001, using as raw material billets purchased ***. Charter closed permanently in 2008 and sold its finishing mill in January 2010. Finally, in 2003, North American Steel (NAS), which is affiliated with Roldan, a producer of subject merchandise in Spain, began U.S. production in 2003, with continuous casting, combination rod/bar mill, and finishing facilities for SSWR and stainless steel bar.³⁹⁷

NAS accounted for only *** percent of production in 2003, the last year of the first review period. Carpenter accounted for *** percent of domestic production that year and its affiliate Talley, acquired in 1998, accounted for *** percent. In 2009, however, NAS accounted for *** percent of domestic production, while Carpenter/Talley accounted for *** percent. NAS's growing importance in the domestic industry was most clearly shown in the merchant market. NAS *** than does Carpenter, instead directing a substantial *** of its production to merchant market sales. In 2004, NAS accounted for *** percent by quantity of commercial sales by domestic producers; in 2009, that share was *** percent. NAS's increasing dominance in the merchant market has come mostly at the expense of Carpenter. Carpenter's commercial sales fell from *** in 2004 to *** the next year, and its share of commercial sales by domestic producers fell from *** percent in 2004 to *** percent in 2009.³⁹⁸ The industry did continue to devote the majority of its total shipments to internal consumption, but the share

³⁹⁰ CR/PR at Table I-1.

³⁹¹ See, e.g., CR at II-15 and II-16, PR at II-9 and II-10.

³⁹² Petitioners' posthearing brief at Exh. 1, pp. 22-23; Hearing Tr. at 29-30 (Blot).

³⁹³ Cogne posthearing brief at Exh. 4, pp. 4-5.

³⁹⁴ CR at I-23 and I-27-I-28, PR at I-15 and I-21.

³⁹⁵ CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

³⁹⁶ CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

³⁹⁷ CR at I-28-I-30, PR at I-21-I-22.

³⁹⁸ CR/PR at Table III-9.

going to internal consumption fell from *** percent in 2004 to *** percent in 2009. In 2006, the industry's peak year for production and shipments, only *** percent was directed to internal consumption.³⁹⁹

The arrival of NAS also significantly changed the industry's overall capacity. The domestic industry lacked sufficient capacity to meet domestic consumption in every year of the original investigation period. Throughout this entire second period of review, however, domestic capacity has exceeded total apparent U.S. consumption in every year, even though capacity in 2009 was down *** percent from its 2005 peak. During the original period of investigation, even with increased imports, capacity utilization remained above *** percent, but during this second review period capacity was below *** percent in four of six years.⁴⁰⁰ Capacity utilization in 2009 was *** percent.

b. Imports

Imports played a role in the U.S. market throughout the period examined in the original investigations and in the first review period. The imposition of the orders on Italy, Japan, Korea, Spain, and Taiwan resulted in a steady decline in subject import market share, but nonsubject imports increased in significance during that first review period, rising to *** percent of apparent U.S. consumption in 2000 and 2001. During this second review period, however, imports have steadily declined both in volume and in market share. Subject imports were barely measureable throughout the second period of review. Nonsubject imports slipped from *** percent of apparent U.S. consumption in 2004 to *** percent in 2009. Nonsubject imports from Taiwan consistently accounted for the largest share of nonsubject imports throughout this second review period.⁴⁰¹

3. Substitutability

In the original investigations, the Commission found the domestic like product and subject imports to be generally substitutable when compared by size and grade,⁴⁰² and we found the same to be true in the first reviews.⁴⁰³ The record in these second reviews indicates that purchasers continue to view the domestic like product and subject imports as substitutes for each other, generally reporting subject imports as comparable to the domestic like product in quality, consistency, and product range.⁴⁰⁴ Most responding purchasers and importers, as well as all responding domestic producers, rated the domestic like product and subject imports as always or frequently interchangeable.⁴⁰⁵

Domestic producers have described SSWR as a commodity product, sold in the U.S. market primarily on the basis of price.⁴⁰⁶ Purchasers ranked quality as the most important factor in purchasing decisions, but price was named the second most important factor by a plurality of purchasers.⁴⁰⁷ No

³⁹⁹ CR/PR at Tables III-4 and III-8.

⁴⁰⁰ CR/PR at Table I-1.

⁴⁰¹ CR/PR at Table I-1.

⁴⁰² USITC Pub. 3126 at 15.

⁴⁰³ USITC Pub. 3707 at 41.

⁴⁰⁴ CR/PR at Table II-5.

⁴⁰⁵ CR/PR at Table II-6. Purchasers were less likely to see U.S. and Japanese product as comparable in consistency and range but nonetheless found that those products were always or frequently interchangeable. CR/PR at Table II-6.

⁴⁰⁶ CR at II-21, PR at II-13.

⁴⁰⁷ CR/PR at Table II-3.

purchaser ranked price as “not important” in purchasing decisions.⁴⁰⁸ SSWR represents a relatively large share of the cost of immediate downstream products, which would also suggest that purchasers would be sensitive to price differences.⁴⁰⁹

4. Costs and Pricing

In general, raw material prices rose sharply between 2004 and 2007-2008 and then fell thereafter. Scrap iron, nickel, and ferromanganese followed this pattern, while molybdenum and natural gas prices had two spikes over the second period of review, in 2005 and 2008.⁴¹⁰ Unit raw material costs rose sharply between 2004 and 2007, with 2007 costs nearly *** times higher than 2004 costs. Unit raw material costs fell significantly after 2007, but 2009 unit costs were still nearly *** percent higher than in 2004. The ratio of raw material costs to total net sales rose steadily over this second period of review, from *** percent in 2004 to *** percent in 2007, ending at *** percent in 2009.⁴¹¹

Raw materials relative to total net sales rose over the second review period, but the industry’s metal margin was significantly higher in 2007, at \$*** per short ton, than in 2004, when the industry’s margin was \$***. By 2009, the industry’s metal margin was down to \$***.⁴¹² There were very significant variations in metal margins between the members of the domestic industry.⁴¹³

Domestic producers try to offset the cost of raw materials by passing them through to purchasers via a surcharge. Surcharge formulae may be based on a combination of relevant metal prices, including scrap iron and alloys such as nickel and molybdenum, as well as natural gas prices.⁴¹⁴ The price of nickel in particular is closely coordinated with SSWR prices.⁴¹⁵ Prices are gathered from sources such as American Metals Market, the London Metal Exchange, and NYMEX. The surcharges may be adjusted as frequently as every month, and some surcharges are available publicly through company websites.⁴¹⁶ This practice is typically followed in Europe, though surcharge changes may lag U.S. surcharge changes by a quarter.⁴¹⁷ The use of such a surcharge is less common among U.S. importers, and in Asia prices are quoted with raw material costs already incorporated, though Asian producers may not fully cover increased raw material increases with price changes.⁴¹⁸ While surcharge changes by U.S. producers are frequent, base price changes are less so, and base price changes are generally made in response to supply and demand considerations.⁴¹⁹

In the U.S. market, spot sales are the norm, with four producers reporting 90 percent or more of their sales made this way. All responding importers made at least half their sales on a spot basis. Even when producers maintained set price lists, negotiations, including the base price as well as quality,

⁴⁰⁸ CR/PR at Table II-4.

⁴⁰⁹ CR at II-17, PR at II-11.

⁴¹⁰ CR/PR at Figure F-1.

⁴¹¹ CR/PR at Table III-10.

⁴¹² CR/PR at Table III-10.

⁴¹³ CR/PR at Table III-10.

⁴¹⁴ CR at V-1, PR at V-1.

⁴¹⁵ CR at V-2 and Figure V-1; PR at V-1 and Figure V-1.

⁴¹⁶ CR at V-1-V3, PR at V-1-V-2.

⁴¹⁷ CR at V-3, PR at V-1.

⁴¹⁸ CR at V-1, V-3 and n.6; PR at V-1-V-2 and n.6.

⁴¹⁹ CR at V-1, PR at V-1.

volume, etc., were also the norm.⁴²⁰ Six purchasers described NAS as the price leader in the U.S. market, though NAS claims it has lowered prices only in response to import competition.⁴²¹

In these second reviews, product-specific pricing data were gathered on six products. Prices for the three 300-series products followed the same pattern as did nickel prices, with sharp peaks in 2007 or 2008, followed by significant declines thereafter. For these three products, 2009 prices were generally also well below 2004 levels.⁴²²

5. Trade Remedies

The SSWR market in the United States has been subject to a variety of trade remedies. The orders under review were imposed in 1998. At that time, orders were already in place on SSWR imports from Brazil, France, India, and Spain; the countervailing duty order on Spain was revoked in 2000, and the antidumping orders on Brazil and France were revoked in 2006.⁴²³ In 2001, at the request of the United States Trade Representative and, subsequently, a resolution by the Committee on Finance of the United States Senate, the Commission instituted a safeguard investigation on a wide variety of steel products, including SSWR; in March 2002, the President imposed temporary additional tariffs on SSWR. Those safeguard remedies were terminated in December 2003.⁴²⁴ A variety of antidumping and countervailing duty orders are in effect on other stainless steel products, including stainless steel bar from Brazil, India, Japan, and Spain; orders on stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom were imposed in 2002 but revoked in 2008.⁴²⁵

6. The Domestic Industry's History

We have already noted the significant changes in the domestic industry since the subject orders were first imposed. In particular, this second period of review saw NAS take over as the leading domestic producer, both in total volume and in merchant market sales. This period of review also saw a significant contraction in total domestic production capacity. Despite NAS's entry into the industry, total domestic production capacity in 2009 was down *** percent from its 2005 peak.⁴²⁶

The record contains 15 years' worth of industry performance information. As we noted above, the market for SSWR has been subject to a significant variety of remedies during this period in addition to these subject orders. Yet the industry has generally operated at relatively low rates of capacity utilization—only *** did the industry operate at over *** percent. Only *** since these orders were imposed did the industry achieve profitability in two straight years.⁴²⁷ Nonetheless, the industry was able to attract significant new participants and new productive capacity. Even with a significant reduction in capacity during the second review period, the domestic industry still finished the period of review with more than enough capacity to meet all domestic demand, a significant change from the original investigations.

⁴²⁰ CR at V-4-V-5, PR at V-2-V-3.

⁴²¹ CR at V-6, PR at V-3.

⁴²² CR/PR at Tables V-1-V-6.

⁴²³ CR at I-5, PR at I-3.

⁴²⁴ CR at I-8-I-9, PR at I-5.

⁴²⁵ CR at I-6-I-7, PR at I-4-I-5.

⁴²⁶ CR/PR at Table I-1.

⁴²⁷ CR/PR at Table I-1.

B. Revocation of the antidumping duty orders on subject imports from Japan and Taiwan are likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time

1. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the orders under review were 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. In so doing, the Commission shall consider “all relevant economic factors,” including four enumerated in the statute: (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 in countries other than the United States; and (4) the potential for product shifting if the production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁴²⁸

Our focus in these reviews is whether subject import volume is likely to be significant in the reasonably foreseeable future if the antidumping duty order is revoked.⁴²⁹ In performing our analysis, we have taken into account the Commission’s previous volume findings with respect to the subject imports. In the original determination the Commission found that the volume of cumulated subject imports increased *** percent between 1995 and 1997, from *** short tons to *** short tons. The value of cumulated imports from subject countries rose from *** in 1995 to *** in 1997, an increase of *** percent. The Commission further found that the volume of subject imports in the 1995-1997 period exceeded the increase in apparent domestic consumption by *** short tons, and that subject imports gained market share at the expense of domestic producers. The Commission found the increases in volume and market share of subject imports to be significant.⁴³⁰ In the first reviews, we found it likely that cumulated subject import volume for Japan and Taiwan likely would be significant upon revocation, both absolutely and relatively.⁴³¹

In reviewing the original record, it is apparent that subject imports from Japan and Taiwan were chiefly responsible for the increase in imports between 1995 and 1997. Subject imports from Japan increased from *** short tons in 1995 to *** short tons in 1997, an increase of *** percent.⁴³² Subject imports from Taiwan also increased sharply between 1995 and 1997, from *** short tons to *** short tons, a nearly *** increase. Together, Japan and Taiwan accounted for *** percent of the increase in total subject imports between 1995 and 1997.⁴³³ Japan increased its market share from *** percent to *** percent and Taiwan increased its market share from *** percent to *** percent between 1995 and 1997. Japan and Taiwan’s combined market share in 1997 registered *** percent, while the remaining three countries, combined, accounted for *** percent of U.S. market share in 1997.⁴³⁴

The orders were effective in excluding subject imports from Japan and Taiwan from the U.S. market. Subject imports from Japan and Taiwan sharply declined during the period of review and were

⁴²⁸ 19 U.S.C. § 1675a(a)(2)(A-D).

⁴²⁹ 19 U.S.C. § 1675a(a)(2).

⁴³⁰ USITC Pub. 3126 at 15.

⁴³¹ USITC Pub. 3707 at 40.

⁴³² CR/PR at Table I-1.

⁴³³ CR/PR at Table I-1. At the time of the original determination, all imports of SSWR were subject imports; therefore, we have included imports from Valbruna in this calculation.

⁴³⁴ CR/PR at Table I-1.

nearly non-existent in the U.S. market by 2003 (***) short tons, combined). Record evidence suggests that subject imports from Japan and Taiwan will reenter the U.S. market if the antidumping orders are revoked. In fact, the two countries' post-order behavior suggests that the imposition of the orders were responsible for the rapid decline in subject imports from Japan and Taiwan from the U.S. market in 1998.⁴³⁵

The limited evidence available on these second reviews record indicate that the SSWR industries in Japan and Taiwan remain extremely large, relative both to the U.S. industry and recent levels of apparent U.S. consumption.⁴³⁶ The subject producers in Japan are estimated to have *** short tons of capacity, and the subject producers in Taiwan are estimated at *** short tons.⁴³⁷ Both industries are extremely active in export markets as well. The industry in Japan is estimated to have exported *** short tons in 2008, while the industry in Taiwan is estimated to have exported *** short tons that same year;⁴³⁸ apparent U.S. consumption in 2008 was *** short tons.⁴³⁹ Each industry has exported over 100,000 short tons during some years of this second period of review.⁴⁴⁰ Both have exported to a variety of countries and markets during the period of review.⁴⁴¹

Additionally, information provided during the original investigations and the first reviews indicated that producers in both Japan and Taiwan typically held inventory equivalent to *** percent of total annual shipments, which would allow shipments in significant quantities to reach the U.S. market soon after revocation. At least two subject producers in Japan are also believed to product stainless steel bar as well, which would enable those producers to engage in product shifting.

Therefore, we find that the likely volume of subject imports from Japan and Taiwan upon revocation would be significant, both absolutely and relatively.

2. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping finding is revoked, the Commission considers whether there is likely to be significant underselling by the subject imports as compared to domestic like product, and if 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.⁴⁴²

In performing our analysis, we have taken into account the Commission's previous price findings. In the original determination, the Commission found that subject imports undersold the domestic like product in 83.9 percent of quarterly price comparisons by average margins of 7.6 percent.⁴⁴³ Additionally, the Commission found that underselling was widespread and significant for the products for which pricing data was collected, which were considered by the Commission to be high-volume,

⁴³⁵ CR/PR at Table I-1.

⁴³⁶ In the original investigations, the Commission received questionnaire responses from both Japanese and Taiwanese SSWR producers, accounting for the majority of production in each country. OCR at VII-7-VII-11 and VII-19-VII-22. In the current reviews, the Commission received no completed questionnaire responses from Japanese or Taiwanese producers of SSWR during the 2004-2009 period. CR at IV-19 and IV-27, PR at IV-13 and IV-16.

⁴³⁷ CR/PR at Tables IV-10 and IV-15.

⁴³⁸ CR/PR at Tables IV-11 and IV-16.

⁴³⁹ CR/PR at Table I-1.

⁴⁴⁰ CR/PR at Tables IV-11 and IV-16.

⁴⁴¹ CR/PR at Tables IV-11 and IV-16.

⁴⁴² 19 U.S.C. § 1675(a)(3).

⁴⁴³ USITC Pub. 3126 at 16.

commodity-type grades of SSWR. Moreover, the Commission found price suppression to a significant degree, as producers were unable to raise prices to cover rising production costs. The Commission found that prices were falling or remained flat as the industry's ratio of cost of goods sold to net revenue had risen.⁴⁴⁴ In the first reviews, we found that revocation of the orders on Japan and Taiwan would likely lead to significant underselling by subject imports and to significant price suppression within a reasonably foreseeable time.⁴⁴⁵

Pricing data supplied by the domestic industry indicate that SSWR prices rose throughout the early part of the period of review, generally peaking in 2007 or 2008, and falling thereafter.⁴⁴⁶ This pattern was apparently driven more by shifts in raw material prices rather than demand, as apparent consumption in the U.S. market peaked in 2004.⁴⁴⁷ Despite the decline in apparent consumption, in the years after 2004 the domestic industry was able to pass on rising raw material costs, and the industry's ratio of cost of goods sold to sales fell in 2006-2008. This is a significant change from the original period of investigation, wherein the domestic industry's ratio of costs of goods sold to sales rose significantly faster than did costs during a period where demand increased.⁴⁴⁸

At the end of this second period of review prices were generally depressed. Nonetheless, pricing data suggest that prices in the U.S. market were generally well above those found in some other significant SSWR markets, particularly true for the Asian markets which absorbed significant volumes of exports from Japan and Taiwan.⁴⁴⁹ We recognize that the Asian markets are large and that demand in these markets is forecasted to continue to increase. However, in the current reviews, we have limited information about Japanese and Taiwanese customers and export shipment patterns. Thus, the apparent disparity in pricing suggests that subject imports from Japan and Taiwan would again be drawn into the U.S. market if the orders were revoked.

Underselling during the original investigations was both widespread and significant, leading to price suppression. Subject imports from Japan and Taiwan not only entered the U.S. market in rapidly increasing volumes but at declining prices as well; between 1995 and 1997, the AUVs of imports from Japan fell by *** percent, those from Taiwan by *** percent.⁴⁵⁰ During the current period of review, the domestic industry had some success, even in a declining market, of recouping rising raw material costs. But the record indicates that circumstances of the original investigations are likely to recur. The market for SSWR remains a price-sensitive one, with a significant degree of substitutability between the domestic like product and subject imports. Upon revocation, subject imports would again arrive in large volumes and at aggressive prices, and the domestic industry is likely again to suffer significant price depression or suppression as a result. Therefore, we find that revocation of the order on Japan and Taiwan is likely to lead to significant price effects.

⁴⁴⁴ USITC Pub. 3126 at 16.

⁴⁴⁵ USITC Pub. 3707 at 41.

⁴⁴⁶ CR/PR at Tables V-1-V-6. Average unit values (AUVs) for U.S. shipments and net sales by the domestic industry followed a similar pattern. CR/PR at Table C-1.

⁴⁴⁷ CR/PR at Table C-1.

⁴⁴⁸ CR/PR at Table I-1.

⁴⁴⁹ CR/PR at Table IV-18. We note that specific pricing data for higher-volume, more commodity-like domestic products also indicate that prices for the domestic like product were generally higher than reported pricing in Asian markets, particularly before the general collapse in demand in 2009. Compare CR/PR at Table IV-18 with CR/PR at Tables V-1 and V-2.

⁴⁵⁰ CR/PR at Table I-1.

3. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the antidumping order is revoked, the Commission considers all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including, but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁴⁵¹

In the original determination the Commission found that subject imports had a significant adverse impact on the U.S. SSWR industry, emphasizing the increase in subject import market share at the direct expense of U.S. producers; declining domestic production during each year of the period examined; a drop in U.S. shipments by volume and value between 1995 and 1997; reductions in employment; and a deterioration of the financial performance of the industry.⁴⁵² In the first reviews, we did not view the domestic industry as being in a weakened state, but found that the cumulated volume of subject imports from Japan and Taiwan would have a significant impact on the industry.⁴⁵³

We have carefully considered whether the imposition of these orders resulted in any improvement in the domestic industry. Subject imports from Japan and Taiwan retreated from the U.S. market after the orders were imposed and have remained largely absent from the market since 1999. During that time period, the domestic industry's performance was generally unremarkable, with few years of profitability and several years with significant losses. During the second period of review, the industry's performance improved somewhat. The industry managed its only back-to-back years of profitability in 2007-2008, despite rising raw material costs and falling demand, and also gained market shares well in excess of that held during the original period of review.

Responding parties believe that demand for SSWR will recover from its current cyclical trough in the reasonably foreseeable future. We also believe that NAS's development has made the industry as a whole stronger than it was during the original investigations or the first reviews, as NAS seems well-placed to compete in the merchant market even for sales of commodity-type products.

The timing of the industry's improvement suggests that the entry of NAS, and its successful participation in the commercial sales portion of the market, are better explanations for the industry's improvement than these orders. Nonetheless, we find that revocation of the orders on Japan and Taiwan are likely to have a significant adverse impact on the domestic industry. Subject imports from Japan and Taiwan increased rapidly and significantly in the absence of orders during the original review period, and imports from these two countries actually accounted for the vast majority of the overall increase. The record indicates that these industries remain large and participate in a variety of export markets in very significant volumes. Given the commodity nature of the product and higher prices in the U.S. market, subject imports are likely to enter the market in significant volumes. Demand is likely to increase in the near future, but remain well below peak levels, and subject imports will again likely compete aggressively on price. Loss of market share is likely to lead to reduced capacity utilization again, even for an industry that has already significantly reduced production capacity. Price depression or suppression will put increasing pressure on operating margins while making it difficult for the industry to recoup any increases in raw materials. The likely result is further erosion in financial performance, accompanied by losses in productivity and employment, such as occurred during the original investigations.

⁴⁵¹ 19 U.S.C. § 1675(a)(4).

⁴⁵² USITC Pub. 3126 at 17-19.

⁴⁵³ USITC Pub. 3707 at 43.

Based on the aforementioned reasons, we therefore find that revocation of the orders on Japan and Taiwan are likely to lead to the continuation or recurrence of material injury to the domestic SSWR industry within a reasonably foreseeable time.

C. Revocation of the antidumping duty orders on subject imports from Italy are not likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time

1. Likely Volume of Subject Imports

Subject imports from Italy were essentially excluded from the U.S. market after the orders were imposed.⁴⁵⁴ In 2009, the subject producer in Italy operated at only *** percent capacity utilization.⁴⁵⁵ The producer has a long history of being export-oriented.⁴⁵⁶ Nevertheless, we find the record does not indicate that the volume of subject imports from Italy would likely be significant upon revocation.

Cogne has argued that it would find it difficult to reenter the U.S. market, given its long absence and its current lack of a dedicated SSWR salesman in the U.S.⁴⁵⁷ Given Cogne's size, sophistication, and knowledge of the U.S. market, we find it likely that Cogne would be able to reenter the U.S. market within a reasonably foreseeable time if opportunities were available. What we do not find likely, on this record, is that Cogne would reenter the U.S. market in significant quantities or in commodity grades.

The producer in Italy is dependent on exports, and was more so at the end of this second period of review than at its outset.⁴⁵⁸ But we have already noted that most of Cogne's export volume is to purchasers in extreme proximity; within the EU; or to a related affiliate in Asia.⁴⁵⁹ These are all markets that have taken up the vast majority of Cogne's shipments throughout the period of review. While production and shipments were down sharply in 2009, Cogne has produced evidence that its 2010 order books are already well-filled,⁴⁶⁰ and that its production efforts are likely to be directed to the same easily reachable markets that, as recently as 2006, required Cogne to produce at *** percent of capacity. We find no record evidence that Cogne could improve its overall performance by reducing sales to existing customers and redirecting those volumes to the U.S. market. Nor is Cogne likely to have significant unused capacity in the reasonably foreseeable future. Capacity in Italy has been flat during the period of review and there are no plans to significantly increase capacity in the reasonably foreseeable future. Inventories at the end of 2009 were just *** short tons.⁴⁶¹ Accordingly, we find that Cogne lacks any incentive to increase its exports to the United States to significant levels in the event of revocation.

The record indicates that subject imports from Italy actually declined during the original investigations. Since then Cogne has been successful in finding markets much closer to home or with related subsidiaries. It has presented evidence that its 2010 production is likely to be much stronger, even

⁴⁵⁴ CR/PR at Table I-1.

⁴⁵⁵ CR/PR at Table IV-9.

⁴⁵⁶ CR/PR at Table IV-9.

⁴⁵⁷ Cogne posthearing brief at Exh. 1, pp.7-8.

⁴⁵⁸ Italian export shipments as a share of total shipments accounted for about *** from 1995 to 1997 (original investigations), and ranged from a low of *** between 1998 and 2003 (subject producer shipments in first reviews). OCR at VII-2 and 1CR at Table IV-5. In the current reviews, subject Italian export shipments as a share of total shipments ranged from a low of *** between 1998 and 2003. CR/PR at Table IV-9.

⁴⁵⁹ CR at IV-16, PR at IV-13. ***. Id. In the current reviews, subject Italian SSWR exports to all other markets as a share of its total shipments ranged from a low of *** between 2004 and 2009. CR/PR at Table IV-9.

⁴⁶⁰ See, e.g., Cogne's Posthearing Brief, Exhibit 4.

⁴⁶¹ CR/PR at Table IV-9.

without access to the U.S. market, than in 2009 and that the firm will have little available excess capacity.⁴⁶² Cogne's closest markets in Europe are significantly larger than the U.S. market, and Cogne has presented forecast information indicating that the European market will continue to outperform the U.S. market for the foreseeable future.⁴⁶³ Furthermore, we note that the revocation of a countervailing duty order on Valbruna, the other SSWR producer in Italy and similar in size to Cogne, led to an increase in import volume in one year, with imports then settling back down into normal patterns.

For these reasons, and taking into consideration our findings above concerning the conditions of competition distinctive to this industry, we do not find it likely that the volume of SSWR from Italy would be significant, in absolute terms or relative to production or consumption in the United States, within a reasonably foreseeable time in the event of revocation.

2. Likely Price Effects of Subject Imports

During the original investigations, sales of subject imported SSWR from Italy to purchasers undersold the domestic like product in a majority of comparisons (29 of 41 comparisons), but by small margins, with an average underselling margin of just 1.4 percent.⁴⁶⁴ In the years since the orders were imposed, as we have noted, Cogne found substantial markets elsewhere. But Cogne has been faced with a relatively high antidumping duty in what has been described as a commodity market, at 12.73 percent, and it has been largely absent from the U.S. market. The unit values for its export sales appear lower than the unit values in the U.S. commercial market. These factors taken together would suggest that underselling, followed by price suppression or depression, could be an outcome of revocation. However, given the particular characteristics of the Italian producer and the changes in the U.S. market during this second period of review, we do not find significant price effects likely.

Prices for domestically produced SSWR generally rose throughout the first portion of the period of review, peaking in 2007-08, and then falling notably thereafter. This trend was true for most specific pricing products and for AUVs for domestic shipments. But this period of review saw a fairly sharp divergence between AUVs for commercial sales by domestic producers and the value of their internally consumed SSWR. In 2004, the unit value for the domestic industry's commercial sales was ***, the unit value for internal transfers was ***, and the overall unit value was ***. In 2005, however, NAS's share of the domestic industry's commercial sales jumped from *** percent the preceding year to *** percent.⁴⁶⁵ Compared to its other domestic producers, NAS is more focused on commercial sales than internal consumption and on commodity versus specialty grades, and its unit values are significantly lower than those for other domestic producers. As a result, the gap between unit values for commercial sales and internal transfers widened. By 2009, the unit value for the domestic industry's commercial sales was ***, while the unit value of its internal transfers was ***.⁴⁶⁶

For any producer looking to enter the U.S. market in substantial quantities or at commodity grades, therefore, prices or unit values for NAS's commercial sales would be the relevant comparison.⁴⁶⁷ By this measure, throughout this second period of review, Cogne received significantly higher AUVs for

⁴⁶² Cogne posthearing brief at Exh. 1, p.4, and Exh. 5.

⁴⁶³ Cogne posthearing brief at Exh. 9.

⁴⁶⁴ USITC Pub. 3126 at V-8.

⁴⁶⁵ CR/PR at Tables III-3 and III-4, III-9.

⁴⁶⁶ CR/PR at Table III-9.

⁴⁶⁷ NAS has argued that its prices were low during the period of review because of competition from nonsubject imports. But we note that NAS's market share grew steadily over the period of review as nonsubject imports steadily declined, and NAS was consistently profitable, and the most consistently profitable member of the domestic industry, even as its market share expanded.

its exports to the EU and to other markets. AUVs for its Asian sales were lower, but, as noted, a significant portion of those sales were to an affiliate.⁴⁶⁸

We have already noted that the subject producer successfully found other markets throughout the review periods. Cogne has furthermore produced evidence indicating that it will have little excess capacity in the near future and that its primary, closest markets are likely to continue being significantly larger than the U.S. market, as well as typically yielding higher AUVs for Cogne. Given that the subject producer is not likely to have significant excess capacity and that it has markets that generally return better prices than does the U.S. merchant market, dominated as it is by NAS, we find little evidence in the record to indicate that Cogne would have motivation to price its products aggressively in order to try to compete in any significant quantities in the commodity, merchant market portion of the market dominated by NAS. We therefore do not find it likely that subject imports from Italy would enter the U.S. market and undersell to a significant degree, lead to price suppression or depression, or otherwise have significant price effects within the reasonably foreseeable future if the order on imports from Italy were revoked.

3. Likely Impact of Subject Imports

We have carefully considered whether the imposition of this order resulted in any improvement in the domestic industry. Subject imports from Italy retreated from the U.S. market after the order was imposed and have remained absent from the U.S. market since. During the first review period, the domestic industry's performance was generally unremarkable, with few years of profitability and several years with significant losses. During this second period of review, the industry's performance improved somewhat, as the industry experienced its only back-to-back years of profitability in 2007-08. The industry steadily increased its share of the U.S. market to levels well in excess of that held during the original period of review.

The timing of the industry's improvement suggests that the entry of NAS and its successful participation in the commercial sales portion of the market are better explanations for the industry's improved performance than this order. In light of this, and our findings regarding the lack of likely significant volumes of subject imports or significant price effects, we find that revocation of the order on Italy is not likely to have a significant adverse impact on the domestic industry. Without significant volumes or significant underselling, subject imports would not be in a position to have any adverse impact on the domestic industry.

Based on the aforementioned reasons, we therefore find that revocation of the order on imports from Italy is not likely to lead to the continuation or recurrence of material injury to the domestic SSWR industry within a reasonably foreseeable time.

D. Revocation of the antidumping duty orders on subject imports from Korea are not likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time

1. Likely Volume of Subject Imports

As mentioned earlier, imports from Japan and Taiwan were principally responsible for the increase in subject imports in the Commission's original investigations, accounting for *** percent of the increase between 1995 and 1997.⁴⁶⁹ Moreover, during the original investigations, Korean subject imports' share of the U.S. market increased marginally, by less than *** percentage points, from *** in

⁴⁶⁸ Compare CR/PR at Table III-9 with CR/PR at Table IV-9.

⁴⁶⁹ CR/PR at Table I-1.

1995 to *** in 1997.⁴⁷⁰ During the first five-year reviews, the volume and market share of subject imports from Korea remained at pre-order levels until declining sharply after 2000. Despite relatively low dumping margins,⁴⁷¹ the U.S. market dwindled in importance to producers in Korea, declining from *** short tons in 1998 to *** short tons and only *** percent of apparent U.S. consumption in 2003.⁴⁷² Subject imports from Korea began the current period of review at low levels and virtually exited the U.S. market after 2005.⁴⁷³

Despite changes in the structure of the industry, Korean production capacity has remained at virtually the same level it was during the first reviews which was only slightly higher than during the original investigations.⁴⁷⁴ Since 2006, the industry consists of a single SSWR producer, POSCOSS.⁴⁷⁵ While Korean capacity utilization rates have declined in recent years, from the high levels reported during the first reviews, the home market remains the primary focus for Korean SSWR shipments.⁴⁷⁶ The home market consistently accounted for between *** of SSWR shipments during the period examined in these reviews.⁴⁷⁷

Subject producers in Korea still ship SSWR to export markets, but as evident in the first reviews, the Korean industry shifted its sales of SSWR from the U.S. market to alternative third-country markets.⁴⁷⁸ The record in these reviews indicates that the Korean industry has developed a stable and strong market presence for its SSWR in markets other than the United States. The export market accounted for between *** percent of SSWR shipments.⁴⁷⁹ The principal destination for Korean exports continues to be to purchasers in Asia, which accounted for between *** of all Korean SSWR shipments during the period examined in these reviews.⁴⁸⁰ Record evidence demonstrates that the Asian markets

⁴⁷⁰ CR/PR at Table I-1.

⁴⁷¹ All producers in Korea except Sammi Steel were subject to margins of 3.18 percent after the orders were initially imposed. CR/PR at Table I-5.

⁴⁷² CR/PR at Table I-1.

⁴⁷³ CR/PR at Table I-1.

⁴⁷⁴ Korea's reported SSWR capacity was *** short tons (white coil) in 1997 (original investigations), *** short tons (white coil) from 1998 to 2003 (first five-year reviews), and *** short tons from 2004 to 2009 (second five-year reviews). OCR at Table VII-4, 1CR at Table IV-11, CR/PR at Table IV-12.

⁴⁷⁵ In the current reviews, the Commission received usable data from POSCOSS, which is estimated to account for *** percent of total SSWR rod production in Korea in 2009. CR at IV-21, PR at IV-14. ***, a market research company.

⁴⁷⁶ CR/PR at Table IV-12 and 1CR at Table IV-11. Korean capacity utilization was *** in 1997 (original investigations), and steadily increased from *** in 2003 (first reviews). OCR at VII-4 and 1CR at Table IV-11. In the current reviews, Korean capacity utilization was: *** in 2009. CR/PR at Table IV-12.

⁴⁷⁷ CR/PR at Table IV-12. Korean shipments to the home market as a share of total shipments were *** in 1997 (original investigations), and ranged from a low of *** between 1998 and 2003 (first reviews). OCR at VII-4 and 1CR at Table IV-11. In the current reviews, Korean shipments to the home market as a share of total shipments were: *** in 2009. CR/PR at Table IV-12.

⁴⁷⁸ POSCOSS reported ***. CR at IV-24, PR at IV-15.

⁴⁷⁹ CR/PR at Table IV-12. Korean export shipments as a share of total shipments were *** in 1997 (original investigations), and ranged from a low of *** between 1998 and 2003 (first reviews). OCR at VII-4 and 1CR at Table IV-11. In the current reviews, Korean export shipments as a share of total shipments were: *** in 2009. CR/PR at Table IV-12.

⁴⁸⁰ CR/PR at Table IV-12. During the first reviews, while shipments to the U.S. market steadily declined from *** percent of shipments in 1998 to only *** percent by 2003, shipments to purchasers in Asia steadily increased from *** percent to *** percent of all shipments in 2003. 1CR at Table IV-11. In these second reviews, Korean export shipments to Asia as a share of total shipments were: *** in 2009. CR/PR at Table IV-12. Korean shipments
continue...

have been stable, are expanding, and are forecasted to experience the highest rate of increase in demand.⁴⁸¹ Thus, subject imports from Korea have found receptive and valuable markets away from the United States and likely would not return to the U.S. market in significant volumes if the subject orders were revoked.

Consideration of the other relevant economic factors also provides no indication that subject imports from Korea likely would reenter the U.S. market in significant volumes. The Korean inventories of SSWR have remained relatively low, fluctuating between a low of *** of total annual shipments.⁴⁸² The Korean producer reported that it does not, nor does it anticipate that it will, engage in product shifting.⁴⁸³ Finally, there is no evidence of tariff or non-tariff barriers to the importation of the subject Korean SSWR in countries other than the United States.⁴⁸⁴

For these reasons, and taking into consideration our findings above concerning the conditions of competition distinctive to this industry, we do not find it likely that the volume of SSWR from Korea would be significant, in absolute terms or relative to production or consumption in the United States, within a reasonably foreseeable time in the event of revocation.

2. Likely Price Effects of Subject Imports

In performing our analysis, we have taken into account the Commission's previous price findings. During the original investigations, subject imports of SSWR from Korea undersold the domestic like product in a majority of comparisons.⁴⁸⁵ The Commission found price suppression to a significant degree, as producers were unable to raise prices to cover rising production costs. The Commission found that prices were falling or remained flat as the industry's ratio of cost of goods sold to net revenue had risen.

In the current reviews, there is limited price comparison data because subject imports from Korea have virtually not entered the U.S. market since 2005. However, the limited data show that subject imports from Korea oversold the domestic like product in 7 of the 8 possible price comparisons.⁴⁸⁶ Pricing data supplied by the domestic industry indicate that SSWR prices rose throughout the early part of the period of review, generally peaking in 2007 or 2008, and falling thereafter.⁴⁸⁷ This pattern was apparently driven more by shifts in raw material prices rather than demand, as apparent consumption in the U.S. market peaked in 2004.⁴⁸⁸ Despite the decline in apparent consumption, in the years after 2004 the domestic industry was able to pass on rising raw material costs, and the industry's ratio of cost of

⁴⁸⁰ ...continue

to Europe as a share of total shipments ranged from a low of *** in 2009. *Id.*

⁴⁸¹ CR at IV-24 and IV-29, PR at IV-15 and IV-19. The 2010 business plan submitted by Korean producer POSCOSS provides forecasts for the growth rates of various economies, with *** for the United States. ***. As such, POSCOSS reports that Asia will be a very important export market for its SSWR products, particularly China, Taiwan, Japan, and Southeast Asia. According to the business plan, POSCOSS plans ***. CR at IV-24, PR at IV-15. Based on the *** demand for wire rod is projected to increase by *** per year through 2012 whereas demand in Europe and the United States are projected to increase by ***, respectively. ***.

⁴⁸² CR/PR at Table IV-12. There have been *** reported inventories of subject SSWR from Korea since 2005. See CR/PR at Table IV-6.

⁴⁸³ CR at IV-24, PR at IV-15.

⁴⁸⁴ CR at IV-24, PR at IV-15.

⁴⁸⁵ CR/PR at Tables V-9 and V-10. Subject imports from Korea undersold the domestic like product in 34 of 37 price comparisons in the original investigations and in 44 of 54 price comparisons in the first five-year reviews.

⁴⁸⁶ CR/PR at Table V-8.

⁴⁸⁷ CR/PR at Tables V-1-V-6. U.S. shipments' AUVs and net sales by the domestic industry followed a similar pattern. CR/PR at Table C-1.

⁴⁸⁸ CR/PR at Table C-1.

goods sold to sales fell in 2006-2008. This is a significant change from the original period of investigation, wherein the domestic industry's ratio of costs of goods sold to sales rose significantly faster than did costs during a period where demand increased.⁴⁸⁹

As discussed above, we do not expect the likely volume of subject imports from Korea to be significant. As a result, although price is an important consideration for purchasers,⁴⁹⁰ we do not find that the likely small volumes of subject imports from Korea will lead to significant price declines for the domestic like product. Nor do we expect subject imports to capture increases in U.S. demand to the point that they would be likely to place significant downward pressure on U.S. prices, especially with the increased competitiveness of the U.S. industry resulting from the emergence of NAS during the period of review.

Given the likely small volume of subject imports from Korea in the event of revocation and taking into consideration our findings above concerning the conditions of competition that are distinctive to this industry, we find that revocation of the antidumping duty order on subject imports of SSWR from Korea would not be likely to lead to significant underselling by the subject imports as compared to the domestic like product, or to significant price depression or suppression within a reasonably foreseeable time. Therefore, we find that revocation of the antidumping duty order is not likely to lead to any significant price effects.

3. Likely Impact of Subject Imports

We have carefully considered whether the imposition of this order resulted in any improvement in the domestic industry. While subject imports from Korea remained in the U.S. market after the orders were imposed, the Korean industry gradually developed other markets for its exports and virtually exited the U.S. market after 2005. During the first review period, the domestic industry's performance was generally unremarkable, with few years of profitability and several years with significant losses. During this second period of review, the industry's performance improved somewhat, as the industry experienced its only back-to-back years of profitability in 2007 and 2008. The domestic industry steadily increased its share of the U.S. market to levels well in excess of that held during the original period of investigation.

The timing of the industry's improvement suggests that the entry of NAS in 2003 and its successful participation in the commercial sales portion of the market are better explanations for the industry's improvement than this order. In light of this, and our findings regarding the lack of likely significant volumes of subject imports or likely significant price effects, we find that revocation of the order on Korea is not likely to have a significant adverse impact on the domestic industry. Increases in subject imports from Korea during the original period of investigation were relatively small. The Korean industry continues to focus principally on its home market and has developed a stable and strong presence in markets other than the U.S. market for its exports. Without significant volumes or significant underselling, subject imports would not be in a position to have any adverse impact on the domestic industry.

Based on the aforementioned reasons, we therefore find that revocation of the order on imports from Korea is not likely to lead to the continuation or recurrence of material injury to the domestic SSWR industry within a reasonably foreseeable time.

⁴⁸⁹ CR/PR at Table I-1.

⁴⁹⁰ CR/PR at Tables II-3 and II-4.

E. Revocation of the antidumping duty orders on subject imports from Spain are not likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time

1. Likely Volume of Subject Imports

As mentioned earlier, imports from Japan and Taiwan were principally responsible for the increase in subject imports in the Commission's original investigations, accounting for *** percent of the increase between 1995 and 1997. Moreover, during the original investigations, Spanish subject imports' share of the U.S. market remained relatively small and increased by only *** percentage points, from *** in 1995 to *** of the U.S. SSWR market in 1997.⁴⁹¹ During the first five-year reviews, subject imports from Spain not only maintained a consistent presence in the U.S. market pre- and post-orders, but actually increased in volume and as a share of the U.S. market.⁴⁹² Thus, subject imports from Spain did not immediately retreat from the U.S. market as a result of the imposition of the orders.

The import pattern changed after NAS commenced U.S. production of SSWR in 2003. Subject imports from Spain virtually exited the U.S. market.⁴⁹³ As discussed above, NAS, and the largest Spanish producer, Roldan, are related as wholly-owned subsidiaries of Acerinox, S.A.⁴⁹⁴ Prior to 2003 or 2004, Roldan was the only significant exporter to the U.S. market.⁴⁹⁵ While there is evidence in these reviews that these subsidiaries are ***⁴⁹⁶ the evidence also demonstrates that with the emergence of NAS as the dominant U.S. producer, subject imports from Spain have largely left the U.S. market.⁴⁹⁷ In short, this relationship appears to have affected Roldan's interest in the U.S. market.⁴⁹⁸ They remained in the U.S. market after the order and only left the U.S. market, despite low dumping margins, after the related U.S. producer commenced SSWR production and gained an increasing foothold in the U.S. market.

The record in these reviews contains limited information on the current capacity of the SSWR industry in Spain. Based on evidence in the original investigations and a market research study, the Spanish industry has the smallest production capacity of any of the subject countries.⁴⁹⁹ The record also indicates that the European markets are the principal export markets for Spanish shipments of SSWR.⁵⁰⁰ Thus, the record indicates that subject imports from Spain never accounted for more than a small portion

⁴⁹¹ CR/PR at Table I-1. The volume of subject imports from Spain increased from 2,663 short tons in 1995 to 4,705 short tons in 1997. *Id.*

⁴⁹² The volume of subject imports from Spain fluctuated, from a low of 1,932 short tons in 1998 to a high of 5,885 short tons in 2002. In addition, market share fluctuated from a low of *** in 1998 to a high of *** in 2002. CR/PR at Table I-1.

⁴⁹³ CR at Table I-1.

⁴⁹⁴ CR at IV-25, PR at IV-15.

⁴⁹⁵ Hearing Tr. at 51 (Lasoff).

⁴⁹⁶ Petitioners' Posthearing Brief, Exhibit 1 at 2, and Exhibit 4.

⁴⁹⁷ CR/PR at Table I-1 and I-8.

⁴⁹⁸ *See, e.g.*, Hearing Tr. at 45-48 and 100 (NAS' Vice President indicated that "I must reiterate that there's an understanding given the investment that those in Spain would have no motive to bring the product from Spain to this country given the amount of capacity we have. Commercial would prevail, in a sense the commercial decision would be made in the United States. . . .").

⁴⁹⁹ CR/PR at Table IV-13. In the original investigations, *** in 1997; *** in 1997; and *** of its total shipments. OCR at Table VII-6. In the current reviews, the *** market research data provided by *** estimates Spanish production capacity was: *** for the 2008-2012 period; *** 2006-2012 period. CR at Table IV-13.

⁵⁰⁰ CR/PR at Table-IV-14. In 2008, Spain's principal export markets in descending order by volume were to: Italy, Finland, Germany, Belgium, Denmark, and the United Kingdom. While the order fluctuated, these six countries also were Spain's principal markets in 2005-2007. *Id.*

of the U.S. market, despite relatively low dumping margins, and that Spanish exports of SSWR left the U.S. market to focus on its home market and other European markets. Moreover, the emergence of NAS, a sister subsidiary of the major Spanish producer and a large low-cost producer in the United States, likely decreases the incentive for Roldan to shift to exporting large volumes to the U.S. market. There is no evidence to suggest that imports from Spain are likely to increase to significant levels nor lead to any adverse effect if the order is revoked.

Consideration of the other relevant economic factors also provides no indication that subject imports from Spain likely would reenter the U.S. market in significant volumes. U.S. importers currently maintain *** inventories of SSWR from Spain.⁵⁰¹ Finally, there is no evidence of tariff or non-tariff barriers to the importation of the subject Spanish SSWR in countries other than the United States.⁵⁰²

For these reasons, and taking into consideration our findings above concerning the conditions of competition distinctive to this industry, we do not find it likely that the volume of SSWR from Spain would be significant, in absolute terms or relative to production or consumption in the United States, within a reasonably foreseeable time in the event of revocation.

2. Likely Price Effects of Subject Imports

In performing our analysis, we have taken into account the Commission's previous price findings. During the original investigations, subject imports of SSWR from Spain undersold the domestic like product in a majority of comparisons.⁵⁰³ The Commission found price suppression to a significant degree, as producers were unable to raise prices to cover rising production costs. The Commission found that prices were falling or remained flat as the industry's ratio of cost of goods sold to net revenue had risen.

In the current reviews, there is no price comparison data because subject imports from Spain have not entered (or only in minuscule volumes) the U.S. market since 2003. Pricing data supplied by the domestic industry indicate that SSWR prices rose throughout the early part of the period of review, generally peaking in 2007 or 2008, and falling thereafter.⁵⁰⁴ This pattern was apparently driven more by shifts in raw material prices rather than demand, as apparent consumption in the U.S. market peaked in 2004.⁵⁰⁵ Despite the decline in apparent consumption, in the years after 2004 the domestic industry was able to pass on rising raw material costs, and the industry's ratio of cost of goods sold to sales fell in 2006-2008. This is a significant change from the original period of investigation, wherein the domestic industry's ratio of costs of goods sold to sales rose significantly faster than did costs during a period where demand increased.⁵⁰⁶

As discussed above, we do not expect the likely volume of subject imports from Spain to be significant. As a result, although price is an important consideration for purchasers,⁵⁰⁷ we do not find that the likely small volumes of subject imports from Spain will lead to significant price declines for the domestic like product. Nor do we expect subject imports to capture increases in U.S. demand to the point that they would be likely to place significant downward pressure on U.S. prices, especially with the

⁵⁰¹ CR/PR at Table IV-6.

⁵⁰² CITE?.

⁵⁰³ CR/PR at Tables V-9 and V-10. Subject imports from Spain undersold the domestic like product in 14 of 16 price comparisons in the original investigations and in 6 of 7 price comparisons in the first five-year reviews.

⁵⁰⁴ CR/PR at Tables V-1-V-6. U.S. shipments' AUVs and net sales by the domestic industry followed a similar pattern. CR/PR at Table C-1.

⁵⁰⁵ CR/PR at Table C-1.

⁵⁰⁶ CR/PR at Table I-1.

⁵⁰⁷ CR/PR at Tables II-3 and II-4.

increased competitiveness of the U.S. industry resulting from the emergence of NAS during the period of review.⁵⁰⁸

Given the likely small volume of subject imports from Spain in the event of revocation and taking into consideration our findings above concerning the conditions of competition that are distinctive to this industry, we find that revocation of the antidumping duty order on subject imports of SSWR from Spain would not be likely to lead to significant underselling by the subject imports as compared to the domestic like product, or to significant price depression or suppression within a reasonably foreseeable time. Therefore, we find that revocation of the antidumping duty order is not likely to lead to any significant price effects.

3. Likely Impact of Subject Imports

We have carefully considered whether the imposition of this order resulted in any improvement in the domestic industry. While subject imports from Spain remained in the U.S. market after the orders were imposed, they left after NAS commenced production in 2003 and the Spanish industry developed other markets for its exports. During the first review period, the domestic industry's performance was generally unremarkable, with few years of profitability and several years with significant losses. During this second period of review, the industry's performance improved somewhat, as the industry experienced its only back-to-back years of profitability in 2007 and 2008. The industry steadily increased its share of the U.S. market to levels well in excess of that held during the original period of investigation.

The timing of the industry's improvement suggests that the entry of NAS and its successful participation in the commercial sales portion of the market are better explanations for the industry's improvement than this order. In light of this, and our findings regarding the lack of likely significant volumes of subject imports or likely significant price effects, we find that revocation of the order on Spain is not likely to have a significant adverse impact on the domestic industry. Increases in the relatively small volume of subject imports from Spain during the original period of investigation were not substantial relative to most other subject countries. The Spanish industry has developed stable, close markets for its exports. Without significant volumes or significant underselling, subject imports would not be in a position to have any adverse impact on the domestic industry.

Based on the aforementioned reasons, we therefore find that revocation of the order on imports from Spain is not likely to lead to the continuation or recurrence of material injury to the domestic SSWR industry within a reasonably foreseeable time.

Conclusion

For the above stated reasons, we determine that revocation of the antidumping duty orders on subject imports from Japan and Taiwan would be likely to lead to the continuation or recurrence of material injury to the domestic SSWR industry within a reasonably foreseeable time, and that revocation of the antidumping duty orders on subject imports from Italy, Korea, and Spain would not be likely to lead to the continuation or recurrence of material injury to the domestic SSWR industry within a reasonably foreseeable time.

⁵⁰⁸ See, e.g., Hearing Tr. at 45-48 and 100.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

Effective July 1, 2009, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the antidumping duty orders on stainless steel wire rod (“SSWR”) from Italy, Japan, Korea, Spain, and Taiwan would likely lead to the continuation or recurrence of material injury to a domestic industry.^{2 3} On October 5, 2009, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.⁴ Information relating to the background and schedule of this proceeding is provided in the following tabulation:⁵

Effective date	Action
September 15, 1998	Commerce’s countervailing duty order: Italy (63 FR 49334) Commerce’s antidumping duty orders: Italy (63 FR 49327), Japan (63 FR 49329), Korea (63 FR 49331), Spain (63 FR 49330), Sweden (63 FR 49329), and Taiwan (63 FR 49332)
August 1, 2003	Commission’s institution (68 FR 45277) and Commerce’s initiation (68 FR 45219) of first reviews
December 10, 2003	Commerce’s final results of expedited reviews: Italy (AD only) (68 FR 68862), Japan (68 FR 68864), Korea (68 FR 68863), Spain (68 FR 68866), Sweden (68 FR 68860), and Taiwan (68 FR 68865)
July 2, 2004	Commerce’s revocation of countervailing duty order on imports of SSWR from Italy (69 FR 40354)

¹ 19 U.S.C. 1675(c).

² All interested parties were requested to respond to this notice by submitting the information requested by the Commission. *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, and Taiwan*, 74 FR 31765, July 2, 2009. The Commission received three submissions in response to its notice of institution for the subject reviews. The submissions were filed on behalf of Carpenter Technology Corp. (“Carpenter”), a U.S. producer of SSWR; Cogne Acciai Speciali S.r.l. (“Cogne”), an Italian producer of the subject merchandise; and POSCO Specialty Steel Co., Ltd. (POSCOSS”), a Korean producer of the subject merchandise.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping duty orders concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 74 FR 31412, July 1, 2009. In its notice announcing the initiation, Commerce inadvertently initiated a review of the antidumping duty order on imports of SSWR from Sweden, an order that was revoked by Commerce in 2007. On August 3, 2009, Commerce issued a correction notice, retracting the initiation of the review of the antidumping duty order on imports of SSWR from Sweden. *Initiation of Five-year (“Sunset”) Review*, 74 FR 38401, August 3, 2009.

⁴ *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, and Taiwan*, 74 FR 54068, October 21, 2009. The Commission found that the domestic interested party group and individual response to its notice of institution was adequate, as were the respondent interested party group response of Italy and Korea. The Commission did not receive a response from any respondent interested parties in these reviews concerning subject imports from Japan, Spain, and Taiwan, and therefore determined that the respondent interested party group responses for these countries were not adequate. The Commission nevertheless voted to conduct full reviews pursuant to section 751(c)(5) of the Act to promote administrative efficiency.

⁵ The Commission’s notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in appendix 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.

September 13, 2004	Commerce's continuation of the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan (69 FR 50167, August 13, 2004)
April 23, 2007	Commerce's revocation of antidumping duty order on imports of SSWR from Sweden (72 FR 25261, May 4, 2007)
July 1, 2009	Commission's institution (74 FR 31765, July 2, 2009) and Commerce's initiation (74 FR 31412) of second reviews
October 5, 2009	Commission's determination to conduct full reviews (74 FR 54068, October 21, 2009)
October 30, 2009	Commerce's final results of expedited second reviews (74 FR 56179)
November 16, 2009	Commission's scheduling of the reviews (74 FR 62588, November 30, 2009)
April 8, 2010	Commission's hearing ¹
May 14, 2010	Commission's vote
May 28, 2010	Commission's determinations transmitted to Commerce
¹ The list of hearing witnesses is presented in app. B.	

THE ORIGINAL INVESTIGATIONS AND SUBSEQUENT FIVE-YEAR REVIEWS

On July 30, 1997, petitions were filed with Commerce and the Commission alleging that an industry in the United States was materially injured and threatened with material injury by reason of subsidized imports of SSWR from Italy and less-than-fair-value (LTFV) imports of SSWR from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan.⁶ On July 29, 1998, Commerce made a final affirmative subsidy determination on imports from Italy and final affirmative dumping determinations for Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan.⁷ On September 1, 1998, the Commission made final affirmative determinations with respect to subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan, and a final negative determination with respect to subject imports from Germany.⁸ These determinations were transmitted to Commerce on September 8, 1998. Commerce issued a countervailing duty order on imports from Italy and antidumping duty orders on imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan on September 15, 1998.⁹

On August 1, 2003, the Commission instituted five year reviews pursuant to section 751(c) of the Act, to determine whether revocation of the countervailing duty order on SSWR from Italy and the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan would be likely

⁶ The petition was filed by Al Tech Specialty Steel Corp., Dunkirk, NY ("Al Tech"); Carpenter Technology Corp., Reading, PA ("Carpenter"); Republic Engineered Steels, Inc., Massillon, OH ("Republic"); Talley Metals Technology, Inc., Hartsville, SC ("Talley"); and the United Steelworkers of America, AFL-CIO/CLC.

⁷ Commerce's determinations with respect to orders still subject to review appear in table I-5.

⁸ Commissioners Bragg, Miller, and Koplan made affirmative determinations with respect to subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan, with Commissioners Crawford and Askey dissenting and Commissioner Hillman not participating. Commissioners Miller, Koplan, and Askey made negative threat determinations with respect to subject imports from Germany, while Commissioner Crawford determined such imports to be negligible, Commissioner Bragg made an affirmative determination, and Commissioner Hillman did not participate.

⁹ The Commission's determination with respect to subject imports from Germany was appealed by the petitioning coalition. Judge Delissa A. Ridgeway of the U.S. Court of International Trade sustained the Commission's determination with respect to subject imports from Germany. *AL-Tech Specialty Steel Corp., et. al. v. United States*, 27 CIT 1791 (Dec. 16, 2003).

to lead to continuation or recurrence of material injury to an industry in the United States within a foreseeable time.¹⁰ On June 29, 2004, Commerce notified the Commission of its negative final determination of the likelihood of continuation or occurrence of a countervailable subsidy in connection with the subject five-year review on SSWR from Italy. Effective July 2, 2004, Commerce revoked the countervailing duty order on imports of SSWR from Italy.¹¹ Following affirmative determinations by Commerce and the Commission¹² in connection with the first five-year reviews of the antidumping duty orders, effective September 13, 2004, Commerce issued a continuation of the antidumping duty orders on imports of SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan.¹³ Subsequently, effective April 23, 2007, Commerce revoked the antidumping duty order on imports of SSWR from Sweden.¹⁴

RELATED INVESTIGATIONS

Stainless Steel Wire Rod

Since 1980, the Commission has conducted original investigations on SSWR from Brazil, France, India, and Spain (subsidy), as well as Germany and Sweden (discussed above) and the five countries subject to the current reviews. During 1999-2000, the Commission conducted five-year reviews of the 1983 transition countervailing duty order on Spain and the 1993-94 transition antidumping duty orders on SSWR from Brazil, France, and India. The Commission made affirmative determinations with respect to the antidumping orders on SSWR from Brazil, France, and India and a unanimous negative determination with respect to the countervailing duty order on SSWR from Spain.¹⁵ ¹⁶ In July 2005, the Commission instituted second five-year reviews of the antidumping duty orders on SSWR from Brazil, France, and India. In July 2006, the Commission made an affirmative determination with respect to SSWR from India and negative determinations with respect to SSWR from France and Brazil.¹⁷ The Commission is scheduled to review the antidumping duty order on SSWR from India beginning in July 2011.

¹⁰ *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan*, 68 FR 45277, August 1, 2003.

¹¹ Commerce found the net countervailing subsidy likely to prevail to be *de minimus*. *Notice of Final Results of Full Sunset Review of Countervailing Duty Order of Stainless Steel Wire Rod from Italy*, 69 FR 40354, July 2, 2004.

¹² Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissenting with respect to SSWR from Italy, Korea, Spain, and Sweden. Cogne appealed the Commission's decision to cumulate subject imports from Italy with other subject imports, particularly its finding that subject imports from Italy were not likely to have no discernable adverse impact upon revocation. The CIT affirmed the Commission. *Cogne Acciai Speciali v. United States*, 29 CIT 1168 (2005).

¹³ *Continuation of Antidumping Duty Orders: Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan*, 69 FR 50167, August 13, 2004.

¹⁴ *Implementation of the Findings of the WTO Panel in US--Zeroing (EC): Notice of Determinations Under Section 129 of the Uruguay Round Agreements Act and Revocations and Partial Revocations of Certain Antidumping Duty Orders*, 72 FR 25261, May 4, 2007.

¹⁵ Commissioners Koplán and Okun dissenting with respect to SSWR from France, and Commissioner Askey dissenting with respect to SSWR from Brazil, France, and India.

¹⁶ *Stainless Steel Wire Rod from Brazil, France, India, and Spain*, Invs. Nos. 701-TA-178 and 731-TA-636-638 (Review), USITC Publication 3321, July 2000. Following an appeal by French respondent interested parties, Senior Judge Richard W. Goldberg of the U.S. Court of International Trade sustained the Commission's determination. *Ugine-Savoie Imphy v. United States*, 248 F. Supp. 2d 1208 (Ct. Int'l Trade 2002).

¹⁷ Commissioners Koplán and Lane dissenting. *Stainless Steel Wire Rod from Brazil, France, and India*, Inv. Nos. 731-TA-636-638 (Second Review), USITC Publication 3866, July 2006.

Stainless Steel Bar

On December 30, 1993, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of dumped imports of stainless steel bar from Brazil, India, Italy, Japan, and Spain.¹⁸ On December 28, 1994, Commerce made final affirmative dumping determinations with respect to imports from Brazil, India, Japan, and Spain, and a final negative dumping determination with respect to Italy.¹⁹ The Commission transmitted its final affirmative injury determinations to Commerce on February 14, 1995.²⁰ On February 21, 1995, Commerce issued antidumping duty orders for Brazil, India, and Japan, and on March 2, 1995, for Spain.²¹ The Commission previously conducted countervailing duty investigations on imports of stainless steel bar from Brazil and Spain. In 1983, the Commission made an affirmative determination with respect to imports from Brazil.²² In 1982, the Commission made a negative determination with respect to imports from Spain.²³

On December 30, 1999, the Commission instituted five-year (sunset) reviews concerning the antidumping duty orders on imports of stainless steel bar from Brazil, India, Japan, and Spain,²⁴ and on April 6, 2000, the Commission determined to conduct full five-year reviews.²⁵ The Commission determined that revocation of the antidumping duty orders on stainless steel bar from Brazil, India, Japan, and Spain would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²⁶ A second review was instituted in March 2006. In January 2007, the Commission made affirmative determinations.²⁷

On December 28, 2000, a petition was filed with Commerce and the Commission by Carpenter Technology Corp. (Wyomissing, PA); Crucible Specialty Metals (Syracuse, NY); Electralloy Corp. (Oil City, PA); Empire Specialty Steel, Inc. (Dunkirk, NY); Slater Steels Corp., Specialty Alloys Division (Fort Wayne, IN); and the United Steelworkers of America, AFL-CIO/CLC (Pittsburgh, PA), alleging that an industry in the United States was materially injured and threatened with material injury by reason of imports of stainless steel bar from France, Germany, Italy, Korea, Taiwan, and the United Kingdom, that were alleged to be sold in the United States at less than fair value (LTFV), and by reason of imports of stainless steel bar from Italy that were alleged to be subsidized by the Government of Italy. The Commission transmitted its final affirmative injury determinations concerning LTFV stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom and subsidized imports from Italy to

¹⁸ The petition was filed by AL Tech Specialty Steel Corp., Carpenter, Crucible, Electralloy, Republic Engineered Steels, Inc., Slater, Talley Metal Technology, Inc., and the United Steelworkers of America (AFL-CIO/CLC).

¹⁹ The Commission terminated its investigation (Inv. No. 731-TA-680 (Final)) concerning imports of stainless steel bar from Italy on January 23, 1995. 60 FR 6291, February 1, 1995.

²⁰ 60 FR 9396, February 17, 1995. *See also Stainless Steel Bar from Brazil, India, Japan, and Spain, Investigation Nos. 731-TA-678, 679, 681, and 682 (Final)*, USITC Publication 2856, February 1995.

²¹ 60 FR 9661, February 21, 1995, and 60 FR 11656, March 2, 1995.

²² *Hot Rolled Stainless Steel Bar, Cold Formed Stainless Steel Bar, and Stainless Steel Wire Rod from Brazil, Investigation Nos. 701-TA-179-181 (Final)*, USITC Publication 1398, June 1983.

²³ *Hot Rolled Stainless Steel Bar, Cold Formed Stainless Steel Bar, and Stainless Steel Wire Rod from Spain, Investigation Nos. 701-TA-179-181 (Final)*, USITC Publication 1333, December 1982.

²⁴ *Institution of five-year reviews concerning the antidumping duty orders on stainless steel bar from Brazil, India, Japan, and Spain, Investigations Nos. 731-TA-678, 679, 681, and 682 (Review)*, 64 FR 73579, December 30, 1999.

²⁵ *Notice of Commission determinations to conduct full five-year reviews concerning the antidumping duty orders on stainless steel bar from Brazil, India, Japan, and Spain, Investigations Nos. 731-TA-678, 679, 681, and 682 (Reviews)*, 65 FR 20834, April 18, 2000.

²⁶ *Determinations, Investigations Nos. 731-TA-678-679 and 681-682 (Review)*, 66 FR 17928, April 4, 2001.

²⁷ *Stainless Steel Bar from Brazil, India, Japan, and Spain, Invs. Nos. 731-TA-678, 679, 681, and 682 (Second Review)*, USITC Publication 3895, January 2007.

Commerce on March 4, 2002.²⁸ Reviews of these orders were instituted in February 2007. In January 2008, the Commission made negative five-year review determinations.²⁹

Stainless Steel Wire

On November 16, 1998, the Commission instituted investigation nos. 731-TA-781-786 following receipt of a petition filed with the Commission and the Department of Commerce by ACS Industries, Inc., Woonsocket, RI; Al Tech Specialty Steel Corp., Dunkirk, NY; Branford Wire & Manufacturing Co., Mountain Home, NC; Carpenter Technology Corp., Reading, PA; Handy & Harman Specialty Wire Group, Cockeysville, MD; Industrial Alloys, Inc., Pomona, CA; Loos & Co., Inc., Pomfret, CT; Sandvik Steel Co., Clarks Summit, PA; Sumiden Wire Products Corp., Dickson, TN; and Techalloy Co., Inc., Mahwah, NJ. In May 1999, the Commission unanimously determined that an industry in the United States was not materially injured or threatened with material injury, and the establishment of an industry in the United States was not materially retarded, by reason of imports from Canada, India, Japan, Korea, Spain, and Taiwan of stainless steel round wire that had been found by Commerce to be sold in the United States at LTFV.³⁰

Safeguard Investigations

During 1982-83, the Commission conducted a safeguard investigation of stainless steel products (Inv. No. TA-201-48) that included the SSWR subject to these reviews. Following affirmative determinations of serious injury and remedy recommendations by the Commission, President Reagan proclaimed four-year global quotas limiting SSWR imports to 19,100 tons in the first year, increasing to 19,700 tons, 20,300 tons, and 20,900 tons in subsequent years.

In 2001, the Commission conducted a safeguard investigation of steel products (Inv. No. TA-201-73) that included the SSWR subject to these reviews (as well as downstream products such as stainless steel bar and stainless steel wire). Following affirmative determinations of serious injury and remedy recommendations by the Commission, President Bush issued a proclamation on March 5, 2002, imposing temporary import relief for a period not to exceed three years and one day. Import relief relating to SSWR consisted of an additional tariff of 15 percent ad valorem on imports in the first year, 12 percent in the second year, and 9 percent in the third year.³¹ On December 4, 2003, President Bush terminated the steel safeguard tariffs.

SUMMARY DATA

Table I-1 presents a summary of data from the original investigations as well as the first and current reviews.

²⁸ *Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom, Investigations Nos. 701-TA-413 and 731-TA-913-916 and 918 (Final)*, 67 FR 10756, March 8, 2002. Investigation No. 731-TA-917 (Final), concerning stainless steel bar from Taiwan, was terminated effective January 23, 2002, 67 FR 4745, January 31, 2002, following Commerce's final negative LTFV determination with respect to Taiwan, 67 FR 3152, January 23, 2002.

²⁹ *Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom, Invs. Nos. 701-TA-413 and 731-TA-913-916 and 918 (Review)*, USITC Publication 3981, January 2008.

³⁰ *Stainless Steel Round Wire from Canada, India, Japan, Korea, Spain, and Taiwan, Investigations Nos. 731-TA-781-786 (Final)*, 64 FR 28510, May 26, 1999.

³¹ Additional relief was provided for stainless steel bar and stainless steel wire. Additional tariffs on the former product were to decrease from 15 percent to 12 percent to 9 percent, and on the latter product from 8 percent to 7 percent to 6 percent.

Table I-1
SSWR: Comparative data from the original investigations and the first and second reviews, 1995-2009
(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)

Item	1995	1996	1997	1998	1999	2000
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
U.S. producers' share	***	***	***	***	***	***
U.S. importers' share:						
Italy (ex. Valbruna after 1997)	***	***	***	***	***	***
Japan (ex. Hitachi)	***	***	***	***	***	***
Korea	***	***	***	***	***	***
Spain	***	***	***	***	***	***
Taiwan (ex. Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject imports	***	***	***	***	***	***
Italy / Valbruna	(¹)	(¹)	(¹)	***	***	***
Japan / Hitachi	***	***	***	***	***	***
Taiwan / Yieh Hsing	***	***	***	***	***	***
Other sources (including Sweden)	***	***	***	***	***	***
Subtotal, nonsubject imports	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. imports from:						
Italy (ex. Valbruna after 1997):						
Quantity	9,859	8,289	8,844	***	***	***
Value	21,446	19,413	17,554	***	***	***
Unit value	\$2,175	\$2,342	\$1,985	\$***	\$***	\$***
Japan (ex. Hitachi):						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***
Korea:						
Quantity	10,938	10,437	13,937	12,984	10,570	9,058
Value	25,392	22,097	25,956	22,489	14,918	13,869
Unit value	\$2,321	\$2,117	\$1,862	\$1,732	\$1,411	\$1,531
Spain:						
Quantity	2,663	2,854	4,705	1,932	4,732	3,881
Value	6,939	6,529	9,510	3,809	7,584	6,282
Unit value	\$2,606	\$2,288	\$2,022	\$1,972	\$1,603	\$1,618
Taiwan (ex. Yieh Hsing)						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***

Table I-1--Continued

2001	2002	2003	2004	2005	2006	2007	2008	2009
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
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***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	***	***
5,593	4,482	1,437	1,982	2,626	385	24	0	0
7,745	5,730	2,128	3,858	6,226	960	132	0	0
\$1,385	\$1,278	\$1,481	\$1,946	\$2,371	\$2,490	\$5,464	(²)	(²)
4,783	5,885	4,158	34	8	20	0	0	0
7,573	8,323	6,602	80	60	48	0	0	0
\$1,583	\$1,414	\$1,588	\$2,360	\$7,652	\$2,363	(²)	(²)	(²)
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***

Table I-1--Continued

SSWR: Comparative data from the original investigations and the first and second reviews, 1995-2009

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

Item	1995	1996	1997	1998	1999	2000
U.S. imports from:						
Subtotal, subject countries						
Quantity	29,393	35,084	50,851	22,956	17,333	14,514
Value	68,972	78,656	98,959	40,831	26,005	23,427
Unit value	\$2,347	\$2,242	\$1,946	\$1,779	\$1,500	\$1,614
Italy / Valbruna						
Quantity	(²)	(²)	(²)	***	***	***
Value	(²)	(²)	(²)	***	***	***
Unit value	(²)	(²)	(²)	\$***	\$***	\$***
Japan / Hitachi						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***
Taiwan / Yieh Hsing						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***
Other sources:						
Quantity	16,754	15,926	16,491	20,852	22,466	36,558
Value	47,499	45,733	40,965	50,430	45,475	71,971
Unit value	\$2,835	\$2,872	\$2,484	\$2,418	\$2,024	\$1,969
Subtotal, nonsubject countries:						
Quantity	26,241	26,337	30,911	39,161	48,666	70,413
Value	70,644	67,956	69,129	88,512	87,753	134,573
Unit value	\$2,692	\$2,580	\$2,236	\$2,260	\$1,803	\$1,911
Total:						
Quantity	55,634	61,421	81,762	62,118	65,999	84,926
Value	139,616	146,612	168,088	129,343	113,758	158,000
Unit value	\$2,510	\$2,387	\$2,056	\$2,082	\$1,724	\$1,860

Table I-1--Continued

2001	2002	2003	2004	2005	2006	2007	2008	2009
16,363	11,619	6,833	2,230	3,044	636	150	61	35
25,763	15,993	10,591	4,464	7,476	1,844	783	276	111
\$1,574	\$1,376	\$1,550	\$2,002	\$2,456	\$2,898	\$5,205	\$4,528	\$3,122
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
29,669	26,365	20,562	29,350	20,789	19,447	19,257	21,191	8,888
56,696	50,332	38,327	69,503	61,073	63,277	91,427	95,963	29,236
\$1,911	\$1,909	\$1,864	\$2,368	\$2,938	\$3,254	\$4,748	\$4,528	\$3,290
50,943	45,606	29,491	45,377	38,486	30,837	30,411	29,823	14,396
95,093	82,006	54,101	107,256	109,029	96,341	142,371	131,031	43,351
\$1,867	\$1,798	\$1,834	\$2,364	\$2,833	\$3,124	\$4,682	\$4,394	\$3,011
67,305	57,225	36,325	47,608	41,531	31,473	30,562	29,884	14,431
120,856	97,998	64,692	111,720	116,505	98,185	143,154	131,307	43,461
\$1,796	\$1,713	\$1,781	\$2,347	\$2,805	\$3,120	\$4,684	\$4,394	\$3,012

Table I-1--Continued

SSWR: Comparative data from the original investigations and the first and second reviews, 1995-2009
(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)

Item	1995	1996	1997	1998	1999	2000
U.S. producers^{1,2}						
Capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***
Ending inventory quantity	***	***	***	***	***	***
Inventory/total shipments	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000)	***	***	***	***	***	***
Wages paid	***	***	***	***	***	***
Hourly wage	\$***	\$***	\$***	\$***	\$***	\$***
Productivity	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit Value	\$***	\$***	\$***	\$***	\$***	\$***
Cost of goods sold	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A	***	***	***	***	***	***
Operating income or (loss) (value)	***	***	***	***	***	***
Unit cost of goods sold	\$***	\$***	\$***	\$***	\$***	\$***
Unit operating income or (loss)	\$***	\$***	\$***	\$***	\$***	\$***
Cost of goods sold/sales (percent)	***	***	***	***	***	***
Operating income or (loss)/sales	***	***	***	***	***	***

Note.—Data for imports from Italy in 1995-97 include imports from Valbruna, which was still subject to the orders. Data for 1998-2009 distinguishes between subject imports from Italy and nonsubject imports from Valbruna.

¹ Not applicable.

² U.S. producers' data for the period 1995-97 do not include operations of ***, with the exception of production and shipment data.

Source: Data for 1995-97 are compiled from the confidential staff report (memorandum INV-V-057, August 11, 1998) in *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan* (Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final)), as modified to exclude imports from Germany and Sweden in subtotaling subject imports of SSWR (memorandum INV-V-061, August 19, 1998). Data for 1998-2003 are compiled from confidential staff report (memorandum INV-BB-074, June 10, 2004) in *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan* (Inv Nos. 731-TA-770-773 and 775 (Review)), as modified to exclude imports from Sweden and Valbruna in subtotaling subject imports of SSWR (INV-BB-089 and INV-BB-090, July 7, 2004). Data for 2004-09 are compiled from responses to the Commission questionnaires in the current reviews and from official Commerce statistics.

Table I-1--Continued

2001	2002	2003	2004	2005	2006	2007	2008	2009
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
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***	***	***	***	***	***	***	***	***
\$***	\$**	\$***	\$***	\$***	\$***	\$***	\$***	\$***
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\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
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\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
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***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
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\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

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

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

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

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

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

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

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

Organization of the Report

Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for SSWR as collected in these reviews is presented in appendix C. U.S. industry data are based on the questionnaire responses of four U.S. firms that produce SSWR and a fifth that provides raw materials under a tolling arrangement: Allvac, Monroe, NC (tolling for Outokumpu, Richburg, SC); Carpenter, Reading, PA; NAS, Ghent, KY; and Universal, Bridgeville, PA. These firms accounted for virtually all domestic production and sales of SSWR during 2009.^{32 33} U.S. import data are based on official Commerce statistics as adjusted by U.S.

³² Charter Specialty Steel (“Charter”) began producing SSWR in 2001 and provided the Commission with data in the first five-year reviews; however, Charter exited the SSWR business in 2008. Charter did not submit a U.S. producer questionnaire in these reviews; however, it did provide its shipment data for 2006-09. Data regarding Charter’s operations in 2004-06 were presented in the Commission’s 2006 reviews of the antidumping orders on SSWR from Brazil, France, and India. Charter reported shipments of *** short tons in 2004; *** short tons in 2005; *** short tons in 2006; *** short tons in 2007; *** short tons in 2008; and *** short tons in 2009. U.S. producer questionnaire response in *Stainless Steel Wire Rod from Brazil, France, and India. Inv. Nos. 731-TA-636-638 (Second Review)* and Email from *** on March 15, 2010. According to testimony provided at the hearing, Charter requested Italian SSWR Cogne produce billets that Charter did not produce. Cogne supplied 100 short tons of billets to Charter in 2004, 138 short tons in 2005, and 22 short tons in 2006. Hearing transcript, p. 138 (Ferrin). In a sworn affidavit, a representative from Cogne confirmed that Cogne USA had discussions with Charter in 2004 and that these discussions were initiated by Charter. Charter asked Cogne to supply Charter with billets of XM-19 grade
continue...

Customs' data for the companies not covered by the orders.³⁴ Responses by U.S. producers, importers, and purchasers, and foreign producers of SSWR to a series of questions concerning the significance of the existing antidumping duty orders and the likely effects of their revocation are presented in appendix D. A summary of U.S. construction spending and U.S. motor vehicle assemblies is presented in appendix E. A summary of the prices of raw materials and energy used in the production of SSWR is presented in appendix F. A summary of the nominal and real exchange rates for the subject countries is presented in appendix G.

COMMERCE'S REVIEWS

Administrative Reviews³⁵

Italy

Commerce has not conducted any administrative reviews of the antidumping duty order with regard to SSWR from Italy.

Japan

Commerce has not conducted any administrative reviews of the antidumping duty order with regard to SSWR from Japan.

Korea

Commerce has conducted four administrative reviews of the antidumping duty order on SSWR from Korea and published the final results of the reviews as shown in table I-2.

Table I-2

SSWR: Administrative reviews of the antidumping duty order for Korea

Date results published	Period of review	Producer or exporter	Margin (percent)
February 13, 2002 (67 FR 6685), corrected March 12, 2002 (67 FR 11096)	09/01/99-08/31/00	POSCO/Changwon/Dongbang	5.61
April 12, 2004 (69 FR 19153)	09/01/01-08/31/02	POSCO/Changwon/Dongbang	1.67
February 12, 2007 (72 FR 6528)	09/01/04-08/31/05	Changwon/Dongbang	9.06
August 16, 2007 (72 FR 46035)	09/01/05-08/31/06	Changwon/Dongbang	28.44

Source: Cited *Federal Register* notices.

³² ...continue

stainless steel, a grade which Cogne understood was not produced by Charter. Cogne supplied the semifinished steel input to Charter, for Charter then to process and sell in any manner Charter desired. Cogne's posthearing brief, exh. 2, p. 3.

³³ Staff received confirmation that another firm, Latrobe Speciality Steel ("Latrobe") produces SSWR in the United States. Latrobe did not submit a complete questionnaire response; however, it reported an annual SSWR production of *** short tons, which accounted for less than *** percent of total U.S. SSWR production in 2009.

³⁴ In 2009, there were *** U.S. imports of SSWR from subject sources from Japan, Korea, or Spain. Only a limited quantity of SSWR was imported from subject sources in Italy (*** short tons) and Taiwan (*** short tons).

³⁵ No duty absorption findings were made.

Spain

Commerce has conducted one administrative review of the antidumping duty order on SSWR from Spain and published the final results of the review as shown in table I-3.

Table I-3

SSWR: Administrative reviews of the antidumping duty order for Spain

Date results published	Period of review	Producer or exporter	Margin (percent)
February 21, 2001 (66 FR 10988)	03/05/98-08/31/99	Roldan, S.A.	0.80
Source: Cited <i>Federal Register</i> notice.			

Taiwan

Commerce has conducted one administrative review of the antidumping duty order on SSWR from Taiwan and published the final results of the review as shown in table I-4.

Table I-4

SSWR: Administrative reviews of the antidumping duty order for Taiwan

Date results published	Period of review	Producer or exporter	Margin (percent)
October 15, 2001 (66 FR 52587)	09/01/99-08/31/00	Walsin Lihwa Corporation	4.75
Source: Cited <i>Federal Register</i> notice.			

Changed-Circumstances Reviews

Commerce has conducted a changed-circumstances review with respect to SSWR from Italy, where Commerce found that Acciaierie Valbruna S.p.A. was the successor-in-interest to Acciaierie Valbruna S.r.l, and its subsidiary, Acciaierie Bolzano S.p.A. Because Valbruna S.r.l/Acciaierie Bolzano S.p.A. was excluded from the antidumping duty order on SSWR from Italy, Commerce determined that, effective December 16, 1998, merchandise from Acciaierie Valbruna S.p.A. should be excluded from the antidumping order.³⁶

Scope Inquiry Reviews

Commerce has conducted a scope inquiry with respect to SSWR from Italy, Japan, Spain, and Taiwan, in which Commerce found that certain stainless steel bar that is manufactured in the United Arab Emirates from SSWR imported from multiple subject countries is excluded from the scope of the antidumping orders.³⁷

Results of Five-Year Reviews

Table I-5 presents the dumping margins calculated by Commerce in its original investigations and its first and second five year reviews.

³⁶ *Stainless Steel Wire Rod from Italy: Notice of Final Results of Changed Circumstances Antidumping Duty Review*, 71 FR 24643, April 26, 2006.

³⁷ *Notice of Scope Rulings*, 70 FR 41374, July 19, 2005.

Table I-5

SSWR: Commerce’s original and subsequent five-year review antidumping duty margins for producers/exporters in Italy, Japan, Korea, Spain, and Taiwan, by subject country

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)
Italy¹			
Cogne Acciai	12.73	12.73	11.25
All others	12.73	12.73	11.25
Japan²			
Hitachi	0.0	N/A	N/A
Daido Steel Co., Ltd.	34.21	34.21	34.21
Nippon Steel Corp.	21.18	21.18	21.18
Sanyo Steel Co., Ltd.	34.21	34.21	34.21
Sumitomo Electric Industries, Ltd.	34.21	34.21	34.21
All others	25.26	25.26	25.26
Korea³			
Dongbang Special Steel Co., Ltd.	3.18	5.77	5.77
Changwon Specialty Steel Co., Ltd.	3.18	5.77	5.77
Pohang Iron and Steel Co., Ltd.	3.18	5.77	5.77
Sammi Steel Co., Ltd.	28.44	28.44	28.44
All others	3.18	5.77	5.77
Spain⁴			
Roldan	4.72	4.73	2.71
All others	4.72	4.73	2.71
Taiwan⁵			
Yieh Hsing Corp., Ltd.	0.02	N/A	N/A
Walsin Cartech Specialty	8.29	8.29	8.29
All others	8.29	8.29	8.29
¹ Antidumping duty order, 63 FR 49327, September 15, 1998; final results of first expedited five-year review, 68 FR 68862, December 10, 2003; final results of second expedited five-year review, 74 FR 56179, October 30, 2009. ² Antidumping duty order, 63 FR 49329, September 15, 1998; final results of first expedited five-year review, 68 FR 68864, December 10, 2003; final results of second expedited five-year review, 74 FR 56179, October 30, 2009. ³ Antidumping duty order, 63 FR 49331, September 15, 1998; final results of first expedited five-year review, 68 FR 68863, December 10, 2003; final results of second expedited five-year review, 74 FR 56179, October 30, 2009. ⁴ Antidumping duty order, 63 FR 49330, September 15, 1998; final results of first expedited five-year review, 68 FR 68866, December 10, 2003; final results of second expedited five-year review, 74 FR 56179, October 30, 2009. ⁵ Antidumping duty order 63 FR 49332, September 15, 1998; final results of first expedited five-year review, 68 FR 68865, December 10, 2003; final results of second expedited five-year review, 74 FR 56179, October 30, 2009.			
Source: Cited <i>Federal Register</i> notices.			

DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

The Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”) (also known as the Byrd Amendment) provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these

producers incur after the issuance of such orders.³⁸ Qualified U.S. producers of SSWR have been eligible to receive disbursements from the U.S. Customs and Border Protection (“Customs”) under CDSOA relating to the orders covering the subject merchandise beginning in Federal fiscal year 2001.³⁹ Table I-6 presents CDSOA disbursements and claims, by Federal fiscal years, since 2001.

Table I-6
SSWR: CDSOA disbursements, by firm and country, Federal fiscal years 2001-09¹

Item	Federal fiscal year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
U.S. dollars (actual)									
By firm:									
Carpenter	1,041,295	918,429	644,762	631,398	116,909	37,077	489,331	1,114,650	51,061
Talley ²	215,622	153,113							
Universal	0	174,761	61,408	60,010	11,238	3,694	47,506	108,765	4,984
By country:									
Italy	13,150	2,768	1	3,044	4,784	0	0	0	0
Japan	436,915	286,759	126,434	103,179	66,385	912	5,991	4,478	0
Korea	132,352	798,468	484,952	209,558	48,184	34,860	530,196	1,191,335	41,527
Spain	0	112,138	41,420	292,304	1,856	374	615	5,323	0
Taiwan	674,500	46,170	53,364	83,323	6,939	4,625	36	22,279	14,518
Total	1,256,917	1,246,303	706,171	691,408	128,148	40,771	536,837	1,223,415	56,045
¹ As presented in Section I of Customs' CDSOA <i>Annual Reports</i> . ² Carpenter acquired Talley in 1998. All disbursements reported subsequent to 2002 combine Carpenter and Talley.									
Source: U.S. Customs and Border Protection's CDSOA <i>Annual Reports</i> .									

THE SUBJECT MERCHANDISE

Commerce's Scope

The imported product subject to the antidumping duty orders under review, as defined by Commerce, is the following:

{stainless steel} products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime or oxalate. Stainless steel wire rod is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold

³⁸ Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)). The Deficit Reduction Act of 2005 repealed the CDSOA with respect to duties on entries of goods made and filed on or after October 1, 2007. See Pub. L. No. 109-171, 120 Stat. 4, 154 (2006).

³⁹ 19 CFR 159.64 (g).

in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar. The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of stainless steel wire rod sizes normally sold in the United States is between 0.20 inches and 1.312 inch diameter. Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of these reviews.⁴⁰

Tariff Treatment

The products subject to these orders currently are covered by statistical reporting numbers 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive. Table I-7 presents current tariff rates for SSWR provided for in HTSUS subheading 7221.00.00.

Table I-7
SSWR: Tariff treatment, 2010

HTS provision	Article description	Column 1		Column 2 ²
		General ¹	Special	
		Rates (<i>ad valorem</i>)		
7221.00.00	Bars and rods, hot-rolled, in irregularly wound coils, of stainless steel	Free	(³)	11%
7221.00.0005	Of high-nickel alloy steel			
	Other:			
	Of circular cross section:			
7221.00.0015	With a diameter of less than 14 mm			
7221.00.0030	With a diameter of 14 mm or more but less than 19 mm			
7221.00.0045	With a diameter of 19 mm or more			
7221.00.0075	Other			
¹ Normal trade relations rate, formerly known as the most-favored-nation duty rate. ² Applies to imports from a small number of countries that do not enjoy normal trade relations duty status. ³ Special rates not applicable when General rate is free.				
Source: Harmonized Tariff Schedule of the United States (2010).				

⁴⁰ The chemical makeup (in percent by weight) for the excluded grades is as follows:

- SF20T: Carbon--0.05 max; Manganese--2.00 max; Phosphorus--0.05 max; Sulfur--0.15 max; Silicon--1.00 max; Chromium--19.00/21.00; Molybdenum--1.50/2.50; Lead--added (0.10/0.30); and Tellurium--added (0.03 min).
- K-M35FL: Carbon--0.015 max; Silicon--0.70/1.00; Manganese--0.40 max; Phosphorus--0.04 max; Sulfur--0.03 max; Nickel--0.30 max; Chromium--12.50/14.00; Lead--0.10/0.30; and Aluminum--0.20-0.35.

THE PRODUCT

General

Stainless steels are alloys of iron containing at least 10.5 percent by weight of chromium. In comparison to carbon steel and other alloy steels, stainless steels offer superior resistance to corrosion or oxidation at ambient or elevated temperatures. There are 5 classes of stainless steel, each having different chemical compositions and physical properties: austenitic, martensitic, ferritic, duplex, and precipitation hardenable stainless steel alloys.

Austenitic stainless steels (200- and 300-series) are nonmagnetic, chromium-nickel alloys, such as grades 304 and 316. Austenitic alloys can be substantially hardened by cold working but not by heat treatment. Type 304 is the most widely used steel of the austenitic class. It has a nominal composition of 18 percent chromium and 8 percent nickel. Martensitic stainless steels (400-series) are magnetic alloys containing chromium but little or no nickel, such as type 410, which contains 11.5 percent chromium. Martensitic alloys are hardenable by heat treatment and are generally used in the hardened condition for applications subject to contact friction. Ferritic stainless steels (also 400-series) are magnetic, chromium alloys such as type 430 (which contains 16 percent chromium) and type 409 (which contains 10.5 percent chromium.) Type 430 is a general-purpose grade that is less resistant to corrosion than the austenitic grades and is therefore used in applications that are not subject to corrosive conditions. Type 409 SSWR is commonly used to produce wire for exhaust-system hangers. Duplex stainless steels, such as 2205, are magnetic and not hardenable by heat treatment. Duplex stainless steels are a combination of austenitic and ferritic stainless steels with excellent corrosion resistance and about twice the yield strength of common austenitic alloys. Grade 2205 contains 22 percent chromium, 4.5 percent nickel, and 3 percent molybdenum. Precipitation hardenable (PH) stainless steels combine high strength and hardness with corrosion resistance that is superior to that of the martensitic alloys. Alloy 17-7 PH is a typical PH alloy and contains 16 percent chromium, 6.5 percent nickel, and about 1 percent aluminum. The essential characteristics imparted by physical structures and chemical compositions influence how the steel is melted, as well as its ladle treatment, hot-rolling, and heat treatment.⁴¹

Description and Applications

SSWR is an intermediate stainless steel product that is used primarily to produce stainless steel wire and stainless steel bar. SSWR is a long product produced in coiled form with no specific size limitation. SSWR is produced at least as large as 39 mm (1.54 inch) in diameter, although the most common size is 5.5 mm (0.217 inch) in diameter, circular cross-section. This is the smallest size normally produced on a hot-rolling mill and is the size most commonly used for wire drawing. SSWR may also be produced as a square, hexagon, octagon, or other shape.

The primary use for SSWR shipped in the domestic market is for the production of wire. According to ***, *** of its shipments of SSWR are for the production of wire with *** percent of the shipments being of the smallest diameter (5.5 mm).⁴² The domestic market for SSWR used for the purpose of converting into bar is very small.⁴³ Finally, some forgers and fabricators use SSWR directly in manufacturing of downstream products, including, but not limited to, industrial fasteners, springs,

⁴¹ *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), USITC Publication 3126, September 1998, p. I-4 and *Stainless Steels*, ASM International, Materials Park, OH, 1994, and *Steel Products Manual: Stainless Steels*, Iron & Steel Society, 1999.

⁴² Plant tour and interview session with ***, February 24, 2010.

⁴³ Plant tour and interview session with ***, February 24, 2010.

medical and dental instruments, automotive parts, and welding electrodes.⁴⁴ More than *** of domestically-produced SSWR is consumed internally by producers for the production of stainless steel wire or cold-finished bar. Of the U.S. firms that produce SSWR, *** reported internally consuming SSWR. ***.⁴⁵

Manufacturing Process

There are three basic steps in SSWR production, regardless of grade or final cross section: (1) the melting of steel and production of billets, (2) hot-rolling the billets and coiling the wire rod, and (3) finishing, which includes annealing and pickling. Inspection, packaging, and shipment follow these three stages of production. The production process employed by U.S. producers and by foreign manufacturers is generally the same.⁴⁶

In the first stage, molten stainless steel is produced by melting stainless steel scrap and other raw materials (including chromium, nickel, and molybdenum) in an electric-arc furnace. Molten stainless steel typically is transferred to an argon-oxygen refining vessel, where its chemistry is refined and adjusted through further additions to produce steel with the required chemical composition. The steel is then processed through a continuous casting machine to produce billets, which are semifinished long products with a square cross section. Other types of melting equipment, such as a vacuum furnace or an electroslag remelting furnace, may be used to produce special quality SSWR, but these processes are uncommon. When continuous casting is not used, billet may be produced from ingots by rolling or forging.

In the second stage, the surface of the billets may be ground to remove defects, following which the billets are heated to rolling temperature (about 2,200 degrees Fahrenheit) prior to hot rolling. In the hot-rolling mill, the billet passes through a series of rolling operations until it has been reduced to its final diameter or shape, at which point it has the dimensions of wire rod. The wire rod is coiled and then is cooled either by forced air or by water-quenching. Each billet yields a single coil of wire-rod.

In the finishing stage, the coils may be annealed (heat-treated) and mechanically descaled (shot-blasted) and/or pickled (dipped in a series of acid baths) to improve surface quality. The coils of wire rod may also be coated with a lubricant containing copper, lime, or oxalate, which facilitates the drawing process.

DOMESTIC LIKE PRODUCT ISSUES

In the original investigations and first five-year sunset reviews, the Commission found the appropriate domestic like product to be all SSWR corresponding to the scope of Commerce's investigations.⁴⁷ No party has advocated for an alternative domestic like product in these reviews.⁴⁸

⁴⁴ *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), USITC Publication 3126, September 1998, pp. I-4 and I-6.

⁴⁵ Carpenter's posthearing brief, exh 1, p. 35.

⁴⁶ *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), USITC Publication 3126, September 1998, pp. I-6 - I-8.

⁴⁷ *Stainless Steel Wire Rod From Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, Investigations Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), USITC Publication 3126, September 1998. *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan*, Investigation Nos. 731-TA-770-775 (Review), USITC Publication 3707, July 2004.

⁴⁸ See generally responses to the Commission's notice of institution of Carpenter, Cogne, and POSCOSS, and prehearing and posthearing briefs.

U.S. MARKET PARTICIPANTS

U.S. Producers

The following firms were identified as producers of SSWR in the original investigations: Al Tech Specialty Steel Corp. (Al Tech), Carpenter Technology Corp. (Carpenter), Republic Engineered Steels, Inc. (Republic), Talley Metals Technology (Talley), and ***. Two of the five producers, ***, reported receiving certain quantities of SSWR from ***. The four petitioners, Al Tech, Carpenter, Republic, and Talley, accounted for virtually all domestic production of SSWR.⁴⁹

There have been numerous changes in the composition of the domestic industry since petition was filed in July 1997. Republic exited the stainless steel wire rod business in *** and has not been involved in any operations concerning SSWR since that time.⁵⁰ In addition, Carpenter, a publicly owned company headquartered in Wyomissing, PA., acquired Talley in 1998.⁵¹

Following the bankruptcy of its Korean parent company,⁵² Al Tech reorganized under Chapter 11, emerging from bankruptcy in 1999 as Empire Specialty Steel, Inc., which itself went bankrupt and shut down in June 2001. Empire's assets were subsequently purchased by Dunkirk Specialty Steel (Dunkirk) on February 8, 2002, and the plant became operational on March 14, 2002.⁵³ Dunkirk is a wholly-owned subsidiary of Universal Stainless & Alloy Products Inc, a publicly owned company headquartered in Bridgeville, PA, which responded to the Commission's questionnaire for these reviews.⁵⁴

Avesta Sheffield merged with Outokumpu Stainless, Inc., in 2001 to become Avesta Polarit (renamed Outokumpu Stainless in 2004).⁵⁵ Owned by Outokumpu Stainless Steel Oyj, a publicly owned company headquartered in Espoo, Finland, Outokumpu participates in the SSWR industry by ***. The billets are converted into SSWR by Allvac under a fee-conversion contract. Outokumpu consumes the SSWR to produce stainless steel bar.⁵⁶

Charter Specialty Steel (Charter), a division of Charter Manufacturing, a privately owned holding company headquartered in Mequon, WI, constructed a plant for finishing SSWR and began production in 2001, utilizing purchased billets, which it rolled on an existing rod mill used primarily for the production

⁴⁹ *Stainless Steel Wire Rod From Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, Investigations Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), USITC Publication 3162, September 1998.

⁵⁰ First Review Staff Report (INV-BB-074), p. I-23.

⁵¹ Carpenter filed a single response to the Commission's questionnaire for these reviews.

⁵² On December 31, 1997, AL Tech filed for protection under Chapter 11 of the U.S. Bankruptcy Code. In a press release concerning the bankruptcy filing, Al Tech's Chief Operating Officer was quoted as follows: "Today's actions were not surprising in light of the March 1997 bankruptcy filings of our parent and affiliate Sammi Steel companies in South Korea and Canada, respectively, and the serious economic situation currently taking place in South Korea. As a result, Al Tech was left with no financial assistance or expectation of future capital from its parent company. Al Tech is a viable business with outstanding products, loyal customers, a dedicated work force and strong local management. We believe the company has an excellent prospect of working through this process quickly." Original Staff Report (INV-V-057), p. VI-1 n.2.

⁵³ *Steel: Monitoring Developments in the Domestic Industry*, Investigation No. TA-204-9, Volume II, USITC Publication 3632, September 2003, Tables Stainless I-3, I-4, and I-5. Telephone interview with ***, Dunkirk Specialty Steel LLC, May 4, 2004.

⁵⁴ The Dunkirk plant is supplied with billets produced in Bridgeville, PA, by its parent company, Universal Stainless & Alloy Products, Inc. <http://www.univstainless.com/>.

⁵⁵ *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan*, Invs. Nos. 731-TA-770-775 (Review), USITC Publication 3707, July 2004, p. I-24.

⁵⁶ ***.

of carbon steel rod. ***. Charter announced the permanent closing of its SSWR finishing operations in 2008 and sold the Fond du Lac finishing mill in January 2010.^{57 58}

North American Stainless (NAS), a division of Acerinox SA, a publicly owned company headquartered in Madrid, Spain, constructed a continuous casting machine for billets, a new combination rod/bar mill, and finishing facilities for SSWR and stainless steel bar at the location of its existing plant producing stainless steel flat products in Ghent, KY. NAS's production of SSWR began in 2003.⁵⁹ NAS reportedly entered the long products market due to the general lack of supply of SSWR in the United States.⁶⁰

Allvac (a division of Allegheny Technologies Incorporated, a publicly owned company headquartered in Pittsburgh, PA.) announced in 2002 that it would spend \$30 million to upgrade its rolling mill in Monroe, NC in a project that included a conversion agreement with Outokumpu (then known as AvestaPolarit). Those upgrades took place in 2004. Allvac converts Outokumpu-owned billets into SSWR and also produces a small quantity of SSWR for itself, but is not a major participant in SSWR. Allvac *** on the Monroe rolling mill.⁶¹

A summary of changes in the U.S. industry since the Commission's original investigations are presented in figure I-1.

Currently, Allvac, Carpenter, NAS, and Universal produce SSWR, while Outokumpu maintains a toll relationship with Allvac. These companies' identities, positions on the orders, plant locations, and shares of 2003 and 2009 production are presented in table I-8.

⁵⁷ Corinna Perry, "Charter to shut two plants, 155 jobs to be axed," *Amm.com*, November 13, 2008.

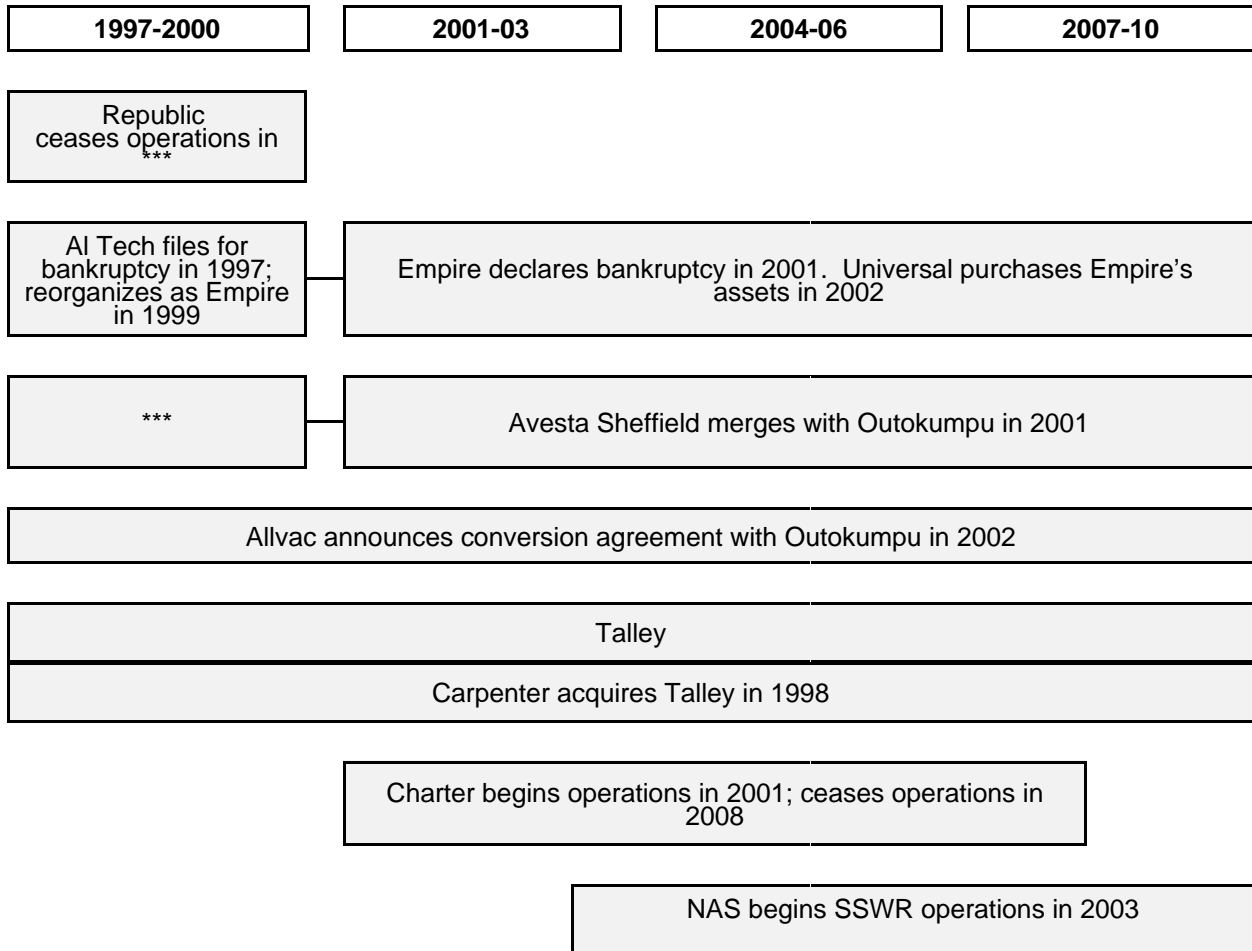
⁵⁸ "Central Wire acquisition broadens product line," Central Wire, Perth, Ontario press release, <http://www.centralwire.com/news/template.asp?articleid=23>, retrieved April 14, 2010.

⁵⁹ Plant tour and interview session with ***, February 24, 2010.

⁶⁰ "NAS expands line to long products to fill gap in U.S. wire rod supplies." American Metal Market, January 28, 2003.

⁶¹ Allvac questionnaire response.

Figure I-1
SSWR: Openings, closings, and consolidations of U.S. producers, 1997-2010



Source: *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), USITC Publication 3126, September 1998; *Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan* (Inv. Nos. 731-TA-770-773 and 775 (Review), USITC Publication 3707, July 2004.

Table I-8

SSWR: U.S. producers, positions on the orders, U.S. production locations, and shares of 2003 and 2009 reported U.S. production

Firm	Position on orders	Plant location	Share of production (percent)	
			First five year reviews (2003)	Current reviews (2009)
Allvac	***	Monroe, NC	***	***
Carpenter	Supports all orders	Reading, PA; Hartsville, SC;	***	***
Charter	(¹)	Fond du Lac and Saukville, WI	***	(¹)
Universal	Supports all orders	Dunkirk, NY	***	***
NAS	***	Ghent, KY	***	***
Outokumpu ²	***	Richburg, SC	***	***
Talley	(³)	Hartsville, SC	***	(³)

¹ No longer produces SSWR and did not provide a questionnaire.

² Allvac produces SSWR for Outokumpu via a tolling agreement.

³ Included with Carpenter.

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

U.S. Importers

In the original investigations, 45 firms provided usable data and 18 firms reported that they did not import SSWR from any source. In the first five-year reviews, 29 firms provided usable data and 41 firms reported that they did not import SSWR. In response to Commission importers' questionnaires in the current reviews, 16 firms supplied usable data and 19 firms indicated that they had not imported the product since 2004. *** U.S. producers reported importing SSWR from subject suppliers during the period for which data were gathered.⁶² Table I-9 presents all responding U.S. importers of SSWR, source of imports, and their U.S. office locations.

⁶² ***.

Table I-9

SSWR: U.S. importers, source of imports, and U.S. office location(s)

Firm	Source of imports	U.S. office location(s)
Abco	***	Chatham, MA
Byram Steel	***	Pompton Plains, NJ
Comprador Inoxidable	***	Petaluma, CA
Hitachi Metals America ¹	***	Purchase, NY; Irwin, PA
Koswire ²	***	Flowery Branch, GA
Kurt Orban	***	Burlingame, CA
Loos & Co.	***	Pomfret, CT
Outokumpu ³	***	Richburg, SC
Pan	***	Woodland Hills, CA
POSCO America ⁴	***	Fort Lee, NJ
Precision Metal	***	Montgomeryville, PA
S + B ⁵	***	Carol Stream, IL
SMT Wire ⁶	***	Summit, PA
Techalloy ⁷	***	Baltimore, MD
Valbruna ⁸	***	Tucker, GA; Chino, CA; Pompton Lakes, NJ; Carol Stream, IL; Woodlawn, OH; Houston, TX; and St. Petersburg, FL
Wire Industries ⁷	***	Dumas, AK

¹ Hitachi Metals America is wholly-owned by Hitachi Metals, Ltd. which is headquartered in Tokyo, Japan. ***.
² Koswire, Inc. ***.
³ Outokumpu is wholly owned by Outokumpu Stainless, Inc. ***.
⁴ POSCO America ***.
⁵ S + B is wholly owned by Schmolz + Bickenbach AG, which is headquartered in Dusseldorf, Germany. ***
⁶ SMT Wire is wholly-owned by Sandvik, Inc., ***.
⁷ Techalloy and Wire Industries are wholly-owned by Central Wire Industries, headquartered in Ontario, Canada.
⁸ Valbruna is a subsidiary of Acciaierie Valbruna, S.p.A., a nonsubject Italian producer of SSWR.

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

U.S. Purchasers

The Commission issued purchaser questionnaires to 33 companies believed to purchase SSWR. Two questionnaires were returned as non-purchasers, and three others were returned from firms now out of business.⁶³ The Commission received responses from nine purchasers.⁶⁴ These nine purchasers' purchase quantities represented 16.5 percent of U.S. producers' total U.S. shipments in 2009 and 20.6 percent in 2008, while representing 44.6 percent of U.S. producers' U.S. commercial shipments in 2009 and 55.1 percent in 2008. Two purchasers (***) are ***.

Purchasers were based in ***. *** of the purchasers described themselves as wire drawers and/or end users. Four of the purchasers also submitted importers' questionnaires. *** purchasers reported purchases of U.S. SSWR, *** reported purchases of Italian SSWR, *** reported purchases of Japanese SSWR, *** reported purchases of Korean SSWR, *** reported purchases of Spanish SSWR, and *** reported purchases of Taiwan SSWR.⁶⁵ *** purchasers also reported purchases from other countries, including China, France, Germany, India, Sweden, and the United Kingdom.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table I-10 presents apparent U.S. consumption for 2004-09 and table I-11 presents U.S. market shares for the same period. Table I-12 presents market share calculated for the U.S. merchant market.

⁶³ Additionally, two importers, ***, did not return purchasers' questionnaires.

⁶⁴ ***.

⁶⁵ The questionnaire did not ask purchasers of SSWR to distinguish between subject and nonsubject suppliers in Italy, Japan, or Taiwan.

Table I-10
SSWR: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption,
2004-09

Item	2004	2005	2006	2007	2008	2009
Quantity (short tons)						
U.S. producers' U.S. shipments	***	***	***	***	***	***
U.S. imports from--						
Italy (other than Valbruna)	***	***	***	***	***	***
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	1,982	2,626	385	24	0	0
Spain	34	8	20	0	0	0
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	2,230	3,044	636	150	61	35
Italy (Valbruna only)	***	***	***	***	***	***
Japan (Hitachi only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	29,350	20,789	19,447	19,257	21,191	8,888
Subtotal, nonsubject sources	45,377	38,486	30,837	30,411	29,823	14,396
Total imports	47,608	41,531	31,473	30,562	29,884	14,431
Apparent U.S. consumption	***	***	***	***	***	***
Value (\$1,000)						
U.S. producers' U.S. shipments	***	***	***	***	***	***
U.S. imports from--						
Italy (other than Valbruna)	***	***	***	***	***	***
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	3,858	6,226	960	132	0	0
Spain	80	60	48	0	0	0
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	4,464	7,476	1,844	783	276	111
Italy (Valbruna only)	***	***	***	***	***	***
Japan (Hitachi only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	69,503	61,073	63,277	91,427	95,963	29,236
Subtotal, nonsubject sources	107,256	109,029	96,341	142,371	131,031	43,351
Total imports	111,720	116,505	98,185	143,154	131,307	43,461
Apparent U.S. consumption	***	***	***	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.						

Table I-11
SSWR: U.S. consumption and market shares, 2004-09

* * * * *

Table I-12
SSWR: U.S. merchant market consumption and market shares, 2004-09

* * * * *

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

U.S. MARKET CHARACTERISTICS

Geographic Markets

Both U.S. producers¹ and importers shipped SSWR to multiple regions and over long distances. Four U.S. producers reported that 80 to 100 percent of their sales were 101-1,000 miles from their storage or production facilities, with up to 20 percent of their sales more than a 1,000 miles from their production facilities. However, *** reported selling *** percent of its product within 101-1,000 miles and *** percent more than a 1,000 miles from its production facility.

Three importers indicated that 90 percent or more of their sales were within 100 miles of their facilities. Another three importers reported that 50 percent or more of their sales were 101-1,000 miles from their facilities. No importer sold more than 10 percent of their SSWR to locations further away than 1,000 miles.

All producers shipped to multiple geographic locations including the Northeast and Southeast and at least one other region. Similarly, six importers sold to multiple geographic locations, although two sold only to one geographic region.²

Channels of Distribution

As shown in table II-1, U.S. producers and importers generally ship SSWR directly to end users. Wire drawers are the leading customers for U.S. producers and importers alike.³

Table II-1

SSWR: U.S. producers' and importers' U.S. commercial shipments of SSWR, by sources and channels of distribution, 2004-09

* * * * *

SUPPLY AND DEMAND CONSIDERATIONS

Supply

U.S. Supply

Based on available information, U.S. SSWR producers have the ability to respond to changes in demand with moderately large changes in the quantity of shipments of U.S.-produced SSWR to the U.S. market. The main contributing factor to the moderate large degree of responsiveness of supply is substantial unused capacity, tempered by low inventories and low levels of exports.

¹ *** submitted both producers' and importers' questionnaires. For purposes of this chapter, its answers are counted only as a producer. Of the nine purchasers, three (***) also submitted importers' questionnaires. Purchaser and importer responses were recorded for these firms. ***.

² Geographical markets, as well as quantitative measures relating to fungibility and presence in the market, are discussed in the section of the report entitled "Cumulation Considerations" beginning on page IV-6.

³ Specialty metals consultant Ed Blot, testifying in support of continuation of the antidumping duties, observed that service centers (distributors) typically handle small volumes of SSWR. Hearing transcript, p. 67 (Blot).

Testimony at the Commission's hearing suggested that Carpenter and Universal focused more on higher-priced specialty-grade SSWR while NAS emphasized commodity "300-series" SSWR.⁴ Additional testimony described NAS as having emerged as the dominant U.S. producer for the more widely-used grades of SSWR, while suggesting that the broader U.S. industry was insulated from SSWR prices because so much of its production is internally consumed.⁵

Industry capacity

U.S. producers generally operated at less than *** of their reported capacity (2006 and 2008 excepted). By 2009, the domestic industry's capacity utilization fell to *** percent, despite capacity reductions. Initial growth by Allvac and NAS has been offset by ***, as well as the cessation of operations by Charter (not reflected in the reported data). Four producers did not anticipate any changes to their capacity, but *** stated that if current pricing trends continue, it will need to reduce workforce and force periodic equipment shutdowns. Five producers said that they had not observed any significant changes in the product range, product mix, or marketing of SSWR, and did not anticipate any such changes.

Alternative markets

U.S. producers never exported more than *** short tons of SSWR in any year during 2004-09. Producers describe different constraints to shifting their production to other markets. *** reported that it would need to add sales staff trained to sell in other countries. *** indicated that it could shift sales to other countries if the market dictated such a shift. *** observed that shifting SSWR from country to country does happen, but it takes time. *** described the competitiveness of foreign markets as not allowing it to export anything but specialty SSWR. *** concurred, and added that current exchange rates are another impediment to exports. No producers reported any other tariff or non-tariff barriers to their exports of SSWR.

Inventory levels

U.S. producers' inventories were equivalent to *** percent to *** percent of total shipments between 2004 and 2009.

Production alternatives

Three producers stated that they could produce other products, including cold-drawn bar and angle and specialty and alloy steels, on the same equipment that they use to produce SSWR. *** added that its SSWR capacity is variable based on other products and their market conditions. It continued that it also manufactures a variety of specialty steels and alloys. *** reported similar capabilities for other products. *** indicated that they had not used their equipment for producing SSWR to produce other products since 2004.

⁴ Hearing transcript, pp. 54-55 (Hudgens).

⁵ Hearing transcript, pp. 124-25 (Ferrin), 185 (Silverman). Parties in support of continuation of the orders disagreed, describing both Carpenter and NAS as having "significant" commercial shipments. Carpenter's posthearing brief, p. 6.

Subject Imports from Italy

Based on available information, Cogne has the ability to respond to changes in demand with moderate to large changes in the quantity of shipments of SSWR to the U.S. market.⁶ The main contributing factors to this degree of responsiveness of supply are Cogne's current low capacity utilization,⁷ the existence of some inventories, and the level of exports, constrained by the focus on the European and Asian markets.⁸ Cogne stated that it is seeking revocation of the orders in order to take advantage of available specialty orders, but only in products in which it would not compete with NAS.⁹

Industry capacity

Cogne's Italian capacity was stable over 2004-08, with capacity utilization in excess of *** percent until 2009, when it fell to under *** percent.¹⁰ ***.¹¹

Alternative markets

Italian producer Cogne ships a substantial portion of its production to ***.

Inventory levels

Italian inventories were equivalent to *** to *** percent of sales until 2009, when they reached *** percent of sales.

⁶ In the current reviews, the Commission received usable data from one Italian SSWR producer, Cogne, which accounted for *** percent of production of SSWR in Italy in 2009. Cogne remains subject to the order while the other major Italian producer, Valbruna, does not.

⁷ In its posthearing brief, Cogne stated that its order books for the second quarter of 2010 are "effectively full," and that capacity utilization was much higher than in 2009. Posthearing brief of Cogne, exhibit 1, pp. 4-5, and exhibit 5.

⁸ Parties offered different characterizations of the Italian SSWR market. Cogne pointed to data showing that Italy is a major net importer of SSWR, and imports more SSWR than does the United States. Hearing transcript, pp. 128-30 (Ferrin). Parties in support of continuation of the orders described Italian imports of SSWR as including significant volumes from Schmolz & Bickenbach, formerly Ugitech, to its affiliated Italian finishing mill, Bedini. Hearing transcript, p. 43 (Lasoff). Cogne estimated that two-thirds of Italian imports from France were from Ugitech for consumption by its Italian affiliate. Using that estimate, Cogne calculated that Italy still runs a trade deficit in SSWR. Posthearing brief of Cogne, Exhibit 1, p. 11.

⁹ Hearing transcript, pp. 139-140 (Ferrin). Cogne listed *** as potential opportunities. Posthearing brief of Cogne, Exhibit 1, p. 1.

¹⁰ Cogne stated that it, "like other steel companies," would rather shut down production and wait for prices to return than sell excess production "at any price." Hearing transcript, p. 152 (Ferrin). It also added that its order bookings for the second quarter of 2010 account for *** percent of its capacity. Posthearing brief of Cogne, p. 5.

¹¹ ***.

Production alternatives

***. Carpenter alleged that Cogne could switch its stainless steel bar production into SSWR production.¹² Cogne stated that its actual exports of stainless steel bar to the United States over 2004-2009 amounted to only 137 tons.¹³

In addition, Cogne can and does produce billets that can be sold on the merchant market. By one account, after the first review of the SSWR orders, Cogne approached U.S. producer Charter to convert Cogne's billets into SSWR.¹⁴ Cogne responded that Charter had approached Cogne for billets for a grade of SSWR that Charter did not produce, and that Cogne supplied those billets in 2004, 2005, and 2006.¹⁵

Subject Imports from Japan

Based on available information, Japanese producers have the ability to respond to changes in demand with large changes in the quantity of shipments of SSWR to the U.S. market.¹⁶ The main contributing factors to the large degree of responsiveness of supply are the high Japanese capacity levels and high levels of exports of similar products.

Industry capacity

According to data submitted by ***, Japan is a major world producer of SSWR. Japan's subject producers have a capacity of approximately *** short tons. SSWR consultant Ed Blot alleged that Japanese producer Daido Steel had supplied SSWR to purchaser Sumiden in the past, and that Daido was currently operating at 65 percent capacity in 2009.¹⁷

Alternative markets

As shown in table IV-7, in 2008, Japan was the world's second-largest (by quantity) exporter of stainless steel rods and bars in irregularly wound coils, a category that closely resembles SSWR, but for the two excluded grades (see part I for more information on the exclusions).

Subject Imports from Korea

Based on available information, Korean producers (***) have the ability to respond to changes in demand with moderate to moderately large changes in the quantity of shipments of SSWR to the U.S. market.¹⁸ The main contributing factors to this degree of responsiveness of supply are POSCOSS' export shipments and unused capacity, tempered by the degree of commitment to the Asian market.

¹² Carpenter's prehearing brief, p. 24.

¹³ Hearing transcript, p. 135 (Ferrin).

¹⁴ Hearing transcript, p. 32 (Blot).

¹⁵ Hearing transcript, p. 138 (Ferrin). See also posthearing brief of Cogne, exhibit 2.

¹⁶ In the current reviews, the Commission did not receive a questionnaire from any Japanese producer that had produced SSWR since January 1, 2004.

¹⁷ Hearing transcript, pp. 30-31 (Blot).

¹⁸ In the current reviews, the Commission received a questionnaire response from Korean producer POSCOSS, which estimated that it accounted for *** percent of SSWR production in Korea in 2009.

Industry capacity

Korean capacity has been stable over 2004 to 2009, but capacity utilization dropped from levels in excess of *** percent during 2004-06 to *** percent by 2009. ***.¹⁹

However, parties in support of continuation of the orders alleged that POSCOSS had been one of the major suppliers to Koswire, a Korean firm described by such parties as “the largest stainless wire producer in the world.” Parties in support of continuation of the orders added that Koswire opened a wire production plant in Georgia in 2002, and that both POSCOSS and Koswire advertise SSWR availability in the U.S. market.²⁰

Alternative markets

Korean producer POSCOSS ships a *** portion of its production to other countries, especially in Asia (***), and to a lesser extent, Europe (***). ***.

Inventory levels

Korean producers typically maintain inventory levels equivalent to *** percent of total shipments. POSCOSS stated that it produces SSWR upon receipt of orders from customers, and does not keep products in distribution warehouses prior to delivery.²¹

Production alternatives

***. Parties in support of continuation of the orders alleged that if the order were revoked, POSCOSS could shift production of stainless steel wire (which it currently exports to the United States) to SSWR for export to the United States.²²

Subject Imports from Spain

Based on available information, Spanish producers have the ability to respond to changes in demand with large changes in the quantity of shipments of SSWR to the U.S. market.²³ The main contributing factors to the large degree of responsiveness of supply are Spain’s high capacity and high levels of exports of similar products.

Industry capacity

According to data submitted by ***, Spain has the capacity to produce more than *** short tons of SSWR per year. Carpenter, NAS, and Universal agreed that their firms did not compete often with Spanish producers.²⁴

¹⁹ ***.

²⁰ Hearing transcript, pp. 31 (Blot) and 35 (Hudgens).

²¹ Respondent POSCOSS’ prehearing brief, p. 5.

²² Carpenter’s prehearing brief, p. 29.

²³ In the current reviews, the Commission did not receive a questionnaire from any Spanish producer of SSWR.

²⁴ Hearing transcript, pp. 44-45 (Ziolkowski, Feeley, and McGrath).

Alternative markets

As shown in table IV-7, in 2008, Spain was the world's sixth-largest (by quantity) exporter of stainless steel bars and rods in irregularly wound coils, a category that closely resembles SSWR, but for the two excluded grades (see part I for more information on the exclusions).

Subject Imports from Taiwan

Based on available information, Taiwan producers have the ability to respond to changes in demand with large changes in the quantity of shipments of SSWR to the U.S. market.²⁵ The main contributing factors to the large degree of responsiveness of supply are Taiwan's high capacity and high level of exports of similar products.

Industry capacity

According to data submitted by ***, Taiwan has the capacity to produce *** short tons of SSWR per year.

Alternative markets

As shown in table IV-7, in 2008, Taiwan was the world's largest exporter of stainless steel bars and rods in irregularly wound coils, a category that closely resembles SSWR, but for the two excluded grades (see part I for more information on the exclusions).

Nonsubject Imports

Three U.S. producers had not seen any changes in the availability of nonsubject supply since 2004. However, *** reported that the availability of low-priced Indian stainless steel wire has increased in the U.S. market, hurting U.S. producers' customers' demand for U.S.-produced SSWR. Nine importers had also not seen any changes, but two had, noting new suppliers from China, India, and Eastern Europe. One of those importers described the impact of those suppliers as limited due to concerns about the quality of SSWR from those sources. *** noted that French and Swedish SSWR producers did not revert to their previous U.S. pricing policies after they had had U.S. antidumping orders removed.²⁶ However, parties in support of continuation of the orders later presented data and analysis suggesting that imports from previously subject sources (France, Sweden, Valbruna, and Yieh Hsing) had increased, at least until the recession.²⁷

Factors Affecting Supply

U.S. producers, importers, and purchasers were asked if there have been any changes in factors affecting supply.²⁸ Four producers answered no, but *** said that increased energy costs and higher

²⁵ In the current reviews, the Commission did not receive a questionnaire from any Taiwan producer of SSWR.

²⁶ Staff telephone interview with ***.

²⁷ Carpenter's posthearing brief, pp. 17-19.

²⁸ Factors affecting supply include changes in the 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 U.S.-produced SSWR in the U.S. market since 2004.

foreign producer capacity had affected U.S. SSWR supply.²⁹ Six importers reported that they had also not seen any changes in supply factors, but four had, with three citing the entry of NAS as increasing supply and pushing prices lower while also noting exchange rate fluctuations and demand changes. Similarly, four producers did not anticipate any changes in the availability of U.S.-produced SSWR, but *** indicated that current industry overcapacity could result in consolidation and capacity reductions.

Eight importers did not anticipate any change in the availability of subject-country SSWR.³⁰ However, two did, with *** citing competitive pricing and *** stating that subject supply would rise if the order were revoked. (*** also agreed with this assessment, while otherwise not anticipating any changes in SSWR availability from subject countries.)³¹

Nine importers had not observed any change in the product range, mix, or marketing of SSWR since 2004. However, *** noted that there was a limited and brief move amongst grades when the price of nickel was high, and *** indicated that it was producing more forming wire since 2004. Eleven importers did not anticipate any changes.

Purchasers were asked to describe any changes in the U.S. SSWR industry since 2004. *** noted the general improvement in NAS's product quality since 2004. *** noted the exit of Charter from the industry, with *** attributing a significant decrease in the U.S. availability of *** SSWR to that exit. It added that wire sales plummeted from mid 2008 through mid 2009. *** indicated that the new NAS facility makes U.S. SSWR that is competitive with most SSWR producers in the world. However, *** were not aware of any changes. *** described SSWR as a mature product. Among purchasers, only *** anticipated any changes in the industry, stating that it anticipated an increase in alloys melted and rolled in the United States as volumes of standard grades declined over the next year.

Six purchasers were not aware of any new suppliers since 2004.³² *** became aware of *** due to sales call, and *** had been contacted by Indian suppliers Panchamal, Rajaraatna, Venus, and Viraj as well as Chinese suppliers including Tsinghan. Eight purchasers did not expect any new suppliers.

Demand

Based on available information, the overall demand for SSWR is likely to experience limited changes in response to changes in price. The main contributing factors are the somewhat limited range of substitute products and the importance of government (especially Department of Defense) contracts. However, the relatively large cost share of SSWR in the intermediate products (e.g., stainless steel wire) that are made from SSWR may increase the responsiveness of demand to changes in price.

Available data indicate that total apparent U.S. consumption of SSWR decreased from *** short tons in 2004 to *** short tons in 2009, with at least some of the decline likely due to the current recession and the movement offshore of stainless steel wire production.

²⁹ Foreign producers *** also reported that they had not seen any changes in factors affecting supply, and did not anticipate any changes in the availability of subject SSWR. Five purchasers saw no change in factors affecting the supply of SSWR, while *** noted the closing of Charter's SSWR facility in early 2009.

³⁰ On the other hand, NAS stated that its information indicated that producers in Italy, Japan, Korea, and Taiwan are operating at "extremely" low capacity utilization. Hearing transcript, p. 18 (Feeley).

³¹ When asked about constraints on their shipments to other countries, seven importers described themselves as U.S.-based operations unable to switch sales to other markets. The others did not answer the question on their ability to do so.

³² While *** had not changed its suppliers since 2004, six other purchasers had. Three purchasers noted that Charter had closed. *** dropped *** because of "noncompetitive" pricing, while adding ***. *** reported adding *** , while *** added ***. *** also added suppliers (citing price considerations), as did *** (because other suppliers went out of business).

Demand Characteristics

Producers and importers were asked to describe the end uses of SSWR. Producers listed spring wire, antenna wire, welding wire, weaving wire, fasteners, medical wire, nails, fasteners, couplings, and more. Importers listed similar products. Five producers and eleven importers had not seen and did not expect any changes in the end uses for SSWR.³³

Purchasers generally described the end uses for SSWR as stainless steel wire, cable, and bar. Some of the downstream end uses for those products included automotive, general construction applications, oil and gas equipment, spring wire, welding wire, filter wire, cold drawn bar, and wire for medical uses.³⁴ Seven purchasers had not observed any changes in the end uses of SSWR since 2004, and six did not anticipate any future changes in end uses. However, *** anticipated the direct substitution of non-metallic materials for SSWR.

Carpenter described SSWR for medical and aerospace applications as having more stringent requirements than other SSWR, and as being more likely to be produced in the United States than in countries with less developed infrastructures. It added that it expected better growth rates from medical and aerospace applications than for general industrial applications, although automotive applications are currently seeing some growth due to inventory restocking.³⁵

Three purchasers described demand for their end use products (using SSWR) since 2004 as having fluctuated, three said that such demand had decreased, and one saw no change. Five of those purchasers said that the changing demand for their end use products had affected their demand for SSWR. Two of those that saw decreased demand attributed the decrease to increased imports of stainless steel wire.

Demand Trends

The U.S. stainless steel wire industry, the main end user of U.S.-produced SSWR, has seen growing import market share over recent years. As figure II-1 shows, U.S. stainless steel wire consumption has flattened or decreased, while import market share has grown.³⁶ Market consultant Ed Blot attributed part of this lower consumption to U.S. wire producers moving offshore and to attempts by Indian stainless steel producers to sell stainless steel wire (rather than SSWR) in the U.S. market because of antidumping duties on Indian SSWR.³⁷ U.S. imports of Indian stainless steel wire rose from \$4.4 million in 2000 to \$66.4 million in 2008 before falling to \$30.1 million in 2009.³⁸

³³ Foreign producers *** listed similar end uses and indicated that the end uses for their SSWR in their home markets do not differ from those in the United States and third countries. Neither had seen nor anticipated any changes in end uses.

³⁴ Universal described SSWR demand as being “directly related” to the automotive and construction sectors. Hearing transcript, p. 25 (McGrath). U.S. construction and automotive assembly data are presented in appendix E.

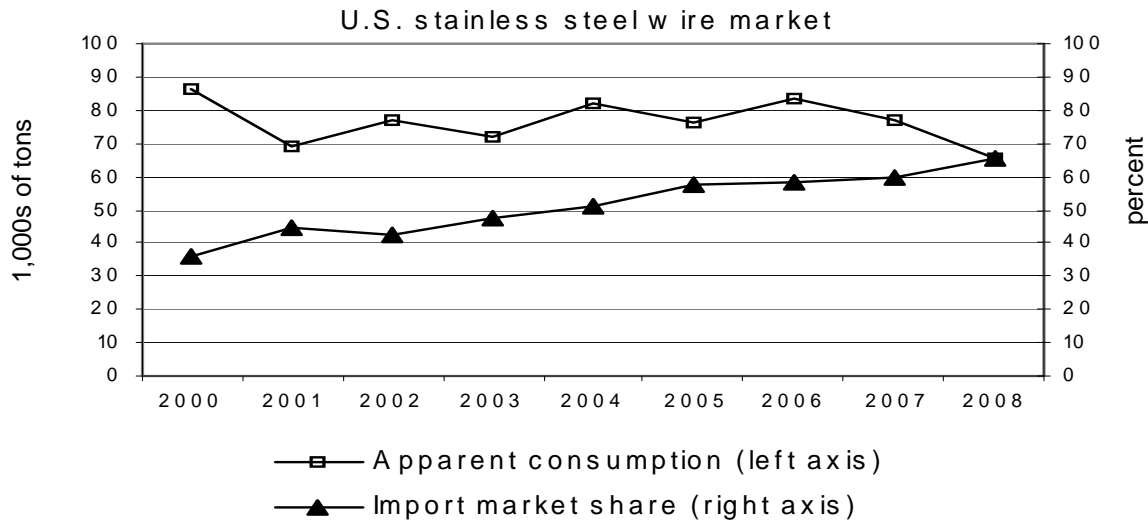
³⁵ Hearing transcript, pp. 93-94 (Ziolkowski).

³⁶ Data for 2009 are not presented here because American Wire Producers' Association has not yet reported data on shipments of stainless steel wire.

³⁷ Hearing transcript, p. 71 (Blot).

³⁸ Compiled from official statistics of the U.S. Department of Commerce.

Figure II-1
Stainless steel wire: Consumption and import market share, 2000-08



Source: Specialty Steel Industry of North America (SSINA).

Three producers and two importers characterized U.S. demand for SSWR as decreasing since January 1, 2004.³⁹ *** described the demand decrease as dramatic and, along with four importers, attributed it to the movement of customers to Asia and the financial crisis/ ensuing recession. One of those four importers, ***, added that demand for wire and SSWR that met the Defense Federal Acquisition Regulation Supplement (DFARS)⁴⁰ had offset some of the decrease. Two producers and four importers stated that U.S. demand had fluctuated, with *** adding that current demand is near five-year lows. Importer *** described demand as rising from 2004 to 2008 and declining since then, and two other importers characterized SSWR demand as following general U.S. economic conditions.

Four purchasers described U.S. demand as decreasing since 2004, with three citing the recent recession and three citing the increase in imported stainless steel wire, especially from India, Korea, and China. Three purchasers saw fluctuating demand, and one stated that it did not know demand trends.

Among foreign producers, *** stated that there had been no change in demand in *** nor in the United States, but that demand in other countries had increased. *** expects *** demand to grow, U.S. demand to be stable, and China/Southeast Asian demand to increase. *** indicated that demand in *** had fluctuated while U.S. demand had decreased and other country demand, especially in China, had increased. It anticipates that U.S. and *** demand will continue to fluctuate while Asian demand, driven by China and India, will increase.

³⁹ Additionally, SSWR consultant Ed Blot stated that his private data showed a 54 percent fall in U.S. SSWR consumption over 2004-09, due to the financial crisis and the continuing offshoring of both wire producers and downstream wire users. However, he forecasts a 24 percent increase in SSWR demand over the next three years, due to both inventory restocking and improved demand from the automotive sector. Hearing transcript, pp. 29-30 (Blot).

⁴⁰ DFARS applies to “to purchases and contracts by DoD {Department of Defense} contracting activities made in support of foreign military sales or North Atlantic Treaty Organization cooperative projects.” Several questionnaires specified that DFARS allows use of SSWR only from certain countries (including the United States).

Two producers did not anticipate any changes in U.S. SSWR demand, with *** describing U.S. demand as following U.S. GDP. However, two other producers did expect changes in demand, as *** forecast small increases of less than four percent annually, and *** expected a return to 2006-08 levels by 2012.

Four importers forecast fluctuating demand reflecting U.S. economic activity. Three others saw falling SSWR demand as U.S. manufacturing, and specifically wire production, moves to other countries. Two predicted no change in U.S. demand, with *** specifying that 2010 demand would likely be close to 2009 demand, i.e., much lower than 2006-2008 demand. Only *** expected a demand increase, due to slow U.S. economic recovery.

Purchasers *** anticipated an increase in U.S. demand due to general economic recovery and government infrastructure projects. Purchasers *** saw continuing demand fluctuations, and *** expected no change in demand, as *** forecast minimal movement offshore of U.S. manufacturing due to the declining U.S. dollar. However, *** predicted decreasing demand for SSWR as import pricing on stainless steel wire would hurt U.S. wire producers' ability to sustain production levels.⁴¹

Business Cycles

Questionnaire respondents agreed that the SSWR market does not follow a distinctive business cycle outside of general economic conditions. Three producers and 10 importers said that the SSWR market does not have a distinctive business cycle, while *** stated that lower-priced imports had made business conditions extremely competitive. Among both importers and producers, only *** reported any changes in business cycles, describing the economic downturn in late 2008 as having had a "drastic" effect on inventory. Six purchasers said that there were no business cycles nor changes in business cycles for SSWR, although *** reported that automotive, residential construction market cycles, as well as the global recession, had had an effect; and *** described competition with *** for *** as "almost impossible for our company."

Substitute Products

Questionnaire respondents reported few substitutes for SSWR.⁴² Four producers and all but one importer did not list any substitutes, but *** named stainless steel wire, adding that SSWR is cold drawn into wire, and so as imported wire becomes cheaper, so do SSWR prices. Additionally, importer *** did list chromium plated carbon steel, corrosion resistant steel, and aluminum as substitutes, but added that changes in the price of those substitutes had not affected the price of SSWR.⁴³ Three responding producers and eleven responding importers had not observed any changes in substitutes since 2004, and did not anticipate any in the future.

Six purchasers did not report any substitute products for SSWR. *** listed carbon steel as a substitute in wiper blades and fish tape, but said that changes in the price of this substitute had not affected the price of SSWR. Eight purchasers had also not seen any changes in the number or types of substitutes. Four producers, 11 importers, and seven purchasers did not anticipate any changes in

⁴¹ Three purchasers anticipated an increase in foreign demand for SSWR, citing economic recovery, government infrastructure projects, and continued growth in China and India. However, one purchaser expected a decrease in Canadian demand, another saw no change in foreign demand, and another purchaser saw foreign demand fluctuating.

⁴² However, at the hearing, NAS suggested that SSWR price volatility due to raw material price volatility might drive some purchasers to consider using more expensive products that have less volatility. Hearing transcript, pp. 74-75 (Feeley).

⁴³ Among foreign producers, *** reported that there were no substitutes for SSWR, and *** reported that only other quality steels might substitute. Neither had seen nor anticipated any changes in substitutes.

substitutes, but purchaser *** expected an increased use of carbon (rather than stainless) steel in wiper blades.

Cost Share

SSWR represents a relatively large share of the cost of the immediate downstream products into which it is usually incorporated. Those products are usually a component of further downstream products in which SSWR takes a smaller cost share. Producers were not aware of the SSWR cost share accounted in downstream products. Importers provided some estimates of the SSWR cost share in downstream products, including 75 percent of the cost of weaving wire and utensils, 40-80 percent for other wire drawing, and 40 percent for fasteners. For purchasers, SSWR was generally a high (30-63 percent) portion of the total cost of downstream products.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported SSWR depends upon such factors as price, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is a high degree of substitution between U.S. and imported SSWR, although U.S. producers may not be able to produce some high-quality niche products available from Japanese, Swedish, and U.K. producers. On the other hand, U.S. producers offer some advantages (e.g., reliability and availability) over some imported SSWR.

U.S. Purchasers

The Commission received responses from eight purchasers⁴⁴ that purchased 16.5 percent of U.S. producers' total U.S. shipments in 2009 and 20.6 percent in 2008, or 44.6 percent of U.S. producers' U.S. commercial shipments in 2009 and 55.1 percent in 2008. All the purchasers described themselves as wire drawers.⁴⁵ *** had purchased from at least one U.S. producer, and *** had purchased from at least three different suppliers.

Three purchasers had not purchased SSWR from subject countries before 1998, while five had purchased from at least three subject countries.⁴⁶ Of those five, four reported discontinuing or reducing their purchases from those countries. Three purchasers reported no change in their purchases of SSWR from nonsubject countries since 1998, while five reported increasing purchases.

Purchasers were asked how their relative levels of their purchases from different countries had changed since 2004. Their answers are summarized in table II-2.

⁴⁴ Purchasers were asked to submit purchase data. These data show purchases of U.S. SSWR fluctuating between 2004 and 2008 and then dropping in 2009. Overall purchases show a steady decline over 2004 to 2008, and then a larger drop in 2009. The data also show few purchases of Italian, Japanese, or Spanish SSWR, and purchases of Korean SSWR only until 2006. Finally, purchases of Taiwan and nonsubject country SSWR were more substantial, but falling even before 2009. See part I for more information on purchasers.

⁴⁵ *** are owned by *** parent companies, *** is owned by a ***, *** is owned by a *** company, and *** is owned by a *** company.

⁴⁶ ***.

Table II-2
SSWR: Change in purchasers' relative levels of purchases from different countries

* * * * *

Five purchasers said that buying a product that is produced in the United States was an important factor in their purchases of SSWR.⁴⁷ *** stated that Buy America and/or DFARS requirements affected 40 percent of their purchases of SSWR. *** stated that 10 percent of its purchases were for customers that required material with a U.S. melt, *** reported two percent, and *** reported a similar phenomenon but did not quantify it. *** indicated that 60 percent of its purchases were for customers who required U.S. material, but that it had a company preference for U.S. made material for *** percent of its purchases. However, *** indicated that buying a product made in the United States was not an important factor in their purchases of SSWR.

Purchasers were asked how often their firm made purchasing decisions based on the producer of the SSWR that they purchase. Two purchasers (***) answered “always,” citing price, quality, and chemistry specifications. Three purchasers answered “usually,” noting that quality and capabilities were determining factors. Finally, three purchasers (***) answered “sometimes,” citing quality, specific products, and DFARS requirements.

Purchasers were also asked how often their customers made purchasing decisions based on the producer of the SSWR that they purchase. *** answered “usually,” *** answered never, and *** did not know. Five purchasers said “sometimes.” Of those five, *** indicated that quality was an important reason for wanting product from a specific SSWR producer. *** cited automotive supply chain approval of specific suppliers, while *** cited DFARS requirements.

Purchasers were asked if their firm made purchasing decisions based on the country-of-origin of the SSWR that they purchase. *** stated that it “always” does so, because it purchases specific chemistry *** from ***. Three purchasers answered “usually,” citing chemistry, U.S. inventory control, and Buy America/ DFARS requirements. Three more purchasers answered “sometimes,” citing Buy America/ DFARS requirements, quality, and price.

Purchasers were asked if their customers made purchasing decisions based on the country-of-origin of the SSWR that they purchase. Five answered “sometimes,” adding that Buy American and/or DFARS requirements, as well as quality, were important factors. Additionally, one purchaser answered “never,” one answered “usually,” and one responded that it did not know.

All purchasers required their suppliers be certified or prequalified for all or virtually all purchases. Qualification is rigorous, involving different combinations of certifying chemistry, physical, and packaging requirements; trial samples; ISO certification; and performance testing. Qualification can take between six weeks and two years, with most purchasers reporting a time period of at least six months. When qualifying a new supplier, purchasers consider price, quality, on-time performance, reliability, technical assistance, and range of product offering.

Seven purchasers said that no suppliers have failed to qualify since 2004, although *** said that only one of two attempted qualifications was fully approved, with the other only partially approved due to “numerous issues.” Similarly, *** also said that not all of its suppliers are qualified on all grades, due to differing capabilities.⁴⁸

⁴⁷ However, hearing testimony indicated that the U.S. SSWR market for defense-related end uses that require U.S. melt is limited. Hearing transcript, pp. 56-57 (Lasoff and Ziolkowski).

⁴⁸ Additionally, NAS stated that it was unaware of any U.S. producer or importer that was unable to meet SSWR specifications. Hearing transcript, p. 16 (Feeley).

Factors Affecting Purchasing Decisions

NAS described SSWR as a “commodity” product that competes in the United States market on the basis of price.⁴⁹ Similarly, Carpenter described quality as “a given” once SSWR has been certified as meeting specifications, leading to competition being based on price.⁵⁰

Table II-3 summarizes the purchasers’ responses concerning the top three reported purchasing decision factors. As indicated in the table, quality is the most important factor, with a plurality of purchasers naming price as the second-most important factor and delivery the third. ***, which ranked price as its third-most-important factor, noted that price must be “reasonably” competitive, but that higher quality could offset this requirement.

Table II-3
SSWR: Ranking of factors used in purchasing decisions as reported by U.S. purchasers

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Quality ¹	5	2	1
Price	1	4	2
Credit	1	0	0
Chemistry	1	0	0
Availability	0	1	1
Domestic producer	0	1	0
Delivery	0	0	4

¹ Quality means meeting specifications involving grade chemistry, grain size uniformity, surface cleanliness, finish, consistent tensile strength, and more; having consistent melt and chemistry; and having consistent quality from lot to lot and melt to melt.

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

Purchasers were asked to rate the importance of 15 specified factors in their purchasing decisions (table II-4). Quality (meeting industry standards), product consistency, price, and reliability of supply were the most commonly characterized as very important.

⁴⁹ Hearing transcript, p. 16 (Feeley).

⁵⁰ Hearing transcript, p. 21 (Ziolkowski).

Table II-4
SSWR: Importance of purchasing factors as reported by U.S. purchasers

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

¹ Other factors mentioned included chemistry.

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

Purchasers were asked for a country-by-country comparison on the same factors (table II-5). Purchasers offered comparisons to numerous nonsubject countries, but fewer comparisons with subject countries.⁵¹ U.S. SSWR was generally found to be of comparable quality to most other SSWR, though perhaps of higher quality than Italian SSWR and of lower quality than Japanese SSWR.

⁵¹ No purchaser provided comparison data regarding SSWR produced in Spain.

Table II-5

SSWR: Comparisons between U.S.-produced and subject and nonsubject countries as reported by U.S. purchasers

Factor	U.S. vs. Italy			U.S. vs. Japan			U.S. vs. Korea			U.S. vs. Taiwan			U.S. vs. Other		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
Availability	2	1	0	2	1	0	2	0	0	2	2	0	4	7	0
Delivery terms	1	2	0	1	2	0	1	1	0	2	2	0	1	10	0
Delivery time	1	1	1	2	0	1	2	0	0	3	0	1	3	2	6
Discounts offered	1	1	1	1	1	1	1	1	0	1	1	1	1	8	2
Extension of credit	2	1	0	2	1	0	1	1	0	2	2	0	3	8	0
Price	2	1	0	2	1	0	2	0	0	0	3	1	7	4	0
Minimum quantity requirements	2	1	0	2	0	1	1	1	0	2	1	1	4	6	1
Packaging	0	3	0	0	3	0	0	2	0	0	4	0	0	11	0
Product consistency	1	2	0	0	1	2	0	2	0	1	3	0	0	10	1
Quality meets industry standards	1	2	0	0	2	1	0	2	0	0	4	0	0	11	0
Quality exceeds industry standards	1	2	0	0	1	2	0	2	0	0	4	0	2	8	1
Product range	1	2	0	0	1	2	1	1	0	1	3	0	0	7	4
Reliability of supply	1	2	0	0	3	0	1	1	0	2	2	0	1	5	5
Technical support/service	2	1	0	2	1	0	1	1	0	2	2	0	2	9	0
U.S. transportation costs	0	3	0	0	2	1	0	1	1	0	4	0	0	10	1
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table continued on following page.

Table II-5--Continued

SSWR: Comparisons between U.S.-produced and subject and nonsubject countries as reported by U.S. purchasers

Factor	Italy vs. Japan			Italy vs. Korea			Italy vs. Taiwan			Italy vs. Other			Japan vs. Korea			Japan vs. Taiwan		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
Availability	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
Delivery terms	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
Delivery time	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
Discounts offered	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
Extension of credit	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
Price	1	0	0	0	1	0	0	2	0	1	1	0	0	0	1	0	0	1
Minimum quantity requirements	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
Packaging	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
Product consistency	0	0	1	0	0	1	0	1	1	0	1	1	1	0	0	1	0	0
Quality meets industry standards	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
Quality exceeds industry standards	0	0	1	0	0	1	0	2	0	0	1	1	1	0	0	1	0	0
Product range	0	1	0	0	1	0	0	2	0	0	2	0	1	0	0	0	1	0
Reliability of supply	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
Technical support/service	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
U.S. transportation costs	0	1	0	0	1	0	0	2	0	0	2	0	0	1	0	0	1	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table continued on following page.

Table II-5--Continued

SSWR: Comparisons between U.S.-produced and subject and nonsubject countries as reported by U.S. purchasers

Factor	Japan vs. Other			Korea vs. Taiwan			Korea vs. Other			Taiwan vs. Other		
	S	C	I	S	C	I	S	C	I	S	C	I
Availability	0	2	0	0	1	0	0	2	0	0	2	0
Delivery terms	0	2	0	0	1	0	0	2	0	0	2	0
Delivery time	0	2	0	0	1	0	0	2	0	0	2	0
Discounts offered	0	2	0	0	1	0	0	2	0	0	2	0
Extension of credit	0	2	0	0	1	0	0	2	0	0	2	0
Price	0	1	1	0	1	0	2	0	0	1	1	0
Minimum quantity requirements	0	2	0	0	1	0	0	2	0	0	2	0
Packaging	0	2	0	0	1	0	0	2	0	0	2	0
Product consistency	1	1	0	0	1	0	0	1	1	0	1	1
Quality meets industry standards	0	2	0	0	1	0	0	2	0	0	2	0
Quality exceeds industry standards	1	1	0	0	1	0	0	1	1	0	1	1
Product range	0	2	0	0	1	0	0	0	2	0	1	1
Reliability of supply	0	2	0	0	1	0	0	2	0	0	2	0
Technical support/service	0	2	0	0	1	0	0	2	0	0	2	0
U.S. transportation costs	0	2	0	0	1	0	0	2	0	0	2	0
Other	0	0	0	0	0	0	0	0	0	0	0	0

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior. A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the price of U.S. product was generally lower than the price of the imported product.

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

Purchasers *** said that neither they nor their customers ever specifically order SSWR from one country in particular over other possible sources of supply. However, five other purchasers stated that they did, citing, DFARS requirements, product consistency, and quality.

Asked if certain grades, forms, or types of SSWR were available from a single source, six purchasers answered no while *** reported that some products were only produced by Japanese, Swedish, U.S., or U.K. mills.

Purchasers were asked if they "always," "usually," "sometimes," or "never" purchased the lowest priced SSWR. Of the responding purchasers, six firms reported that they "usually" buy the lowest-priced product, *** reported that it "sometimes" does, and *** reported that it "never" does.

Purchasers were also asked if they purchased SSWR from one source although a comparable product was available at a lower price from another source. Five purchasers reported that they had purchased SSWR from a certain source when a comparable product was available at a lower price. Reasons given include consistency of product, delivery time, minimum order requirements, proven historical quality, range of product offering, and the importance of country of origin for customers (e.g., DFARS or U.S. melt). *** reported buying from one U.S. producer rather than another because of

delivery time, availability, and size capability; from U.K. producers rather than U.S. producers because of size capability, coil weights, availability, and alternative sourcing; and from Taiwan producers rather than U.S. producers because of delivery, availability, and alternative sourcing.

Lead Times

Lead times for producers ranged from one to six weeks for sales from inventory, which could account for as much as 80 percent of sales (***) or as little as no sales (***). For sales produced to order, lead times ranged from six to 15 weeks. Lead times for the two importers that reported sales out of inventories were one to three days. For importers selling product produced to order, lead times ranged from three to six months.⁵²

Comparison of the U.S.-Produced and Imported SSWR

All purchasers (except ***) had marketing and price knowledge of SSWR from foreign countries, with most purchasers familiar with SSWR from at least two other countries.

In order to determine whether U.S.-produced SSWR can generally be used in the same applications as imports from Italy, Japan, Korea, Spain, and Taiwan, U.S. producers, U.S. importers, and U.S. purchasers were asked whether the products can “always,” “frequently,” “sometimes,” or “never” be used interchangeably. As shown in table II-6, most respondents answered that SSWR from different countries was at least frequently interchangeable, but purchasers were less likely to do so.

In additional comments, importer *** said that there are some specific grades that can be produced only in a certain country. Similarly, *** stated that high-quality SSWR is only available from a few countries, and *** added that the available specifications from a particular country may not meet consumer demand. Purchaser *** said that Japanese and Swedish SSWR is routinely higher quality than U.S. product, especially in *** SSWR. *** described the only difference between its always and frequently answers as whether the country’s SSWR meets DFARS requirements, allowing use of it in more applications.

In order to determine the significance of differences other than price between U.S.-produced SSWR and imports from Italy, Japan, Korea, Spain, and Taiwan, U.S. producers, U.S. importers, and U.S. purchasers were asked how often differences other than price were a significant factor in their sales or purchases of SSWR. As shown in table II-7, importers and purchasers were more likely than producers to identify important differences other than price in SSWR comparisons.

⁵² Foreign producers *** reported lead times of *** for sales produced to order and sold to their domestic market, and *** for sales produced to order and sold to third-country markets. *** added that it has a lead time of *** for produced-to-order sales to the U.S. market.

Table II-6

SSWR: Perceived interchangeability between SSWR produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries:												
U.S. vs. Italy	5	0	0	0	5	3	1	0	1	4	1	0
U.S. vs. Japan	5	0	0	0	3	4	1	0	1	3	0	0
U.S. vs. Korea	5	0	0	0	4	3	3	0	0	3	3	0
U.S. vs. Spain	5	0	0	0	5	2	2	0	1	2	2	0
U.S. vs. Taiwan	5	0	0	0	3	3	3	0	0	3	3	0
Subject country comparisons:												
Italy vs. Japan	2	1	0	0	3	3	1	0	0	2	1	0
Italy vs. Korea	2	1	0	0	4	3	2	0	0	2	2	0
Italy vs. Spain	2	1	0	0	6	1	1	0	1	1	1	0
Italy vs. Taiwan	2	1	0	0	4	2	2	0	0	2	2	0
Japan vs. Korea	3	0	0	0	5	1	2	0	0	2	1	0
Japan vs. Spain	3	0	0	0	3	2	1	1	0	2	0	0
Japan vs. Taiwan	3	0	0	0	4	1	2	0	0	1	2	0
Korea vs. Spain	2	1	0	0	3	4	2	0	0	2	1	0
Korea vs. Taiwan	2	1	0	0	4	3	2	0	0	2	2	0
Spain vs. Taiwan	2	1	0	0	4	2	2	0	0	2	1	0
U.S./subject country vs. nonsubject country comparisons:												
U.S. vs. Nonsubject	2	1	0	0	1	5	1	0	0	4	1	0
Italy vs. Nonsubject	1	0	0	0	1	4	0	0	0	2	1	0
Japan vs. Nonsubject	1	0	0	0	1	3	1	0	0	3	0	0
Korea vs. Nonsubject	1	0	0	0	1	3	1	0	0	2	1	0
Spain vs. Nonsubject	1	0	0	0	1	4	0	0	0	2	0	0
Taiwan vs. Nonsubject	1	0	0	0	1	3	1	0	0	2	2	0
Note.--A = Always, F = Frequently, S = Sometimes, N = Never.												
Source: Compiled from data submitted in response to Commission questionnaires.												

Table II-7

SSWR: Differences other than price between SSWR produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries:												
U.S. vs. Italy	0	0	1	4	1	2	0	1	2	3	1	0
U.S. vs. Japan	0	0	1	4	2	2	1	1	3	1	0	0
U.S. vs. Korea	0	0	1	4	2	2	1	1	2	2	1	1
U.S. vs. Spain	0	0	1	4	1	1	1	1	2	1	1	1
U.S. vs. Taiwan	0	0	1	4	1	3	1	1	2	2	1	1
Subject country comparisons:												
Italy vs. Japan	0	0	1	2	2	1	0	1	1	1	1	0
Italy vs. Korea	0	0	1	2	2	1	0	1	1	1	2	0
Italy vs. Spain	0	0	1	2	1	1	1	1	1	1	1	0
Italy vs. Taiwan	0	0	1	2	1	2	0	1	1	1	2	0
Japan vs. Korea	0	0	1	2	2	2	0	2	2	1	0	0
Japan vs. Spain	0	0	1	2	1	1	1	1	1	1	0	0
Japan vs. Taiwan	0	0	1	2	1	2	1	2	2	1	0	0
Korea vs. Spain	0	0	0	1	1	2	0	1	1	1	1	0
Korea vs. Taiwan	0	0	1	2	1	2	1	2	1	1	2	0
Spain vs. Taiwan	0	0	1	2	2	1	0	1	1	1	1	0
U.S./subject country vs. nonsubject country comparisons:												
U.S. vs. Nonsubject	0	0	1	2	2	1	2	1	2	2	1	0
Italy vs. Nonsubject	0	0	0	1	1	1	0	1	1	1	1	0
Japan vs. Nonsubject	0	0	0	1	1	1	1	1	2	1	0	0
Korea vs. Nonsubject	0	0	0	1	1	1	1	1	1	1	1	0
Spain vs. Nonsubject	0	0	0	1	1	1	0	1	1	1	0	0
Taiwan vs. Nonsubject	0	0	0	1	1	1	1	1	1	1	2	0
Note.--A = Always, F = Frequently, S = Sometimes, N = Never. Source: Compiled from data submitted in response to Commission questionnaires.												

In additional comments, importer *** stated that customers prefer the quality of SSWR from Japan, Korea, and Taiwan over U.S.-produced SSWR for numerous applications. *** reiterated that some SSWR products are only produced by a few manufacturers worldwide. Purchasers *** noted the importance of DFARS in U.S. comparisons.⁵³ *** also noted the importance of melt quality and/or chemistry in comparisons with Japanese, Swedish, and U.K. product. *** stated that the biggest

⁵³ *** indicated that it considered DFARS expectations in its answers used in table II-6, but not for its answers used in table II-7.

difference between imported and domestic SSWR is lead time, with U.S. producers delivering in 60 days while import suppliers can take 90-120 days.

As can be seen from table II-8, three responding purchasers reported that domestically-produced SSWR “always” meet minimum quality specifications. Japanese SSWR was generally seen as “always” meeting specifications, U.S. and Taiwan SSWR were closely divided between “always” and “usually” meeting specifications, and Italian, Korean, and Spanish SSWR was less likely to “always” meet specifications.

Table II-8
SSWR: Ability to meet minimum quality specifications, by source

Country	Number of firms reporting ¹			
	Always	Usually	Sometimes	Never
United States	3	4	1	0
Italy	1	4	1	0
Japan	3	2	0	0
Korea	1	3	2	0
Spain	0	5	0	0
Taiwan	2	4	0	0
Nonsubject ²	4	8	0	0

¹ Purchasers were asked how often domestically produced or imported SSWR meets minimum quality specifications for their own or their customers' uses.
² "Nonsubject" means China, France, Germany, Sweden, and the U.K., with the "always" responses coming only for Sweden and the U.K.

Source: Compiled from responses to Commission questionnaires.

ELASTICITY ESTIMATES

This section discusses elasticity estimates; parties were encouraged to comment on these estimates and to include comments in an attachment to their prehearing or posthearing brief.⁵⁴

U.S. Supply Elasticity⁵⁵

The domestic supply elasticity for SSWR measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of SSWR. 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 production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced SSWR. Analysis of these factors, especially U.S. producers' low capacity utilization in 2009, indicates that U.S. producers have the ability to greatly increase or decrease shipments to the U.S. market; an estimate in the range of 4 to 8 is suggested.

⁵⁴ No parties included an attachment commenting on staff's elasticity estimates.

⁵⁵ A supply function is not defined in the case of a non-competitive market.

U.S. Demand Elasticity

The U.S. demand elasticity for SSWR measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of SSWR. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of the SSWR in the production of any downstream products. Based on the available information, the aggregate demand for SSWR is likely to be inelastic; a range of -0.2 to -0.5 is suggested.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.⁵⁶ Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced SSWR and imported SSWR is likely to be in the range of 3 to 6.

⁵⁶ 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

OVERVIEW

Background

In the current reviews, the Commission issued seven U.S. producer questionnaires to firms identified in the domestic and respondent interested parties' responses to the Commission's notice of institution or by staff through independent research as possible SSWR producers in the United States. Of these firms, *** provided the Commission with useable data on their SSWR operations. Allvac, Carpenter, NAS, and Universal are believed to account for *** of U.S. production of SSWR in 2009.¹

Changes Experienced in Operations

U.S. SSWR producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, prolonged shutdowns or curtailment of production because of shortages of materials or other reasons including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of SSWR since January 1, 2004. The domestic producers' responses to this question are presented in table III-1.

Table III-1
SSWR: Changes in the character of U.S. operations since January 1, 2004

* * * * *

In July 2003, NAS began to produce SSWR, investing approximately \$*** in the facilities that are used to manufacture SSWR and other stainless steel long products, including stainless steel bar and angle. As detailed more fully in *Part IV*, NAS and Spanish SSWR producer Roldan are wholly-owned subsidiaries of the same entity, Acerinox, S.A.

Anticipated Changes in Existing Operations

The Commission requested that domestic producers provide a copy of their business plans or other internal documents that describe, discuss, or analyze expected future market conditions for SSWR. None of the U.S. producers have formalized business plans relating to SSWR. NAS projected 2011 production volumes of ***. ***.

The Commission requested U.S. producers to describe any changes in the character of their operations or organizations relating to the production of SSWR in the future. Table III-2 presents *** anticipated changes to its U.S. operations.

¹ Allvac continues to produce SSWR under a tolling agreement with Outokumpu. The Commission also received confirmation that Latrobe Specialty Steel ("Latrobe") is a small producer of SSWR. Latrobe reported an annual capacity of *** short tons, which is less than *** percent of total U.S. SSWR production. Charter exited the SSWR business in 2008, but remains active in the production of other products. Despite multiple requests by Staff, Charter did not provide a questionnaire response, although it did provide estimates of its SSWR shipments.

Table III-2
SSWR: Anticipated changes in U.S. operations

* * * * *

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

The Commission requested information on SSWR capacity and production from SSWR producers. U.S. producers' capacity, production, and capacity utilization data for SSWR are presented in table III-3.² Between 2004 and 2009, total reported U.S. capacity decreased by *** percent. While NAS and Allvac added capacity during the period, ***'s capacity decreased by *** percent as a result of ***. Total U.S. production of SSWR decreased by *** percent during the period for which data were collected.

Table III-3
SSWR: U.S. producers' U.S. capacity, production, and capacity utilization, 2004-09

* * * * *

***.

Constraints on Capacity

The Commission asked domestic producers to report constraints on their capacity to produce SSWR. NAS identified *** as the primary constraint, while Carpenter identified ***.³

U.S. PRODUCERS' SHIPMENTS

Table III-4 presents U.S. producers' shipments of SSWR from 2004 to 2009. During the period for which data were collected, internal consumption of SSWR by U.S. producers accounted for between *** and *** percent of total U.S. shipments. As detailed in *Part I*, SSWR is consumed internally by U.S. producers for the production of stainless steel wire or cold-finished bar. Of the U.S. firms that produce SSWR, *** reported internally consuming SSWR. ***.⁴ ***. ***.

As shown in table III-5, the large majority of U.S. producers' U.S. shipments in 2009 was austenitic grade SSWR. Exports accounted for a small percentage of total shipments, ranging between *** and *** percent during the period, with Canada and Mexico among the reported export markets for U.S. producers. *** U.S. producers reported that their exports of SSWR were subject to any tariff or non-tariff barriers to trade in other countries.

Table III-4
SSWR: U.S. producers' shipments, by type, 2004-09

* * * * *

² *** reported producing stainless steel products other than SSWR using the same equipment and machinery used in the production of SSWR. These other products include specialty steels, stainless, electronic, high-temperature alloys *** cold drawn bar and angle *** and nickel, titanium, specialty steel products ***. U.S. producers' questionnaire, question II-5.

³ ***. Email from ***, March 2, 2010.

⁴ Carpenter's posthearing brief, exh 1, p. 35.

Table III-5
SSWR: U.S. producers' U.S. shipments, by type and by product grade, 2009

* * * * *

U.S. PRODUCERS' INVENTORIES

Table III-6 presents U.S. producers' inventories of SSWR from 2004 to 2009. During the period for which data were collected, inventories were *** percent of total shipments.

Table III-6
SSWR: U.S. producers' end-of-period inventories, 2004-09

* * * * *

U.S. PRODUCERS' IMPORTS AND PURCHASES

No U.S. producer of SSWR reported imports or purchases of SSWR from subject sources during the period for which data were gathered. ***.⁵

U.S. PRODUCERS' EMPLOYMENT, WAGES AND PRODUCTIVITY

Table III-7 presents on U.S. producers' employment for the production of SSWR from 2004 to 2009. Wages paid fluctuated over the period, reaching peak levels in 2008 before decreasing to their lowest levels in 2009. Productivity decreased by *** percent between 2004-09 while unit labor costs increased by *** percent over the same period.

Table III-7
SSWR: Average number of production and related workers (PRWs), hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2004-09

* * * * *

⁵ *** U.S. importers' questionnaire response, question II-6.

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

Four firms (Carpenter, NAS, Outokumpu, and Universal) provided financial data on their operations on SSWR, and Allvac provided information on the tolling it performs on behalf of Outokumpu.^{6 7}

Operations on SSWR

Results of U.S. firms' operations on SSWR are briefly summarized here.

- Total net sales, composed of commercial sales and internal consumption, declined irregularly between 2004 and 2009. Sales quantity reached a peak in 2006, then declined in 2007 and 2008 to about the same level as in 2005, and was lower by *** percent in 2009 than in 2008. Sales value reached a peak in 2007, falling thereafter (by *** percent from 2007 to 2008, and by *** percent from 2008 to 2009.⁸ Changes in total net sales values were attributable primarily to the changes in average unit sales values as well as to lower quantity in 2009.
- Changes in raw material costs (which followed market prices for nickel, chrome, and molybdenum) generally led to overall changes in the industry's cost of goods sold ("COGS"). The absolute value and per-unit value of total COGS increased at a rate faster than sales from 2004 to 2005; both were higher in 2006 and 2007 although the rate of increase was less than that of sales. Like sales, COGS reached its highest point in 2007, declining thereafter. From 2008 to 2009, the rate of decline of COGS was less than that of sales. These changes affected gross profit, which was greatest in 2007 but was negative in 2009, and reflected the data reported by ***.
- The firms together recorded operating losses during 2005, 2006, and 2009, equivalent to negative *** percent, *** percent, and *** percent of sales, respectively.
- Net income or loss before taxes and cash flow followed the same pattern as operating income or loss—positive in 2004, 2007, and 2008, and negative in 2005, 2006, and 2009.

These data for the industry are shown in table III-8, while table III-9 provides operating data on a firm-by-firm basis.

Table III-8
SSWR: Results of operations of U.S. firms, fiscal years 2004-09

* * * * *

⁶ ***.

⁷ Charter Manufacturing did not provide data in these reviews. Charter's sales were ***. Charter's questionnaire response in *Stainless Steel Wire Rod from Brazil, France, and India*, Investigation Nos. 731-TA-636-638 (Second Review).

⁸ The downturn was attributed to reduced shipments of materials used in the automotive, industrial (valves, fittings, fasteners), and consumer (housing and electronics) markets. Carpenter Technology Corp., Form 10-K, August 20, 2009, pp. 20 and 21.

Table III-9
SSWR: Results of operations of U.S. firms, by firm, fiscal years 2004-09

* * * * *

The data in tables III-8 and III-9 reflect the relative volumes of Carpenter and NAS, which together accounted for between *** percent and *** percent of total net sales, by value. *** while ***. From 2008 to 2009, ***.⁹ ***.

Raw material costs are a substantial factor in industry profitability and vary with the costs of inputs to stainless steel, which are mainly nickel, chromium, and molybdenum. The domestic industry adjusted for the change in raw materials costs by increasing or decreasing, as need be, its sales prices.¹⁰ As a result, the industry's metal margin (defined as the difference between its average unit sales price and the average unit cost of raw materials) fluctuated moderately and averaged about \$*** per short ton from 2004 to 2008; however, it was \$*** per short ton in 2009.¹¹ During 2004-08, the ratio of raw materials to sales varied from *** percent to *** percent but was *** percent in 2009. During 2004-08, the average unit value of raw materials rose irregularly from \$*** per short ton to \$*** per short ton, and was \$*** per short ton in 2009. These changes are shown in table III-10. The ratio of raw material costs to total COGS also rose irregularly during 2004-08, from *** percent to *** percent, but was only *** percent in 2009 (table III-8).

Table III-10
SSWR: Raw material costs and metal margins of U.S. firms, by firm, fiscal years 2004-09

* * * * *

Domestic interested parties ascribed unit cost differences between Carpenter and NAS to the different product mix of each producer. A spokesman for NAS stated that its sales are concentrated in the 300 series commodity grades; a Carpenter representative stated that “although Carpenter has recently focused on upgrading its product mix to more specialty grades, we continue to produce the entire line of stainless grades.”¹²

Table III-11 provides financial data for the merchant market operations of the four reporting firms.

⁹ Pursuant to request by Commission staff for information, ***.

¹⁰ For example, Carpenter states that it uses pricing surcharges, indexing mechanisms, base price adjustments, and raw material forward contracts to reduce the impact of increased costs for the most significant of its raw materials (including nickel, chromium, molybdenum, and scrap containing iron and nickel). It uses a formula to calculate surcharges which is based on published prices of the respective raw materials for the previous month. Carpenter Technology Corp., Form 10-K, August 20, 2009, pp. 3 and 18.

¹¹ These data represent the average metal margin for the four reporting firms. There is wide variation between ***.

¹² Hearing transcript, p. 17 (Feeley), p. 20 (Ziolkowski), and p. 53 (Hudgens). Cost differences, ascribed to higher raw material costs and production costs for specialty grades, were described in Carpenter’s posthearing brief, exh. 1, p. 8; the major components of other factory costs of Carpenter, NAS, and Universal are shown in exh. 1, p. 24.

Table III-11

SSWR: Results of merchant market operations of U.S. firms, by firm, fiscal years 2004-09

* * * * *

Variance Analysis

The variance analysis showing the effects of prices and volume on U.S. producers' total net sales of SSWR, and of costs and volume on their total expenses, is presented in table III-12. The information for this variance analysis is derived from table III-8. The variance analysis provides an assessment of changes in profitability as related to changes in pricing, cost, and volume. The variance analysis is summarized at the bottom of the table and shows that the decrease in operating income from 2004 to 2009 is attributable to the favorable price variance (higher unit prices) that was much lower than the unfavorable net cost/expense variance (higher unit costs) and small unfavorable volume variance (due to the lower volume of sales).¹³ The mix of favorable and unfavorable variances changed during the period. The price variance was unfavorable between 2007 and 2008 and between 2008 and 2009 (unit prices fell) while the net cost/expense variance was favorable (unit costs declined), reversing the trend in the preceding three years of favorable price variances and unfavorable net cost/expense variances.

Table III-12

SSWR: Variance analysis on U.S. firms' operations, fiscal years 2004-09

* * * * *

Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of SSWR to compute return on investment ("ROI") for 2004 to 2009 (table III-13). The data for operating income or loss are from table III-8, ***. Total operating income or loss was divided by total assets, resulting in ROI.

Table III-13

SSWR: Value of assets used in production, warehousing, and sales, and return on investment, fiscal years 2004-09

* * * * *

¹³ A variance analysis is calculated in three parts, sales variance, cost of sales variance, and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense (cost/expense) variance (in the case of the cost of sales and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Although ROI generally followed operating income, ROI fell more than the industry's operating losses because of decreases in the industry's total assets from 2004 to 2009. Overall, the data show increasing charges for *** being lower in 2009 than in 2004. It also reflects changes in allocation between products because SSWR accounts for a ***. This reflects the data reported by the ***; *** also reported that the value of its inventory was lower in 2009 than in 2004.

Capital Expenditures and Research and Development Expenses

U.S. producers' data on their capital expenditures and research and development ("R&D") expenses for their operations on SSWR are shown in table III-14.

Table III-14

SSWR: U.S. firms' capital expenditures and research and development expenses, fiscal years 2004-09

* * * * *

The Commission's questionnaire requested firms to describe the nature of their capital expenditures and their R&D expenses. Their responses are tabulated as follows:

* * * * *

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

U.S. IMPORTS

The Commission issued importers' questionnaires to 47 companies believed to account for all imports of SSWR, as well as to all U.S. producers. Sixteen companies returned usable questionnaire responses and 19 responded that they had not imported SSWR since 2004. Quantities and values reported as subject imports are believed to include only minor amounts of nonsubject merchandise, namely SSWR grades SF20T and K-M35FL. Through the use of proprietary data compiled by U.S. Customs, official Commerce statistics have been adjusted to treat as nonsubject imports SSWR from Valbruna of Italy, Hitachi of Japan, and Yieh Hsing of Taiwan.

According to official Commerce statistics as adjusted, U.S. imports from subject sources dropped noticeably in 2006 and continued to decline during the remainder of the period for which data were collected. As detailed in tables IV-1 and IV-2, the vast majority of U.S. imports of SSWR during the period for which data were collected have been from nonsubject sources, accounting for no less than *** percent of total U.S. imports of SSWR during the period. The leading nonsubject sources of SSWR include China and *** (prior to 2009); the United Kingdom, Sweden, and France, which collectively accounted for 51.7 percent of total U.S. imports of SSWR in 2009; and ***, which alone accounted for *** percent of total U.S. imports of SSWR in 2009.¹ No importers reported entering or withdrawing SSWR from foreign trade zones or bonded warehouses. In addition, no importers reported imports of SSWR under the temporary importation under bond program.

¹ The Commission requested that importers list any expected deliveries of SSWR after December 31, 2009. Of the 16 companies that reported that they had arrangements to deliver product, *** companies listed amounts exceeding 1,000 short tons through June 2010. ***.

Table IV-1
SSWR: U.S. imports, by sources, 2004-09

Source	2004	2005	2006	2007	2008	2009
Quantity (short tons)						
Italy (other than Valbruna)	***	***	***	***	***	***
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	1,982	2,626	385	24	0	0
Spain	34	8	20	0	0	0
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	2,230	3,044	636	150	61	35
Italy (Valbruna only)	***	***	***	***	***	***
Japan (Hitachi only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	29,350	20,789	19,447	19,257	21,191	8,888
Subtotal, nonsubject sources	45,377	38,486	30,837	30,411	29,823	14,396
Total	47,608	41,531	31,473	30,562	29,884	14,431
Value (\$1,000)¹						
Italy (other than Valbruna)	***	***	***	***	***	***
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	3,858	6,226	960	132	0	0
Spain	80	60	48	0	0	0
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	4,464	7,476	1,844	783	276	111
Italy (Valbruna only)	***	***	***	***	***	***
Japan (Hitachi only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	69,503	61,073	63,277	91,427	95,963	29,236
Subtotal, nonsubject sources	107,256	109,029	96,341	142,371	131,031	43,351
Total	111,720	116,505	98,185	143,154	131,307	43,461

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Table IV-1--Continued
SSWR: U.S. imports, by sources, 2004-09

Source	2004	2005	2006	2007	2008	2009
Unit value (dollars per short ton)						
Italy (other than Valbruna)	\$***	\$***	\$***	\$***	\$***	\$***
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	1,946	2,371	2,490	5,464	(²)	(²)
Spain	2,360	7,652	2,363	(²)	(²)	(²)
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	2,002	2,456	2,898	5,205	4,528	3,122
Italy (Valbruna only)	***	***	***	***	***	***
Japan (Hitachi only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	2,368	2,938	3,254	4,748	4,528	3,290
Subtotal, nonsubject sources	2,364	2,833	3,124	4,682	4,394	3,011
Average	2,347	2,805	3,120	4,684	4,394	3,012
Share of quantity (percent)						
Italy (other than Valbruna)	***	***	***	***	***	***
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	4.2	6.3	1.2	0.1	0.0	0.0
Spain	0.1	0.0	0.1	0.0	0.0	0.0
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	4.7	7.3	2.0	0.5	0.2	0.2
Italy (Valbruna only)	***	***	***	***	***	***
Japan (Hitachi only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	61.6	50.1	61.8	63.0	70.9	61.6
Subtotal, nonsubject sources	95.3	92.7	98.0	99.5	99.8	99.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Continued on next page.

Table IV-1--Continued
SSWR: U.S. imports, by sources, 2004-09

Source	2004	2005	2006	2007	2008	2009
Share of value (percent)						
Italy (other than Valbruna)	***	***	***	***	***	***
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	3.5	5.3	1.0	0.1	0.0	0.0
Spain	0.1	0.1	0.0	0.0	0.0	0.0
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	4.0	6.4	1.9	0.5	0.2	0.3
Italy (Valbruna only)	***	***	***	***	***	***
Japan (Hitachi only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	62.2	52.4	64.4	63.9	73.1	67.3
Subtotal, nonsubject sources	96.0	93.6	98.1	99.5	99.8	99.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
<p>¹ Landed, duty-paid. ² Not applicable.</p> <p>Note.--Unit values and shares are calculated from the unrounded figures.</p> <p>Note.--Cogne asserts that it had zero shipments to the United States during 2004-09. The small amount of subject SSWR reported in this table for 2004, 2005, 2006, and 2009 may be overstated due to transshipments from ***.</p> <p>Source: Compiled from official statistics of the U.S. Department of Commerce as adjusted by proprietary data compiled by U.S. Customs.</p>						

Table IV-2
SSWR: U.S. imports from nonsubject countries, by sources, 2004-09

Source	2004	2005	2006	2007	2008	2009
	Quantity (short tons)					
China	4,499	4,854	5,116	3,916	4,458	929
France ¹	1,569	1,749	2,328	3,323	4,629	1,490
Germany	2,052	1,130	656	983	1,053	151
India ¹	1,297	278	685	1,408	1,119	272
Sweden ¹	4,826	4,193	2,833	1,627	2,359	1,990
United Kingdom	14,951	8,473	7,676	7,917	7,501	3,978
Subtotal	29,194	20,677	19,293	19,174	21,120	8,810
All other ¹	156	112	154	83	71	78
Total	29,350	20,789	19,447	19,257	21,191	8,888
	Value (1,000)²					
China	7,111	9,027	9,291	9,040	10,633	1,766
France ¹	6,000	8,658	11,210	19,310	27,655	5,610
Germany	4,209	3,717	1,467	2,842	3,234	942
India ¹	2,745	783	1,923	6,299	4,985	716
Sweden ¹	13,388	14,685	12,032	10,020	14,032	7,292
United Kingdom	35,601	23,846	26,592	43,376	34,967	12,099
Subtotal	69,054	60,716	62,515	90,888	95,507	28,424
All other ¹	449	356	762	539	456	812
Total	69,503	61,073	63,277	91,427	95,963	29,236
	Unit value (dollars per short ton)					
China	\$1,581	\$1,860	\$1,816	\$2,308	\$2,385	\$1,901
France ¹	3,823	4,950	4,816	5,811	5,974	3,765
Germany	2,051	3,290	2,236	2,892	3,070	6,234
India ¹	2,117	2,814	2,808	4,473	4,454	2,628
Sweden ¹	2,774	3,503	4,246	6,159	5,948	3,664
United Kingdom	2,381	2,814	3,464	5,479	4,661	3,042
Average	2,365	2,936	3,240	4,740	4,522	3,226
All other ¹	2,881	3,178	4,955	6,459	6,391	10,406
Average	2,368	2,938	3,254	4,748	4,528	3,290
<p>¹ U.S. imports of SSWR subject to antidumping duty orders include those from France (2004-06), India (2004-09), Sweden (2004-07), and Brazil (2004-06). SSWR imports from Brazil totaled \$15,516 in 2004, the only year during the period for which data were gathered when imports from Brazil were recorded.</p> <p>² Landed, duty-paid.</p>						
<p>Source: Compiled from official statistics of the U.S. Department of Commerce as adjusted by proprietary data compiled by U.S. Customs.</p>						

CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) the degree of fungibility, including specific customer requirements and other quality-related questions; (2) presence of sales or offers to sell in the same geographic markets; (3) common channels of distribution; and (4) simultaneous presence in the market.² Channels of distribution and fungibility (interchangeability) are discussed in *Part II* of this report. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

U.S. producers and importers were asked to provide data concerning their U.S. shipments of SSWR, by type. As indicated in tables IV-3 and IV-4, austenitic SSWR accounted for the vast majority of U.S. producers' and U.S. importers' total shipments and internal consumption in 2009.

Table IV-3
SSWR: U.S. producers' U.S. shipments, by type and by product grade, 2009

* * * * *

² In the original investigations, the Commission found that the domestic merchandise and imports of subject merchandise were relatively fungible, were sold in similar geographic markets, were sold in similar channels of distribution, and were simultaneously present in the U.S. market. Therefore, the Commission cumulated subject imports from all of the countries, except for Germany. *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan* Invs. Nos. 701-TA-373 and 731-TA-769-775 (Final), USITC Publication 3126, September 1998.

Table IV-4

SSWR: U.S. commercial shipments and internal consumption/transfers to related firms of U.S. imports, by type, 2009

Source	Austenitic	Ferritic	Martensitic	All other	Total
Quantity (short tons)					
Commercial shipments:					
Italy (other than Valbruna)	0	0	0	0	0
Japan (other than Hitachi)	0	0	0	0	0
Korea	0	0	0	0	0
Spain	0	0	0	0	0
Taiwan (other than Yieh Hsing)	0	0	0	0	0
Subtotal, subject sources	0	0	0	0	0
Italy (Valbruna only)	***	***	***	***	***
Japan (Hitachi only)	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***
Other sources	2,217	446	665	850	4,177
Subtotal, nonsubject sources	8,762	499	1,151	896	11,308
Total	8,762	499	1,151	896	11,308
Internal consumption/transfers to related firms:					
Italy (other than Valbruna)	0	0	0	0	0
Japan (other than Hitachi)	0	0	0	0	0
Korea	0	0	0	0	0
Spain	0	0	0	0	0
Taiwan (other than Yieh Hsing)	0	0	0	0	0
Subtotal, subject sources	0	0	0	0	0
Italy (Valbruna only)	***	***	***	***	***
Japan (Hitachi only)	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***
Other sources	2,790	41	421	122	3,374
Subtotal, nonsubject sources	2,790	41	421	122	3,374
Total	2,790	41	421	122	3,374
Source: Compiled from data submitted in response to Commission questionnaires.					

Geographical Markets

During the period for which data were collected, Philadelphia, PA, Chicago, IL, and New York, NY, were among the three largest districts of entry for imports of SSWR from Italy, Japan, Korea, Spain, and Taiwan.³

Presence in the Market

Table IV-5 presents data on the monthly entries of U.S. imports of SSWR, by source, during 2004-09. Data in this table are presented by country, and therefore do include entries by manufacturers/exporters that are not subject to the orders.

Table IV-5
SSWR: U.S. imports, monthly entries into the United States, by sources, 2004-09

Country	Calendar year					
	2004	2005	2006	2007	2008	2009
Italy	12	12	12	12	11	7
Japan	11	8	12	8	11	2
Korea	7	12	6	3	0	0
Spain	1	2	1	0	0	0
Taiwan	12	12	12	12	12	12
All others	12	12	12	12	12	12

Note.--Monthly import data may contain nonsubject imports.

Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. IMPORTERS' INVENTORIES

U.S. importers' inventories of imports from Italy (nonsubject), Japan (nonsubject), Korea, Taiwan (nonsubject), and other sources are shown in table IV-6.

Table IV-6
SSWR: U.S. importers' end-of-period inventories of imports from Korea, Italy (Valbruna only), Japan (Hitachi only), Taiwan (Yieh Hsing only), and all other countries, 2004-09

* * * * *

³ Given the relatively small volume of subject imports during the period for which data were collected and the fact that individual SSWR producers in Italy, Japan, and Taiwan are not subject to the orders, much of the imports that have entered these customs districts may be nonsubject.

THE SUBJECT FOREIGN INDUSTRIES

Exports

Available *Global Trade Atlas* data concerning the world's top ten exporters of SSWR are presented in table IV-7. The five countries subject to the current reviews were among the largest exporters of SSWR during 2004-08.

Table IV-7
SSWR: Exports by top 10 world suppliers, 2004-08

Item	2004	2005	2006	2007	2008
Quantity (short tons)					
Taiwan	85,997	88,272	108,724	103,287	99,425
Japan	102,933	95,252	98,829	77,993	97,392
Italy	90,470	80,504	86,676	76,571	77,744
France	72,714	60,474	76,302	74,593	73,656
Korea	73,313	84,563	72,598	70,987	69,370
Spain	68,845	69,646	76,624	62,637	52,027
India	40,108	19,351	42,189	43,971	37,932
Sweden	39,283	33,832	38,351	36,118	34,797
United Kingdom	38,697	29,498	33,138	25,365	24,859
China	17,243	16,134	18,447	18,416	18,097
All other	50,869	42,647	150,823	60,807	63,550
Total	680,473	620,174	802,703	650,744	648,849
Value (\$1,000)					
Taiwan	188,658	209,640	305,842	448,351	373,533
Japan	230,245	247,478	296,426	371,158	422,824
Italy	232,794	224,926	284,782	391,752	344,392
France	177,640	172,077	240,935	339,461	328,958
Korea	150,049	201,582	181,233	295,226	224,883
Spain	156,722	171,034	220,988	305,290	209,706
India	59,909	32,995	92,433	149,218	123,269
Sweden	106,300	107,853	144,712	211,743	186,660
United Kingdom	93,443	82,860	108,491	123,227	115,366
China	26,756	30,389	38,093	50,766	52,344
All other	77,276	79,058	169,379	149,825	177,281
Total	1,499,791	1,559,892	2,083,314	2,836,016	2,559,216

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Table IV-7--Continued
SSWR: Exports by top 10 world suppliers, 2004-08

Item	2004	2005	2006	2007	2008
Unit Value (dollars per short ton)					
Taiwan	\$2,194	\$2,375	\$2,813	\$4,341	\$3,757
Japan	2,237	2,598	2,999	4,759	4,341
Italy ¹	2,573	2,794	3,286	5,116	4,430
France	2,443	2,845	3,158	4,551	4,466
Korea	2,047	2,384	2,496	4,159	3,242
Spain	2,276	2,456	2,884	4,874	4,031
India	1,494	1,705	2,191	3,394	3,250
Sweden	2,706	3,188	3,773	5,863	5,364
United Kingdom	2,415	2,809	3,274	4,858	4,641
China	1,552	1,883	2,065	2,757	2,893
All other	1,519	1,854	1,123	2,464	2,790
Average	2,204	2,515	2,595	4,358	3,944
<p>¹ Italian exports to Switzerland, its leading foreign market, had slightly higher unit values, i.e., \$2,645 in 2004, \$2,829 in 2005, \$3,363 in 2006, \$5,215 in 2007, and \$4,418 in 2008.</p> <p>Note.—Data for 2009 are incomplete due to reporting lags.</p> <p>Source: Global Trade Atlas.</p>					

Net Trade Balance

Available *Global Trade Atlas* data concerning the net trade balance for the world's top ten suppliers of SSWR during 2004-08 are presented in table IV-8. Of the five countries subject to the current reviews, only Italy was a net importer of SSWR during 2004-08.

Table IV-8
SSWR: World exports, imports, and trade balance for leading exporters 2004-08

Item	2004	2005	2006	2007	2008
Export quantity (short tons)					
Taiwan	85,997	88,272	108,724	103,287	99,425
Japan	102,933	95,252	98,829	77,993	97,392
Italy	90,470	80,504	86,676	76,571	77,744
France	72,714	60,474	76,302	74,593	73,656
Korea	73,313	84,563	72,598	70,987	69,370
Spain	68,845	69,646	76,624	62,637	52,027
India	40,108	19,351	42,189	43,971	37,932
Sweden	39,283	33,832	38,351	36,118	34,797
United Kingdom	38,697	29,498	33,138	25,365	24,859
China	17,243	16,134	18,447	18,416	18,097
All other	50,869	42,647	150,823	60,807	63,550
Total	680,473	620,174	802,703	650,744	648,849
Import quantity (short tons)					
Taiwan	49,364	41,914	45,603	45,769	32,750
Japan	10,104	13,798	13,096	12,465	11,214
Italy	127,716	107,862	140,186	126,194	114,911
France	11,143	6,798	16,348	29,731	9,797
Korea	48,851	50,491	51,567	44,265	52,892
Spain	4,626	2,902	7,813	1,972	2,866
India	3,566	15,866	10,400	11,390	10,449
Sweden	3,247	1,593	2,209	2,495	1,360
United Kingdom	3,546	3,236	4,153	6,043	4,268
China	51,445	45,391	53,895	46,640	58,749
All other	230,370	240,867	268,168	274,003	367,270
Total	543,978	530,718	613,438	600,965	666,528

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Table IV-8---Continued
SSWR: World exports, imports, and trade balance for leading exporters 2004-08

Item	2004	2005	2006	2007	2008
Trade balance (short tons)					
Taiwan	36,633	46,358	63,121	57,518	66,675
Japan	92,829	81,454	85,734	65,528	86,178
Italy	(37,246)	(27,358)	(53,510)	(49,622)	(37,167)
France	61,571	53,676	59,954	44,861	63,858
Korea	24,462	34,072	21,031	26,722	16,477
Spain	64,219	66,743	68,811	60,665	49,161
India	36,543	3,486	31,790	32,581	27,482
Sweden	36,035	32,239	36,142	33,623	33,437
United Kingdom	35,151	26,261	28,985	19,322	20,591
China	(34,202)	(29,256)	(35,448)	(28,224)	(40,652)
All other	(179,500)	(198,220)	(117,345)	(213,196)	(303,720)
Note.—Data for 2009 are incomplete due to reporting lags.					
Source: Global Trade Atlas.					

THE INDUSTRY IN ITALY

There were four producers of SSWR in Italy identified during the original investigations: Acciaierie di Bolzano S.p.A. (“Bolzano”), Cogne Acciai Speciali S.r.l (“Cogne”), Rodacciai S.p.A., (Rodacciai), and Acciaierie Valbruna S.r.l. (Valbruna). All companies except Rodacciai were represented by counsel, and all provided data in response to the Commission’s foreign producer questionnaire. During the original investigations, Cogne’s total share of production *** as the other three producers ***. In 1997, ***. Cogne, however, accounted for *** of Italy’s exports to the United States, representing *** percent of the total in 1997. Valbruna accounted for *** percent of Italy’s exports to the United States in 1997. Bolzano, which was acquired by Valbruna in 1995, accounted for *** percent of Italy’s exports in 1997, while Rodacciai’s exports to the United States accounted for less than *** percent of Italy’s total exports.⁴

In the first five-year reviews, the Commission received a questionnaire response from Cogne and an incomplete response from Valbruna (which accounted for data concerning its subsidiary, Bolzano).⁵ Cogne reported that it accounted for *** percent of the production of SSWR in Italy and accounted for *** percent of total exports to the United States from Italy in 2003.

In the current reviews, the Commission received usable data from one Italian SSWR producer: Cogne. According to testimony provided at the hearing, the only two producers of SSWR in Italy are Cogne and Valbruna, a firm that was excluded from the original antidumping duty order, but subject to

⁴ Original Staff Report, p. VII-6.

⁵ Valbruna was excluded from the original antidumping order, but was subject to the original countervailing duty order until 2004, when Commerce revoked the countervailing duty order on SSWR from Italy.

the original countervailing duty order until 2004.⁶ A third Italian firm, Rodacciai, responded that it did not produce SSWR during the review period.

Cogne Acciai reported that it accounted for *** percent of the production of SSWR in Italy in 2009 and that it accounted for *** percent of total exports to the United States from Italy in 2009. Cogne reported that it ***.⁷ It also reported that approximately *** percent of its total sales in its most recent fiscal year was represented by sales of SSWR. ***.

Table IV-9 presents Cogne’s capacity, production, shipments, and inventories from 2004 to 2009. During the period for which data were collected, exports to “all other markets” accounted for between *** and *** percent of Cogne’s total shipments. ***. The European Union constituted *** share of Cogne’s total shipments, accounting for *** percent in 2009.⁸ Among its principal EU export markets, Cogne identified ***.

During the period for which data were collected, home market shipments, as a share of Cogne’s total shipments, decreased by *** percentage points. Over the same period, Cogne’s exports to Asia, principally China, increased largely as a result of ***.

**Table IV-9
SSWR: Italy’s (Cogne’s) capacity, production, inventories, and shipments, 2004-09**

* * * * *

THE INDUSTRY IN JAPAN

The Commission received questionnaire responses from the following eight companies during the original investigations: (1) Aichi Steel Works, Ltd.; (2) Daido Steel Co.; (3) Hitachi Metals, Ltd.; (4) Pacific Metals Co., Ltd.; (5) Nippon Koshua Steel Co., Ltd.; (6) Nippon Steel Corp.; (7) Sanyo Special Steel Co., Ltd.; and (8) Sumitomo Electric Industries, Ltd. No Japanese producer submitted a response to the foreign producers’ questionnaire in the first five-year reviews. The Commission received one foreign producer questionnaire from Sumitomo in the current reviews, which confirmed that it had not produced or exported SSWR since January 1, 2004.⁹

The following data in table IV-10 were collected from an exhibit attached to the questionnaire response of ***. The data in the exhibit are based on data supplied by ***, a market research company.

**Table IV-10
SSWR: Japan’s production capacity, by producer, 2006-12**

* * * * *

⁶ Hearing transcript, p. 145 (Silverman).

⁷ Cogne further reported that its exports of SSWR are not subject to tariff or non-tariff barriers to trade in any country other than the United States.

⁸ During the period examined in the original investigations, the European Union consisted of 15 Member States: Germany, France, Italy, the Netherlands, Belgium, Luxembourg, Denmark, Ireland, United Kingdom, Greece, Spain, Portugal, Austria, Finland, and Sweden. Since the conclusion of the Commission's original investigations, the European Union has continued to develop. In 1999, the euro was introduced in 11 (later 12) countries for commercial and financial transactions; euro notes and coinage were issued beginning in 2002. In 2004, the European Union added 10 more new Member States: Czech Republic, Cyprus, Estonia, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia, and Slovakia. With the addition of Bulgaria and Romania in 2007, the European Union now consists of 27 Member States. Europa, “The History of the European Union,” found at http://europa.eu/abc/history/index_en.htm, retrieved on May 3, 2010.

⁹ Staff contacted ***.

The following data in table IV-11 presents Japan's exports of SSWR during 2004-08 as reported by Global Trade Atlas.

Table IV-11
SSWR: Japan's exports, 2004-08

Item	2004	2005	2006	2007	2008
Quantity (short tons)					
China	20,345	21,582	24,912	19,524	23,160
Taiwan	27,861	25,626	23,405	21,165	23,004
Malaysia	11,675	9,361	13,870	10,637	18,175
Korea	26,501	21,648	22,754	16,093	17,400
Thailand	9,849	8,088	7,421	5,859	11,221
Phillipines	738	3,926	2,006	1,106	1,329
Hong Kong	1,333	828	371	686	939
France	417	398	797	913	741
Vietnam	1,800	1,073	2,022	1,124	621
Belgium	281	325	194	127	188
All other	2,133	2,398	1,078	758	614
Total	102,933	95,252	98,829	77,993	97,392
Note.—Data for 2009 are incomplete due to reporting lags.					
Source: Global Trade Atlas.					

THE INDUSTRY IN KOREA

The following three producers of SSWR in Korea were identified during the original investigations: Dongbang, Pohang Iron and Steel Co., Ltd. (POSCO), and Sammi Steel Corp. (Sammi).¹⁰ In 1997, POSCO purchased Sammi's production facilities and formed a new company called Changwon Specialty Steel Co., Ltd. (Changwon). In the first five-year reviews, the Commission received questionnaire responses from Dongbang, Changwon, and POSCO. POSCO responded that it did not produce SSWR during the review period. Dongbang closed its SSWR facility in 2006¹¹ and Changwon has changed its name to POSCO Specialty Steel Co., Ltd. ("POSCOSS").

In the current reviews, the Commission received useable data from POSCOSS, which estimated that it accounted for *** percent of total SSWR rod production in Korea in 2009. POSCOSS reported that approximately *** percent of the SSWR it produced and exported during the period for which data were gathered was white coil (SSWR which has been pickled and annealed) and the remaining *** percent was black coil (SSWR which has not been pickled or annealed). POSCOSS reported that it last exported SSWR to the United States in ***. Table IV-12 presents the capacity, production, shipments, and inventories, reported by POSCOSS from 2004 to 2009.

¹⁰ The bankruptcy of Sammi Steel (among other Korean chaebol) has been cited as one of the triggering events in the 1997-98 Asian Financial Crisis. See, e.g., Radelet, Steven and Jeffrey Sachs, "The Onset of the East Asian Financial Crisis," Harvard Institute for International Development, 1998, p. 18.

¹¹ POSCOSS reported that ***.

Table IV-12
SSWR: Korea's (POSCOSS') capacity, production, inventories, and shipments, 2004-09

* * * * *

POSCOSS reported that it ***. POSCOSS provided a 2010 business plan for sales of SSWR as an attachment to its questionnaire response. The business plan provides forecasts for the growth rates of various economies, including China, Taiwan, Japan, Southeast Asia, Europe, and the United States, with ***.

POSCOSS reported that approximately *** percent of its total sales in its most recent fiscal year was represented by sales of SSWR. Since 2004, ***.

The Commission requested export markets other than the United States that foreign producers have developed or where they have increased sales of SSWR since 2004. POSCOSS reported ***. As detailed in table IV-12, home market shipments accounted for *** share of POSCOSS' total shipments, representing *** percent of total sales in 2009. POSCOSS' exports to Asia account for the *** largest share of its total shipments, representing *** percent in 2009, a share which POSCOSS expects to *** in the future.

THE INDUSTRY IN SPAIN

The following two producers of SSWR in Spain were identified during the original investigations: Roldan and Aceros Inoxidables Olarra. At that time, the staff report observed that “{t}he industry in Spain is dominated by one producer, Roldan, which is a subsidiary of Acerinox, the largest stainless steel producer in Spain.”¹² In the current reviews, the Commission did not receive a questionnaire response from any firm in Spain. Roldan is a wholly-owned subsidiary of Acerinox, the parent company of NAS.¹³ In seeking a questionnaire response for Roldan, staff has contacted NAS but was unable to obtain Roldan's questionnaire. ***. NAS and Roldan are ***.¹⁴

The following data in table IV-13 were collected from an exhibit attached to the questionnaire response of ***. The data in the exhibit are based on data supplied by ***, a market research company. Based on the data presented in table IV-13, Roldan possesses the largest capacity to produce SSWR in Spain, accounting for more than *** of all Spanish capacity. According to testimony presented at the hearing, prior to 2003 or 2004, Roldan was the only significant Spanish exporter of SSWR to the United States.¹⁵

Table IV-13
SSWR: Spain's capacity, by producer, 2006-12

* * * * *

¹² Original staff report, p. VII-15.

¹³ Hearing transcript, p. 45 (Hartquist).

¹⁴ Carpenter's posthearing brief, exh. 4.

¹⁵ Hearing transcript, p. 52 (Lasoff).

The data in table IV-14 presents Spain's exports of SSWR during 2004-08 as reported by Global Trade Atlas.

Table IV-14
SSWR: Spain's exports, 2004-08

Item	2004	2005	2006	2007	2008
Quantity (short tons)					
Italy	45,944	40,698	56,303	44,027	36,707
Germany	9,718	8,991	9,583	9,594	9,392
Belgium	1,871	2,670	2,004	1,849	2,303
Finland	3,368	2,162	2,805	3,094	13,510
Denmark	2,289	2,169	2,519	1,339	953
United Kingdom	747	1,262	1,728	1,125	729
Switzerland	0	1	0	76	191
Portugal	1	17	36	25	141
Sweden	10	60	67	138	78
France	828	865	840	529	52
All others	4,070	10,751	737	840	132
Total	68,845	69,646	76,624	62,637	52,027
Note.—Data for 2009 are incomplete due to reporting lags.					
Source: Global Trade Atlas.					

THE INDUSTRY IN TAIWAN

The following two producers of SSWR in Taiwan were identified during the original investigations: Walsin-Cartech and (nonsubject) Yieh Hsing. In the first five-year reviews, the Commission received incomplete data from Walsin Lihwa Corp. (Walsin). Walsin reported that it accounted for *** percent of the production of SSWR in Taiwan in 2003. Its reported that its exports of SSWR from Taiwan to the United States accounted for *** percent of such exports during 2003. No SSWR producer from Taiwan submitted a response to the foreign producers' questionnaire in the current reviews.

The following data in table IV-15 were collected from an exhibit attached to the questionnaire response of ***. The data in the exhibit are based on data supplied by ***, a market research company.

Table IV-15
SSWR: Taiwan's capacity, by producer, 2006-12

* * * * * * *

The data in table IV-16 presents Taiwan's exports of SSWR during 2004-08 as reported by Global Trade Atlas.

Table IV-16
SSWR: Taiwan's exports, 2004-08

Item	2004	2005	2006	2007	2008
Quantity (short tons)					
China	20,294	17,088	19,701	19,796	17,970
Thailand	11,245	12,105	17,648	13,058	15,729
Italy	10,908	11,870	15,308	15,380	14,752
Korea	7,047	9,103	10,980	8,366	12,870
United States	13,382	12,367	8,230	9,092	7,659
India	2,565	5,228	5,416	7,193	6,207
Vietnam	1,226	1,660	6,102	10,849	4,943
Malaysia	4,946	5,429	6,604	3,556	4,101
Japan	1,526	937	2,662	1,822	3,487
Phillipines	3,052	3,527	4,595	3,952	2,740
All other	9,806	8,958	11,478	10,223	8,968
Total	85,997	88,272	108,724	103,287	99,425
Note.—Data for 2009 are incomplete due to reporting lags.					
Source: Global Trade Atlas.					

GLOBAL MARKET

Production Capacity

***.

*** also submitted *** capacity data for 2007 and projections for 2012. These projections predict constant U.S. and European capacity, but growth in Asian capacity, predominantly due to an increase in Chinese capacity. It should be noted that the projections were compiled prior to the 2008-09 financial crisis and recession.

Table IV-17
SSWR: * reported projections for capacity by country and region, 2007 and 2012**

* * * * *

Consumption

Producers, importers, and purchasers were asked how demand outside the United States had changed since January 1, 2004. Among producers, *** described foreign demand as having decreased, with *** stating that only Asian countries had seen growth and stability. *** anticipated that demand would grow as the world economy recovered, while *** forecast that U.S. and EU demand growth would

be lower than Asian demand growth. Carpenter also reported that its understanding was that the EU SSWR market was currently “saturated.”¹⁶

Among importers, *** saw no change in foreign demand since 2004, two importers saw increased demand (with one citing Asian demand), and four saw fluctuating demand. Among the last group, *** reported that demand rose until 2008 and fell thereafter, while *** described European demand falling while Asian demand rose.

Two importers anticipated that foreign demand would not change, two anticipated an increase in foreign demand due to economic recovery and manufacturing growth in other countries, and four anticipated fluctuating foreign demand. *** predicted that manufacturing would continue shifting to low-cost production regions, and SSWR demand would follow.

*** submitted *** demand projections that showed world demand rising by *** tons over 2007 to 2012, with demand rising in all world regions except the United States, due to a projected fall in U.S. demand from “process equipment.” However, like the capacity data above, these data are from 2007, and thus pre-date the changes in the world economy since 2008.

*** submitted demand projections from the International Stainless Steel Forum.¹⁷ These projections showed demand in all world regions flat to down over 2007 to 2012, with the exception of China, which has projected demand growth sufficient to lead to a projected six percent growth in world demand.

Among purchasers, two reported a decrease in foreign demand, with *** citing the recession and *** citing the Canadian market, which it described as similar to the U.S. market. However, *** indicated that foreign demand had increased, with *** attributing the increase to increased consumption in China and India.

Three purchasers anticipated an increase in foreign demand for SSWR, citing economic recovery, government infrastructure projects, and continued growth in China and India. However, one purchaser expected a decrease in Canadian demand, another saw no change in foreign demand, and another purchaser saw foreign demand fluctuating.

Prices

Producers and importers were asked to compare market prices of SSWR in the U.S. and non-U.S. markets. Few producers or importers had information on pricing in foreign markets. *** said that prices in *** were similar to U.S. prices. Carpenter stated that despite being active internationally in selling stainless steel products, low prices for SSWR internationally made exporting SSWR difficult, especially as it maintained consistent pricing in different countries.¹⁸

Among foreign producers, *** described prices in the United States as being considerably lower than in ***, and attributed the difference to the presence of NAS in the U.S. market. It also submitted data comparing prices in Europe (including a surcharge) with prices in Asia (with no surcharge). These prices showed European prices as over *** percent higher than Asian prices in December 2009, and generally ranging from *** to *** percent higher over 2007 to 2009.

*** submitted comparative pricing data for selected countries and regions, as shown in table IV-18. The data are broadly consistent with *** data in showing generally higher prices in Europe than in Asia, but ***.

Table IV-18
SSWR: Comparative pricing data, by country or region, 2004-09

* * * * *

¹⁶ Hearing transcript, p. 22 (Ziolkowski).

¹⁷ These projections were issued in December 2009. Staff telephone interview with ***, April 26, 2010.

¹⁸ Hearing transcript, pp. 52-53 (Ziolkowski).

Table IV-19 presents select average unit values for responding domestic and foreign producers. Export shipments are not directly comparable to home market shipments because the former do not include transportation, handling, and processing expenses. In addition, differences in product mix can affect the comparisons of average unit values from different sources. However, the trends in average unit values were generally similar across all sources.

Table IV-19
SSWR: Average unit values, by select suppliers to select markets, 2004-09

* * * * *

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Raw materials accounted for between *** and *** percent of U.S. producers' costs of goods sold during 2004-09, and thus are an important consideration in the price of SSWR. U.S. producers try to offset the cost of raw materials by passing them through to purchasers via a surcharge, a practice that is less common among U.S. importers.¹ The surcharge is added to the base price. Surcharges change with the price of raw materials, while the base price changes less frequently, and generally in response to supply and demand considerations.²

A typical surcharge formula is based on a combination that can include the prices of scrap iron, nickel, chromium, molybdenum, titanium, manganese, and natural gas.³ Price trends for these products are presented in appendix F.⁴ U.S. producers obtain prices for these products from American Metals Market (for steel scrap), the London Metal Exchange (for nickel), Platt's Metal Week (for nickel, chromium, and molybdenum), and the NYMEX (for natural gas). Some U.S. producers publish their surcharges on their websites. Four U.S. producers reported adjusting their surcharges monthly to reflect updates to the published data for key inputs.

When asked to assess the effect of changes in the prices of raw materials on their prices of SSWR, four U.S. producers stated that their surcharges are usually effective in passing raw materials costs through to their customers. *** observed that the surcharge can affect the price of SSWR "dramatically," and described overall SSWR prices as following raw material prices up from 2004 to 2008 until falling sharply in later 2008 and 2009. ***, however, stated that "most imports" do not pass raw materials costs through completely or delay the increase in cost, while *** indicated that "the market" had had a greater effect on its prices than raw material costs.

Seven importers agreed that raw materials costs had a large effect on SSWR prices. Importers pointed in particular to nickel prices, but also mentioned molybdenum, copper, and iron prices. Seven importers indicated that they did not use a surcharge formula (at least in part because they are not SSWR re-sellers but rather wire drawers), but importer *** a surcharge formula. *** said that its formula has not changed much since 2004. *** also reported using surcharges for iron and energy, and indicated that surcharges change monthly.

*** described the price of SSWR as closely tracking the price of nickel, and provided the data graphed in figure V-1 to show the close relationship.⁵

¹ *** submitted both producers' and importers' questionnaires. For purposes of this chapter, its answers are counted only as a producer. Of the nine purchasers, three (***) also submitted importer questionnaires. Purchaser and importer responses were recorded for these firms. ***.

² See, for example, posthearing brief of Cogne, exhibit 1, p. 21.

³ *** U.S. producers reported an electricity surcharge, but several did report that most of their energy needs were met with electricity as opposed to natural gas. Carpenter reported that its natural gas surcharge would apply when natural gas prices were above six dollars per British thermal unit. Hearing transcript, pp. 86-88 (Feeley, McGrath, and Ziolkowski).

⁴ In addition, Cogne submitted ***. Posthearing brief of Cogne, exhibit 4, p. 6.

⁵ ***.

Figure V-1
SSWR: Prices of SSWR and nickel, 2004-09 as reported by ***

* * * * *

*** reported that producers in Europe follow a surcharge formula similar to that of the United States, but that in Asia prices are quoted incorporating any raw materials costs into the final price. Carpenter agreed with both characterizations, but added that European surcharges tend to lag by a quarter relative to U.S. surcharges.⁶

U.S. Inland Transportation Costs

U.S. producers reported that U.S. inland transportation costs ranged from two to five percent of the total delivered cost of SSWR, while importers reported that transportation costs ranged from one to three percent. Four U.S. producers and seven responding importers also reported arranging transportation to their customers' locations (while one producer and one importer reported that the purchaser arranges transportation).⁷

Exchange Rates

All the subject countries' currencies have fluctuated against the dollar over January 2004-December 2009, generally appreciating against the dollar until mid-2008 before depreciating sharply, then showing slight appreciation since the end of 2008. The nominal and real values of the subject countries' currencies are presented in appendix G.⁸

PRICING PRACTICES

Pricing Methods

Producers reported that they determined their prices through contracts, set price lists, and transaction-by-transaction negotiations. *** used only set price lists, *** only transaction-by-transaction negotiations, and the others a mix of different methods. Eight importers reported that they determined their prices through transaction-by-transaction negotiations.

Four producers reported that 90 percent or more of their sales were on a spot basis.⁹ *** described its long-term contracts as one year in duration, not renegotiable, fixing price and quantity, and not having a meet-or-release provision. *** described similar 12-month contracts that fix price, but allow the surcharge to fluctuate. *** reported some quarterly contracts that were not renegotiable and fixed quantity or both price and quantity.

⁶ Hearing transcript, p. 95 (Ziolkowski). Cogne later added that Asian producers may not fully cover increased raw material increases with price increases. Posthearing brief of Cogne, exhibit 1, p. 7.

⁷ Three importers reported arranging sales from their storage facility, while three reported arranging sales from point of importation.

⁸ Carpenter noted that the largest cost components of SSWR are metals (e.g., nickel and ferrochrome) that are generally sold worldwide in dollars, offering an inducement to European producers to sell in the United States, where they will receive dollars for their SSWR. Hearing transcript, pp. 110-111 (Leibensperger). However, Cogne responded that exchange rate effects were not enough to offset Cogne's price advantage of selling in Europe. Hearing transcript, p. 158 (Ferrin). It added that ***. Posthearing brief of Cogne, exhibit 1, p. 15.

⁹ While *** reporting a *** of spot sales and short-term contracts, ***.

Three importers reported that at least 60 percent of their sales were on a spot basis, while one had 70 percent short-term contract sales (and the rest spot) and one had 50 percent short-term contract sales and 50 percent spot sales. Importers' short term contracts were three to six months in duration, did not allow renegotiation, and fixed price and quantity. Only *** contracts had a meet-or-release provision.

Four producers and seven importers reported that their sales of SSWR usually involved negotiations with purchasers. Two of those producers described the process as a bidding process, while another described pricing as a "constant negotiation." Producers identified quality, price, volume, and competition were key issues in negotiations, and described negotiations as focused on base prices, while adding that purchasers made their decisions based on the final (base price plus surcharge) price.¹⁰ Importers described different scenarios in which either they or their customers would initiate a bidding or quoting process. However, three importers and producer *** reported that sales do not typically involve negotiations.

For six purchasers, purchases involve negotiations with the supplier, but not for two. Negotiations cover quality, price, and lead time, and purchasers generally have competing prices available. Four purchasers reported contacting between two and six suppliers before making a purchase. *** reported contacting usually one supplier, though sometimes two, and *** indicated that it contacts one supplier for its purchases of *** and *** SSWR. *** also indicated that 90 percent of its purchases of specific products came from a primary source, with an approved second source used for purchases of large-volume grades. No purchasers reported competing with their suppliers for sales.

Six purchasers stated that they do not vary their purchases from a given supplier due to price. However, *** does vary its purchases, explaining that suppliers may be competitive in one ordering period but not in the next. *** stated that price and supply issues can force it to vary its purchases. Four purchasers purchase monthly, three purchase weekly, and one purchases daily. None expect their pattern to change in the next two years.

Sales Terms and Discounts

Producers reported that typical sales terms for SSWR were net 30 days and that prices were generally quoted on a f.o.b. mill basis. Most importers also used net 30 days (with a few having higher time periods), but only three reported quoting on a f.o.b. warehouse or point of entry basis, while five reported quoting on a delivered basis.

Three producers and eight importers reported no discount policy, but *** reported quantity discounts, and *** based its pricing on competitors' prices.

U.S. Prices

Six purchasers described NAS as the price leader in the U.S. market, or at least for *** SSWR. NAS stated that it was focused on the 300 grade SSWR and contended that it only lowered prices in response to import competition.¹¹ *** said that import pricing seemed to be set by world wire market supply.

¹⁰ Hearing transcript, p. 99 (Hartquist).

¹¹ Hearing transcript, p. 17 (Feeley). 300-series SSWR is a broader category that includes high-nickel and high-chromium content SSWR for use in products such as spring wire, rope wire, and more. Carpenter agreed that its customers "constantly" used import pricing as a tool to negotiate lower prices. Hearing transcript, p. 21 (Ziolkowski). Cogne described the prices of nonsubject imports in the United States as another hurdle (in addition to pricing from NAS) to selling SSWR in the U.S. market. Hearing transcript, pp. 166-67 (Silverman), and posthearing brief of Cogne, p. 3.

Four purchasers reported that base prices (the non-surcharge part of the price) change infrequently, but the surcharge may change monthly. Other purchasers described prices changing monthly, quarterly, or semi-annually. *** described the majority of its purchases as having a base price with a surcharge that changes monthly, but added that for some orders, price can change daily.

PRICE DATA

The Commission requested U.S. producers and importers¹² of SSWR to provide quarterly data for the total quantity and value of SSWR that was shipped to unrelated customers in the U.S. market. Data were requested for the period January 2004 to December 2009. The products for which pricing data were requested are as follows:

Product 1.--Grade AISI 304 wire rod, 5.5 mm (0.217 inch) diameter, hot rolled, annealed and pickled.

Product 2.--Grade AISI 302 wire rod, spring quality, 5.5 mm (0.217 inch) diameter, hot rolled, annealed and pickled.

Product 3.--Grade AISI 308L wire rod, 5.5 mm (0.217 inch) diameter, hot rolled, annealed and pickled.

Product 4.--Grade AISI 430 wire rod, 5.5 mm (0.217 inch) diameter, hot rolled, annealed and pickled.

Product 5.--Grade AISI 420 wire rod, 5.5 mm (0.217 inch) diameter, hot rolled, annealed and pickled.

Product 6.--Grade AISI 410 wire rod, 5.5 mm (0.217 inch) diameter, hot rolled, annealed and pickled.

Three U.S. producers and four importers provided 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 accounted for approximately 43.1 percent of U.S. producers' commercial shipments of SSWR in 2009,¹³ 40.0 percent of U.S. shipments of subject imports from Korea in 2005, and 100.0 percent of U.S. shipments of subject imports from Taiwan in 2008. No pricing data were provided for subject imports from Italy, Japan, or Spain. (As discussed in Part IV, there have been *** subject imports of SSWR from these countries since 2006.)

Pricing data are presented in tables V-1 through V-6 and figure V-2. Table V-7 presents a summary of price movements during the period for which data were collected.

Price Trends

Over 2004-09, prices generally followed raw materials prices up through mid-2008, before decreasing into 2009 as the recession continued. In particular, products 1 and 2 (each at least eight

¹² Importers were asked to provide pricing data for subject imports from Korea and Spain and for subject sources in Italy, Japan, and Taiwan.

¹³ Pricing data accounted for approximately 16.1 percent of U.S. producers' shipments of SSWR in 2009.

percent nickel by weight) and product 3 (at least 10 percent nickel) show a pattern similar to the nickel prices reported in appendix F, i.e., a large price spike in 2007 followed by a downtrend in 2008 and some price recovery in 2009. Product 6, which contains no nickel, has a much flatter trend. (Products 4 and 5 had large gaps in their pricing data.)

Counsel for Cogne analyzed the pricing data submitted in the questionnaires and observed that ***. It concluded that ***.¹⁴

However, parties in support of continuation of the orders stated that the different prices by Carpenter and NAS for products 1 and 2 were explained by competition with nonsubject producers and the substantial differences in volumes sold by each respective producer.¹⁵ Parties in support of continuation of the orders also stated that more general differences in Carpenter and NAS average unit values come from higher unit costs for the specialty grades produced by Carpenter, costs that include melting, shorter production runs, lower yields for more difficult grades, and tighter surface quality requirements.¹⁶

Looking ahead in 2010, American Metal Market (AMM) reported that NAS planned to raise prices on SSWR by five percent beginning in April 2010.¹⁷ Universal and Outokumpu apparently followed NAS's lead in a matter of days.¹⁸ NAS described its price rise as a base price rise driven by higher supply costs.¹⁹ Cogne also announced an April price increase in February 2010, with increases ranging from \$121 to \$181 per short ton.²⁰

Table V-1

SSWR: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, January 2004-December 2009

* * * * *

Table V-2

SSWR: Weighted-average f.o.b. prices and quantities of domestic product 2, by quarters, January 2004-December 2009

* * * * *

Table V-3

SSWR: Weighted-average f.o.b. prices and quantities of domestic product 3, by quarters, January 2004-December 2009

* * * * *

¹⁴ Prehearing brief of Cogne, pp. 8-10.

¹⁵ Hearing transcript, p. 37 (Hudgens).

¹⁶ Carpenter's posthearing brief, p. 8.

¹⁷ See "NAS' 5% stainless rod hike in April said likely to stick," *AMM.com*, February 17, 2010.

¹⁸ See "Two firms follow stainless rod hike," *AMM.com*, February 19, 2010.

¹⁹ Hearing transcript, p. 66 (Feeley).

²⁰ Posthearing brief of Cogne, exhibit 10, and staff calculations.

Table V-4

SSWR: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarters, January 2004-December 2009

* * * * *

Table V-5

SSWR: Weighted-average f.o.b. prices and quantities of domestic product 5, by quarters, January 2004-December 2009

* * * * *

Table V-6

SSWR: Weighted-average f.o.b. prices and quantities of domestic product 6, by quarters, January 2004-December 2009

* * * * *

Figure V-2

SSWR: Weighted-average f.o.b. prices and quantities of products 1-6, by country, January 2004-December 2009

* * * * *

Table V-7

SSWR: Summary of weighted-average f.o.b. prices for products 1-6 from the United States, Korea, and Taiwan

* * * * *

Price Comparisons

Table V-8 presents margins of underselling and overselling for the period 2004-2009, table V-9 presents margins of underselling and overselling for the period 1998-2003 (from the previous review), and table V-10 presents margins of underselling and overselling for January 1995-March 1998 (the original investigations). The relatively small of subject imports since 2004 has resulted in a limited number of comparisons in table V-8. As can be seen from that table, prices for SSWR imported from Korea were below those for U.S.-produced SSWR in one of eight instances; the margin of underselling was *** percent. In the remaining seven instances, prices for SSWR from Korea were between *** and *** percent above prices for the domestic product. Additionally, the price for subject SSWR imported from Taiwan was *** percent above the price for the domestic product in the one quarter available for comparison.

Table V-8

SSWR: Instances of underselling/overselling and the range and average of margins, January 2004-December 2009

	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
Korea	1	***	***	7	***	***
Taiwan	0	--	--	1	***	***
Total	1	***	***	8	***	***

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

Table V-9

SSWR: Instances of underselling/overselling and the range and average of margins, January 1998-December 2003

	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
Italy	10	5.2 to 52.7	24.1	1	0.7	0.7
Japan	16	6.3 to 60.7	46.8	7	7.5 to 46.4	23.5
Korea	44	0.8 to 68.1	18.0	10	1.2 to 14.6	5.9
Spain	6	0.5 to 36.7	10.4	1	23.9	23.9
Taiwan	5	3.5 to 9.7	5.9	9	2.8 to 25.7	8.7
Total	81	0.5 to 68.1	--	28	0.7 to 46.4	--

Note.— Average margins are not available for the total of all subject countries because average margins in the first review included margins for Sweden, which is no longer a subject country.

Source: Table V-7 in first review, USITC PUB 3707, July 2004, and staff calculations.

Table V-10
SSWR: Instances of underselling/overselling and the range and average of margins, January 1995-March 1998

	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
Italy ¹	37	0.4-16.5	8.7	7	0.2-7.1	3.7
Japan	26	0.6-25.2	11.0	6	0.2-22.9	7.8
Korea	34	2.3-26.8	13.6	3	2.0-10.1	7.4
Spain	14	2.6-19.9	11.7	2	1.1-4.7	2.9
Taiwan	15	0.7-24.1	9.9	5	0.2-5.9	2.4
Total	126	0.4-26.8	--	23	0.2-22.9	--

¹ Italian price data include imports from Valbruna.

Note.— Average margins are not available for the total of all subject countries because average margins in the first review included margins for Sweden, which is no longer a subject country.

Source: Tables V-1-4 in original investigation, USITC PUB 3126, September 1998, and staff calculations.

Purchasers were asked whether U.S. SSWR prices had changed more or less than the prices of SSWR from other countries. *** responded that it had not seen any changes in relative prices. *** said that prices had changed by the same amount from U.S. and foreign sources. *** indicated that U.S. prices were now lower relative to Italian, Korean, and Spanish prices, but higher relative to Taiwan prices. *** stated that U.S. prices were now lower relative to Japanese and Korean prices, but higher relative to Spanish prices. *** said that U.S. prices were now lower relative to all subject country prices, and *** agreed for Italy, Japan, and Taiwan. ***, however, stated that prices for U.S.-produced SSWR were now higher relative to prices for SSWR from all subject countries.

APPENDIX A

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

DEPARTMENT OF COMMERCE**International Trade Administration****Initiation of Five-year ("Sunset") Review**

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended ("the Act"), the Department of Commerce ("the Department") is automatically initiating a five-year review ("Sunset Review") of the antidumping duty orders listed below. The International Trade Commission ("the Commission") is publishing concurrently with this notice its notice of *Institution of Five-year Review* which covers the same orders.

EFFECTIVE DATE: July 1, 2009.

FOR FURTHER INFORMATION CONTACT: The Department official identified in the Initiation of Review section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205-3193.

SUPPLEMENTARY INFORMATION:**Background**

The Department's procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3 - *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998).

Initiation of Review

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping duty orders:

DOC Case No.	ITC Case No.	Country	Product	Department Contact
A-570-007	731-TA-149	PRC	Barium Chloride (3rd Review)	Matthew Renkey (202) 482-2312
A-570-002	731-TA-130	PRC	Chloropicrin (3rd Review)	Matthew Renkey (202) 482-2312
A-570-888	731-TA-1047	PRC	Floor-Standing, Metal Top Ironing Tables And Parts Thereof	Dana Mermelstein (202) 482-1391
A-570-886	731-TA-1043	PRC	Polyethylene Retail Carrier Bags	Dana Mermelstein (202) 482-1391
A-557-813	731-TA-1044	Malaysia	Polyethylene Retail Carrier Bags	Dana Mermelstein (202) 482-1391
A-549-821	731-TA-1045	Thailand	Polyethylene Retail Carrier Bags	Dana Mermelstein (202) 482-1391
A-427-001	731-TA-44	France	Sorbitol (3rd Review)	Dana Mermelstein (202) 482-1391
A-475-820	731-TA-770	Italy	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-588-843	731-TA-771	Japan	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-580-829	731-TA-772	South Korea	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-469-807	731-TA-773	Spain	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-401-806	731-TA-774	Sweden	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-583-828	731-TA-775	Taiwan	Stainless Steel Wire Rod (2nd Review)	Brandon Farlander (202) 482-0182
A-570-887	731-TA-1046	PRC	Tetrahydrofurfuryl Alcohol	Matthew Renkey (202) 482-2312

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the pertinent statute and Department's regulations, the Department schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on the Department's sunset Internet Web site at the following address: "<http://ia.ita.doc.gov/sunset/>." All submissions in these Sunset Reviews must be filed in accordance with the Department's regulations regarding format, translation, service, and certification of documents. These rules can be found at 19 CFR 351.303.

Pursuant to 19 CFR 351.103 (d), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304-306.

Information Required from Interested Parties

Domestic interested parties defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b)) wishing to participate in a Sunset Review must respond not later than 15 days after the

date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the order without further review. See 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements.¹ Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews. Please consult the Department's regulations at 19 CFR Part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section

751(c) of the Act and 19 CFR 351.218 (c).

June 23, 2009.

John M. Andersen,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. E9-15570 Filed 6-30-04; 8:45 am]

BILLING CODE 3510-DS-S

¹ In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests to extend that five-day deadline based upon a showing of good cause.

on stainless steel wire rod from Italy, Japan, Korea, Spain, 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 stainless steel wire rod from Italy, Japan, Korea, Spain, 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 July 31, 2009. Comments on the adequacy of responses may be filed with the Commission by September 15, 2009. 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), as most recently amended at 74 FR 2847 (January 16, 2009).

DATES: *Effective Date:* July 1, 2009.

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 September 15, 1998, the Department of Commerce issued antidumping duty orders on stainless steel wire rod from Italy, Japan, Korea, Spain, and Taiwan (63 FR 49327-

**INTERNATIONAL TRADE
COMMISSION**

**[Investigation Nos. 731-TA-770-773 and
775 (Second Review)]**

**Stainless Steel Wire Rod From Italy,
Japan, Korea, Spain, and Taiwan**

AGENCY: United States International
Trade Commission.

ACTION: Institution of five-year reviews
concerning the antidumping duty orders

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. 09-5-200, expiration date June 30, 2011. Public reporting burden for the request is estimated to average 15 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.

49332). Following five-year reviews by Commerce and the Commission, effective August 13, 2004, Commerce issued a continuation of the antidumping duty orders on imports of stainless steel wire rod from Italy, Japan, Korea, Spain, and Taiwan (69 FR 50167). 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 the Department of Commerce.

(2) The *Subject Countries* in these reviews are Italy, Japan, Korea, Spain, and Taiwan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original and full first five-year review determinations, the Commission found one *Domestic Like Product* consisting of all stainless steel wire rod corresponding to Commerce's scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original and full first five-year review determinations, the Commission defined the *Domestic Industry* as consisting of all domestic producers of stainless steel wire rod.

(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 publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official recently has advised that a five-year review is no longer considered the "same particular matter" as the corresponding underlying original investigation for purposes of 18 U.S.C. 207, the post employment statute for Federal employees, and Commission rule 201.15(b)(19 CFR 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics. Consequently, former employees are no longer required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list. Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification. Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the

Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions. Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is July 31, 2009. 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 September 15, 2009. 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 this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information To Be Provided in Response to This Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term "firm" includes any related firms.

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

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

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

(4) A statement of the likely effects of the revocation of the 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 2003.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone

number, fax number, and E-mail address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) 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 2008, except as noted (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) Capacity (quantity) of your firm to produce the *Domestic Like Product* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) The quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(d) The quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(e) The value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2008 (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 each *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 each *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 each *Subject Country*.

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2008 (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 each *Subject Country* accounted for by your firm's(s') production; and

(b) Capacity (quantity) of your firm to produce the *Subject Merchandise* in each *Subject Country* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) 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.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in each *Subject Country* after 2003, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology;

production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country*, and such merchandise from other countries.

(13) (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.

Marilyn R. Abbott,

Secretary.

Issued: June 29, 2009.

William R. Bishop,

Acting Secretary to the Commission.

[FR Doc. E9-15640 Filed 7-1-09; 8:45 am]

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FOR FURTHER INFORMATION CONTACT:
Holly Phelps or Elizabeth Eastwood,
AD/CVD Operations, Office 2, Import
Administration, International Trade
Administration, U.S. Department of
Commerce, 14th Street & Constitution
Avenue, NW., Washington, DC 20230;
telephone: (202) 482-0656 and (202)
482-3874, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 1, 2009, the Department published the notice of initiation of the sunset reviews of the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, and Taiwan pursuant to section 751(c) of the Act. *See Initiation of Five-Year ("Sunset") Reviews*, 74 FR 31412 (July 1, 2009) (*Notice of Initiation*).

The Department received a notice of intent to participate from Carpenter Technology Corporation, a domestic interested party, within the deadline specified in 19 CFR 351.218(d)(1)(i). The company claimed interested party status under section 771(9)(C) of the Act as a manufacturer of a domestic like product in the United States.

The Department received a complete substantive response to the notice of initiation from the domestic interested party within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no substantive responses from respondent interested parties with respect to any of the orders covered by these sunset reviews, nor was a hearing requested. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited (120-day) sunset reviews of the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, and Taiwan.

Scope of the Orders

The merchandise covered by these orders is SSWR, which comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime, or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar.

DEPARTMENT OF COMMERCE

International Trade Administration

[A-475-820, A-588-843, A-580-829, A-469-807, A-583-828]

Stainless Steel Wire Rod From Italy, Japan, the Republic of Korea, Spain, and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On July 1, 2009, the Department of Commerce (the Department) initiated sunset reviews of the antidumping duty orders on stainless steel wire rod (SSWR) from Italy, Japan, the Republic of Korea (Korea), Spain, and Taiwan, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). The Department has conducted expedited (120-day) sunset reviews for these orders pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2). 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.

DATES: *Effective Date:* October 30, 2009.

The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches diameter. Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of the order. The chemical makeup for the excluded grades is as follows:

SF20T:	
Carbon	0.05 max
Chromium	19.00/21.00
Manganese	2.00 max
Molybdenum	1.50/2.50
Phosphorous	0.05 max
Lead	added (0.10/0.30)
Sulfur	0.15 max
Tellurium	added (0.03 min)
Silicon	1.00 max.
K-M35FL:	
Carbon	0.015 max
Nickel	0.30 max
Silicon	0.70/1.00
Chromium	12.50/14.00
Manganese	0.40 max

Lead	0.10/0.30
Phosphorous	0.04 max
Aluminum	0.20/0.35
Sulfur	0.03 max.

The products subject to these orders are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.

Analysis of Comments Received

All issues raised in these reviews are addressed in the "Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Stainless Steel Wire Rod from Italy, Japan, the Republic of Korea, Spain, and Taiwan" from John M. Andersen, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Import Administration

(Oct. 29, 2009) (Decision Memo), which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room 1117 of the main Department building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. 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 SSWR from Italy, Japan, Korea, Spain, and Taiwan 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)
Italy:	
Cogne Acciai Speciali S.r.l.	11.25
All-Others Rate	11.25
Japan:	
Daido Steel Co., Ltd.	34.21
Nippon Steel Corp.	21.18
Sanyo Special Steel Co., Ltd.	34.21
Sumitomo Electric Industries, Ltd.	34.21
All-Others Rate	25.26
Korea:	
Dongbang Special Steel Co., Ltd./Changwon Specialty Steel Co., Ltd./Pohang Iron and Steel Co., Ltd.	5.77
Sammi Steel Co., Ltd.	28.44
All-Others Rate	5.77
Spain:	
Roldan S.A.	2.71
All-Others Rate	2.71
Taiwan:	
Walsin Cartech Specialty Steel Corp.	8.29
All-Others Rate	8.29

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with

sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: October 26, 2009.

John M. Andersen,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. E9-26227 Filed 10-29-09; 8:45 am]

BILLING CODE 3510-DS-P

**INTERNATIONAL TRADE
COMMISSION**

**[Investigation Nos. 731-TA-770-773 and
775 (Second Review)]**

**Stainless Steel Wire Rod From Italy,
Japan, Korea, Spain, and Taiwan**

AGENCY: United States International
Trade Commission.

ACTION: Notice of Commission
determination to conduct full five-year
reviews concerning the antidumping
duty orders on stainless steel wire rod
from Italy, Japan, Korea, Spain, 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 stainless steel wire rod from
Italy, Japan, Korea, Spain, and Taiwan
would be likely to lead to continuation
or recurrence of material injury within
a reasonably foreseeable time. A
schedule for the reviews will be
established and announced at a later
date. For further information concerning
the conduct of these reviews and rules
of general application, consult the
Commission's Rules of Practice and
Procedure, part 201, subparts A through
E (19 CFR part 201), and part 207,
subparts A, D, E, and F (19 CFR part
207).

DATES: *Effective Date:* October 5, 2009.

FOR FURTHER INFORMATION CONTACT:
Edward Petronzio (202-205-3176),
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
October 5, 2009, 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 (74
FR 31765, July 2, 2009) was adequate
and that the respondent interested party
group responses with respect to Italy
and Korea were adequate and decided to
conduct full reviews with respect to the
antidumping duty orders concerning
stainless steel wire rod from Italy and
Korea. The Commission found that the
respondent interested party group
responses with respect to Japan, Spain,
and Taiwan were inadequate. However,
the Commission determined to conduct
full reviews concerning the
antidumping duty orders on stainless
steel wire rod from Japan, Spain, and
Taiwan to promote administrative
efficiency in light of its decision to
conduct full reviews with respect to the
antidumping duty orders concerning
stainless steel wire rod from Italy and
Korea. A record of the Commissioners'
votes, the Commission's statement on
adequacy, and any individual
Commissioner's statements will be
available from the Office of the
Secretary and at the Commission's Web
site.

Authority: These reviews are being
conducted under authority of title VII of the
Tariff Act of 1930; this notice is published
pursuant to section 207.62 of the
Commission's rules.

Issued: October 14, 2009.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E9-25250 Filed 10-20-09; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

**[Investigation Nos. 731-TA-770-773 and
775 (Second Review)]**

**Stainless Steel Wire Rod From Italy,
Japan, Korea, Spain, and Taiwan**

AGENCY: United States International
Trade Commission.

ACTION: Scheduling of full five-year
reviews concerning the antidumping
duty orders on stainless steel wire rod
from Italy, Japan, Korea, Spain, and
Taiwan.

SUMMARY: The Commission hereby gives
notice of the scheduling of full reviews
pursuant to section 751(c)(5) of the
Tariff Act of 1930 (19 U.S.C. 1675(c)(5))
(the Act) to determine whether
revocation of the antidumping duty
orders on stainless steel wire rod from
Italy, Japan, Korea, Spain, and Taiwan
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).

DATES: *Effective Date:* November 16,
2009.

FOR FURTHER INFORMATION CONTACT:
Edward Petronzio (202-205-3176),
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 October 5, 2009, 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 (74 FR 54068, October 21, 2009). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the reviews and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the reviews will be placed in the nonpublic record on March 22, 2010, and a public version will be

issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on April 8, 2010, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before April 2, 2010. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on April 6, 2010, 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 March 31, 2010. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is April 19, 2010; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before April 19, 2010. On May 7, 2010, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before May 11, 2010, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the

Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 Fed. Reg. 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 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: November 23, 2009.

By order of the Commission.

William R. Bishop,

Secretary to the Commission.

[FR Doc. E9–28444 Filed 11–27–09; 8:45 am]

BILLING CODE P

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, and Taiwan
Inv. Nos. 731-TA-770-773 and 775 (Second Review)

On October 5, 2009, the Commission 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 (19 U.S.C. § 1675(c)(5)). The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products.¹

With respect to the orders concerning stainless steel wire rod (“SSWR”), the Commission determined that the domestic interested party group and individual response was adequate. The Commission received a response from Carpenter Technology Corp. (“Carpenter”), a domestic producer that accounted for a significant percentage of domestic production of SSWR.

The Commission received an adequate individual response concerning the order on SSWR from Italy filed by Cogne Acciai Speciali S.P.A., (“CAS”), an Italian producer of SSWR. With respect to the review of the antidumping duty order on SSWR from Korea, the Commission received an adequate individual response filed by POSCO Specialty Steel Co., Ltd (“POSCOSS”), a Korean producer of SSWR.

The Commission found that the respondent interested party group responses were adequate with respect to the orders on SSWR from Italy and Korea because respondents from each of these countries accounted for a significant share of the production of subject merchandise in their respective countries.

Because the group and individual responses from both domestic interested parties and respondent interested parties were adequate in the reviews of the orders concerning SSWR from Italy and Korea, the Commission determined to conduct full reviews in those proceedings.

The Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from Japan, Spain and Taiwan, and therefore determined that the respondent interested party group responses for these countries were not adequate. The Commission nevertheless voted to conduct a full review concerning subject imports from Japan, Spain and Taiwan to promote administrative efficiency in light of the Commission’s determination to conduct full reviews of two of the orders in these grouped reviews.

A record of the Commissioners’ votes is available from the Office of the Secretary and on the Commission’s website (<http://www.usitc.gov>).

¹ See 19 U.S.C. § 1675(c)(5)(D); 63 Fed. Reg. 29372, 29374 (May 29, 1998).

APPENDIX B
HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, and Taiwan

Inv. Nos.: 731-TA-770-773 and 775 (Second Review)

Date and Time: April 8, 2010 - 9:30 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room, 500 E Street (room 101), SW, Washington, D.C.

OPENING REMARKS:

In Support of Continuation of Orders (**David A. Hartquist**,
Kelley Drye & Warren LLP)

In Opposition to Continuation of Orders (**William Silverman**,
Hunton & Williams LLP)

In Support of Continuation of Antidumping Duty Orders:

Kelley Drye and Warren LLP
Washington, D.C.
on behalf of

The Domestic Industry

Andrew Ziolkowski, Vice President, Bar & Coil
Business, Carpenter Technology Corporation

Jerry Leibensperger, Business Manager, Strategic
Activities, Carpenter Technology Corporation

Michele Pharand, Business Manager, Wire and Strand
Products, Carpenter Technology Corporation

Paul McGrath, Vice President of Administration
& General Counsel, Universal Stainless
& Alloy Products, Inc.

Patrick Feeley, Vice President, Commercial, North
American Stainless

In Support of Continuation of Antidumping Duty Orders (continued):

Jason Sharp, Long Products Supervisor, North
American Stainless

Edward J. Blot, President, Ed Blot and Associates

Brad Hudgens, Economist, Georgetown Economic
Services

David A. Hartquist)
Laurence J. Lasoff)
) – OF COUNSEL
Mary T. Staley)
Michael V. Dobson)

In Opposition to Continuation of Antidumping Duty Orders:

Hunton & Williams LLP
Washington, D.C.
on behalf of

Cogne Acciai Speciali S.p.A.

William Silverman)
) – OF COUNSEL
Richard Ferrin)

REBUTTAL/CLOSING REMARKS:

In Support of Continuation of Orders (**David A. Hartquist**,
Kelley Drye & Warren LLP)

In Opposition to Continuation of Order (**William Silverman**,
Hunton & Williams LLP)

APPENDIX C
SUMMARY DATA

Table C-1
SSWR: Summary data concerning the U.S. market, 2004-09

Item	Reported data						Period changes					
	2004	2005	2006	2007	2008	2009	2004-09	2004-05	2005-06	2006-07	2007-08	2008-09
(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent except where noted)												
U.S. imports from:												
Italy (other than Valbruna):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Japan (other than Hitachi):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Korea:												
Quantity	1,982	2,626	385	24	0	0	-100.0	32.5	-85.3	-93.7	-100.0	(2)
Value	3,858	6,226	960	132	0	0	-100.0	61.4	-84.6	-86.2	-100.0	(2)
Unit value	\$1,946	\$2,371	\$2,490	\$5,464	(2)	(2)	(2)	21.8	5.0	119.4	(2)	(2)
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Spain:												
Quantity	34	8	20	0	0	0	-100.0	-76.7	156.9	-100.0	(2)	(2)
Value	80	60	48	0	0	0	-100.0	-24.4	-20.7	-100.0	(2)	(2)
Unit value	\$2,360	\$7,652	\$2,363	(2)	(2)	(2)	(2)	224.2	-69.1	(2)	(2)	(2)
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (other than Yieh Hsing):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject):												
Quantity	2,230	3,044	636	150	61	35	-98.4	36.5	-79.1	-76.4	-59.5	-41.9
Value	4,464	7,476	1,844	783	276	111	-97.5	67.5	-75.3	-57.5	-64.8	-60.0
Unit value	\$2,002	\$2,456	\$2,898	\$5,205	\$4,528	\$3,122	56.0	22.7	18.0	79.6	-13.0	-31.0
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Italy (Valbruna):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Japan (Hitachi):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (Yieh Hsing):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:												
Quantity	29,350	20,789	19,447	19,257	21,191	8,888	-69.7	-29.2	-6.5	-1.0	10.0	-58.1
Value	69,503	61,073	63,277	91,427	95,963	29,236	-57.9	-12.1	3.6	44.5	5.0	-69.5
Unit value	\$2,368	\$2,938	\$3,254	\$4,748	\$4,528	\$3,290	38.9	24.1	10.8	45.9	-4.6	-27.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (nonsubject):												
Quantity	45,377	38,486	30,837	30,411	29,823	14,396	-68.3	-15.2	-19.9	-1.4	-1.9	-51.7
Value	107,256	109,029	96,341	142,371	131,031	43,351	-59.6	1.7	-11.6	47.8	-8.0	-66.9
Unit value	\$2,364	\$2,833	\$3,124	\$4,682	\$4,394	\$3,011	27.4	19.9	10.3	49.8	-6.1	-31.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
All sources:												
Quantity	47,608	41,531	31,473	30,562	29,884	14,431	-69.7	-12.8	-24.2	-2.9	-2.2	-51.7
Value	111,720	116,505	98,185	143,154	131,307	43,461	-61.1	4.3	-15.7	45.8	-8.3	-66.9
Unit value	\$2,347	\$2,805	\$3,120	\$4,684	\$4,394	\$3,012	28.3	19.5	11.2	50.1	-6.2	-31.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable/not available.
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics, with additional detail provided by U.S. Customs data.

APPENDIX D

**RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS, U.S. PURCHASERS,
AND FOREIGN PRODUCERS CONCERNING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF
REVOCATION**

**U.S. PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECT OF REVOCATION**

The Commission requested U.S. producers to describe any changes in the character of their operations or organizations relating to the production of SSWR in the future if the antidumping duty orders were to be revoked. (Question II-4). The following are quotations from the responses of producers.

* * * * *

The Commission requested U.S. producers to describe the significance of the existing antidumping orders in terms of their effect on their firm's 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). The following are quotations from the responses of U.S. producers.

* * * * *

The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values relating to the production of SSWR in the future if the antidumping duty orders were revoked. (Question II-17). The following are quotations from the responses of U.S. producers.

* * * * *

**U.S. IMPORTERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECT OF REVOCATION**

The Commission requested U.S. producers to describe any changes in the character of their operations or organizations relating to the production of SSWR in the future if the antidumping duty orders were to be revoked. (Question II-4). The following are quotations from the responses of producers.

* * * * *

The Commission requested U.S. importers to describe the significance of the existing antidumping duty orders covering imports of SSWR in terms of its effect on their firm's imports, U.S. shipments of imports, and inventories. (Question II-9). The following are quotations from the responses of importers.

* * * * *

The Commission requested U.S. importers to describe the significance of the existing antidumping duty orders covering imports of SSWR in terms of its effect on their firm's imports, U.S. shipments of imports, or inventories of SSWR in the future if the antidumping orders were revoked. (Question II-10). The following are quotations from the responses of importers.

* * * * *

U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF REVOCATION

The Commission's questionnaires in this review requested comments from U.S. purchasers (question III-36) regarding the effects of revocation of the antidumping duty order on (1) the future activities of their firms and (2) the U.S. market as a whole. The following comments were received:

* * * * *

FOREIGN PRODUCERS'/EXPORTERS COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION

The Commission requested foreign producers/exporters to describe any anticipated changes to the character of their operations or organizations relating to the importation of SSWR if the antidumping duty orders covering imports of SSWR were revoked (Question II-3). The following are quotations from the responses of foreign producers.

* * * * *

The Commission requested foreign producers/exporters to describe the significance of the existing antidumping duty order covering imports of SSWR in terms of its effects on your firm's production, home market shipments, exports to the United States and other markets, and inventories. (Question II-12).

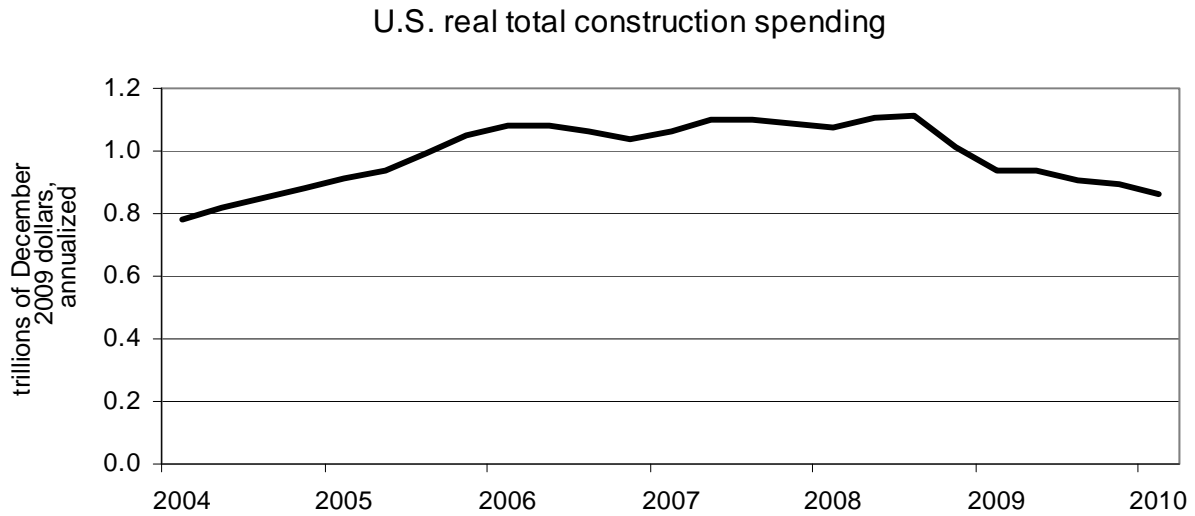
* * * * *

The Commission requested foreign producers/exporters if they anticipated any changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories in the future if the antidumping duty orders were to be revoked. (Question II-13).

* * * * *

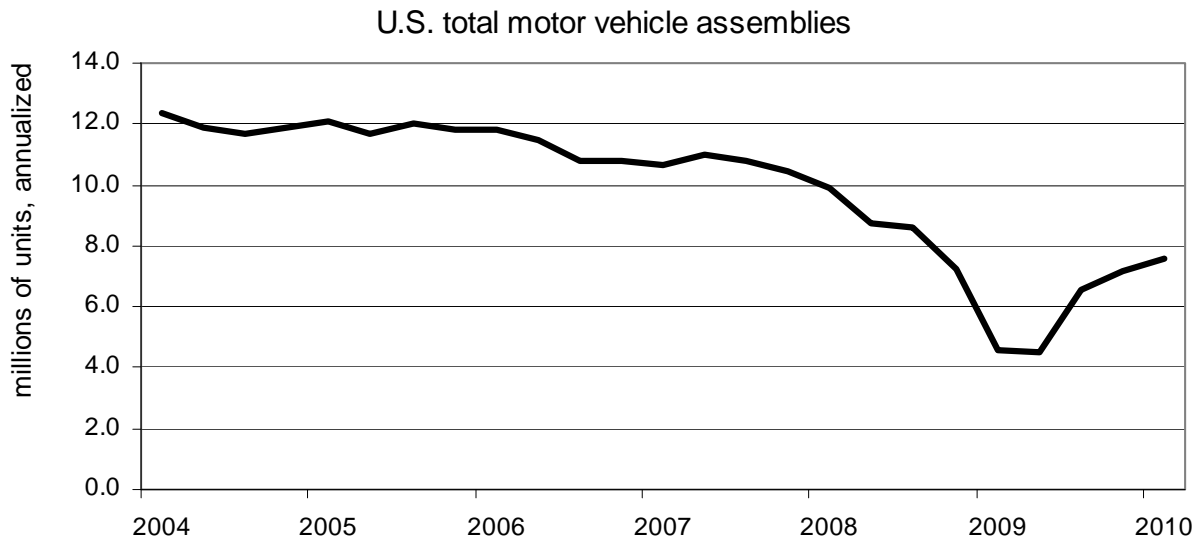
APPENDIX E
CONSTRUCTION AND MOTOR VEHICLE MARKETS

Figure E-1
SSWR demand component: U.S. real total construction spending, by quarters, January 2004-March 2010



Source: Census, BLS, and staff calculations.

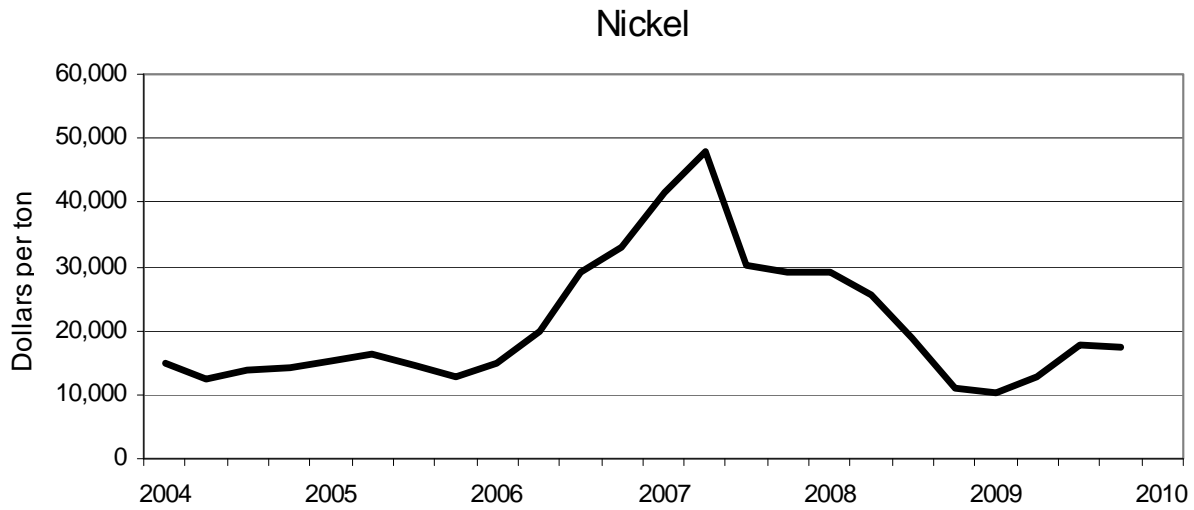
Figure E-2
SSWR demand component: U.S. total motor vehicle assemblies, by quarters, January 2004-March 2010



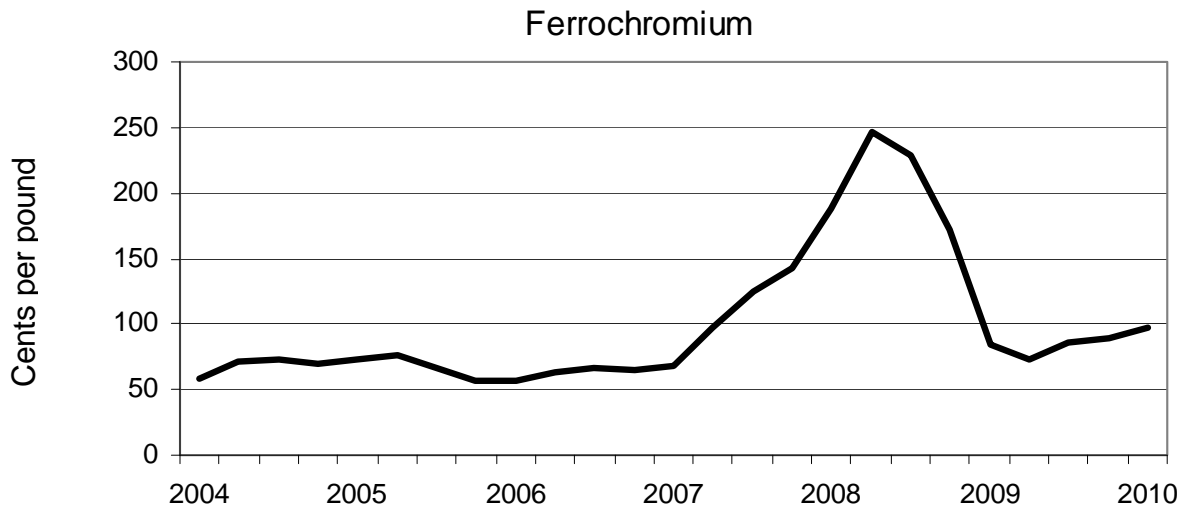
Source: Federal Reserve and staff calculations.

APPENDIX F
RAW MATERIALS AND ENERGY PRICES

Figure F-1
SSWR: Prices of raw materials and energy used in the production of SSWR, by quarters, January 2004-December 2009



Source: LME settlement monthly average.

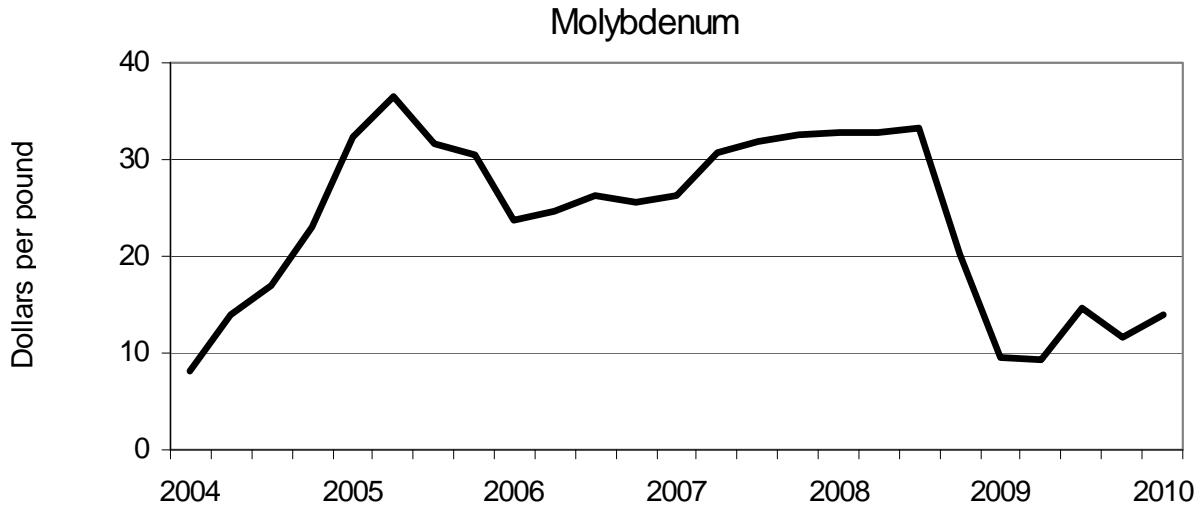


Source: Derived from AMM data.

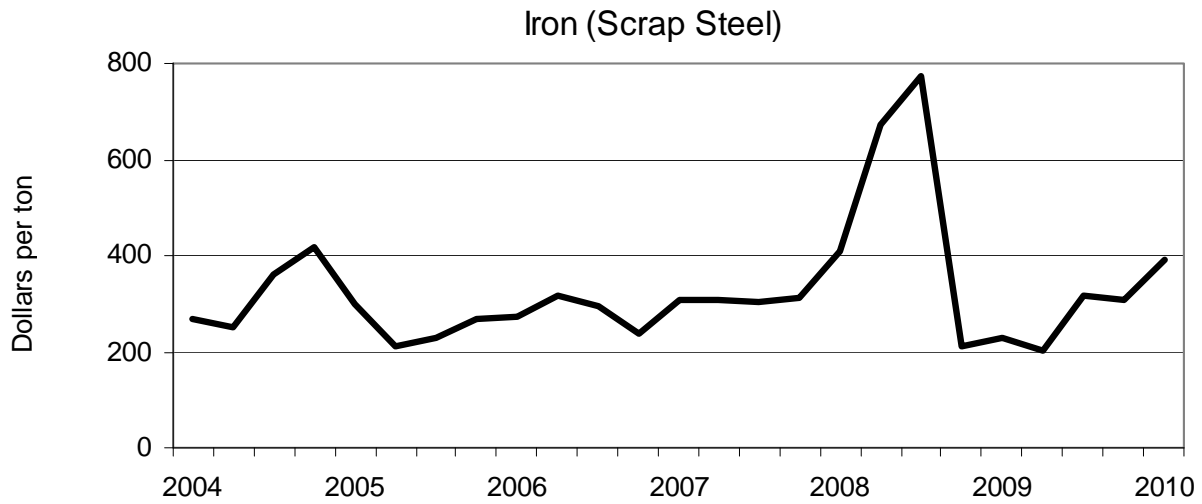
Figure continued on next page.

Figure F-1--Continued

SSWR: Prices of raw materials and energy used in the production of SSWR, by quarters, January 2004-December 2009



Source: Derived from AMM data.

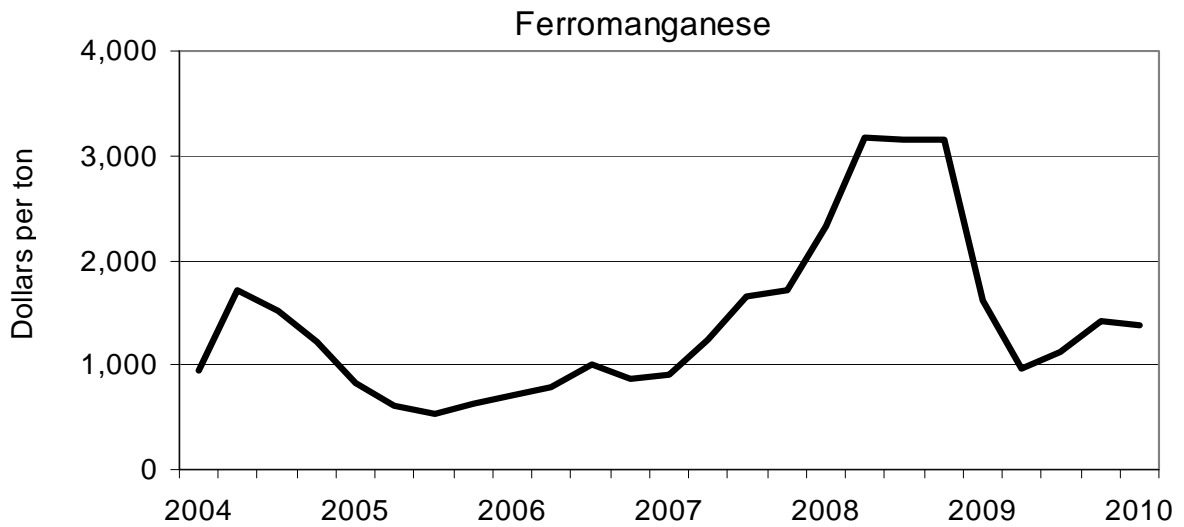


Source: Derived from AMM data.

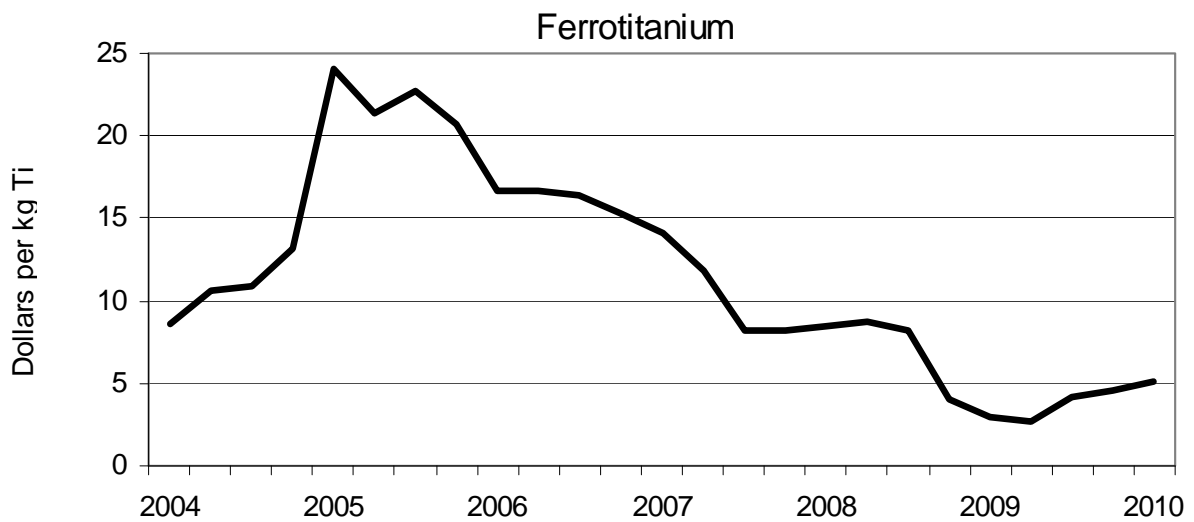
Figure continued on next page.

Figure F-1--Continued

SSWR: Prices of raw materials and energy used in the production of SSWR, by quarters, January 2004-December 2009



Source: Derived from AMM data.

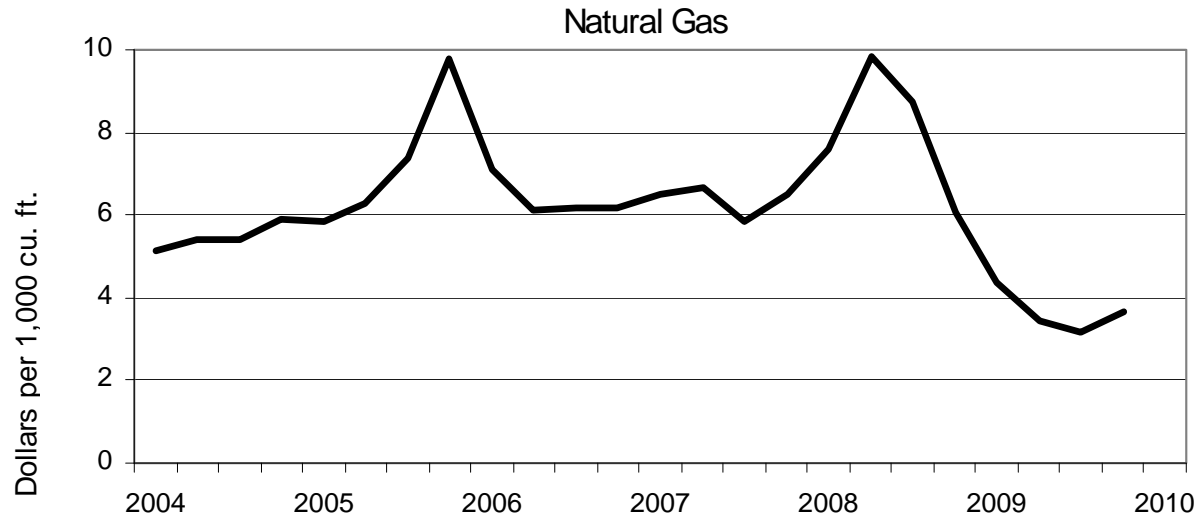


Source: Derived from Metal Bulletin data.

Figure continued on next page.

Figure F-1--Continued

SSWR: Prices of raw materials and energy used in the production of SSWR, by quarters, January 2004-December 2009



Source: Derived from official statistics of the U.S. Dept. of Energy.

APPENDIX G
EXCHANGE RATES

Table G-1

Exchange rates: Indices of the nominal and real exchange rates between the currencies of Italy, Japan, Korea, Spain, and Taiwan and the U.S. dollar, by quarters, January 2004-December 2009

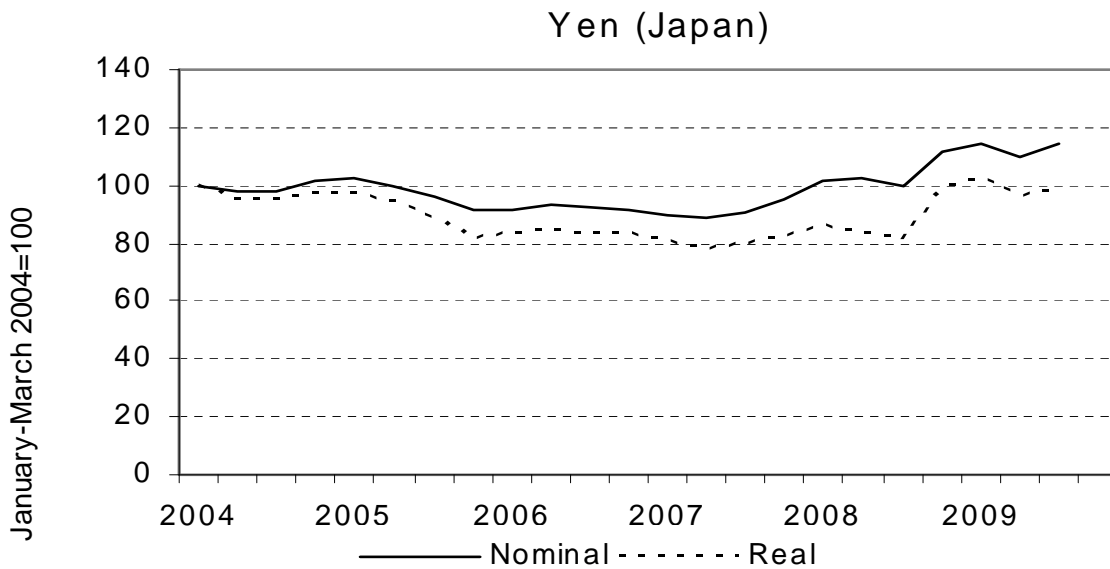
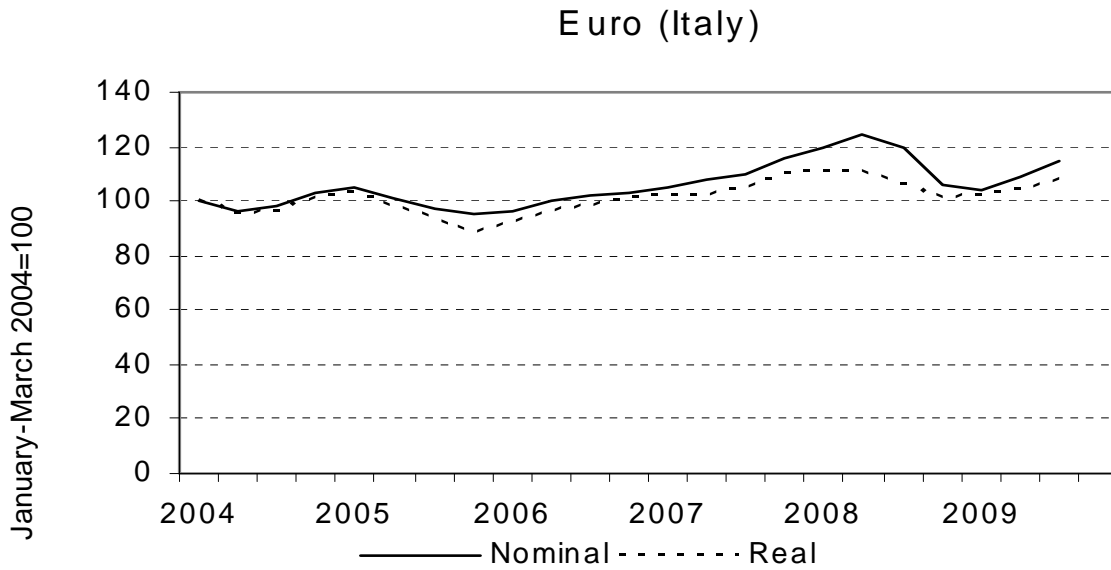


Table continued on next page.

Table G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates between the currencies of Italy, Japan, Korea, Spain, and Taiwan and the U.S. dollar, by quarters, January 2004-December 2009

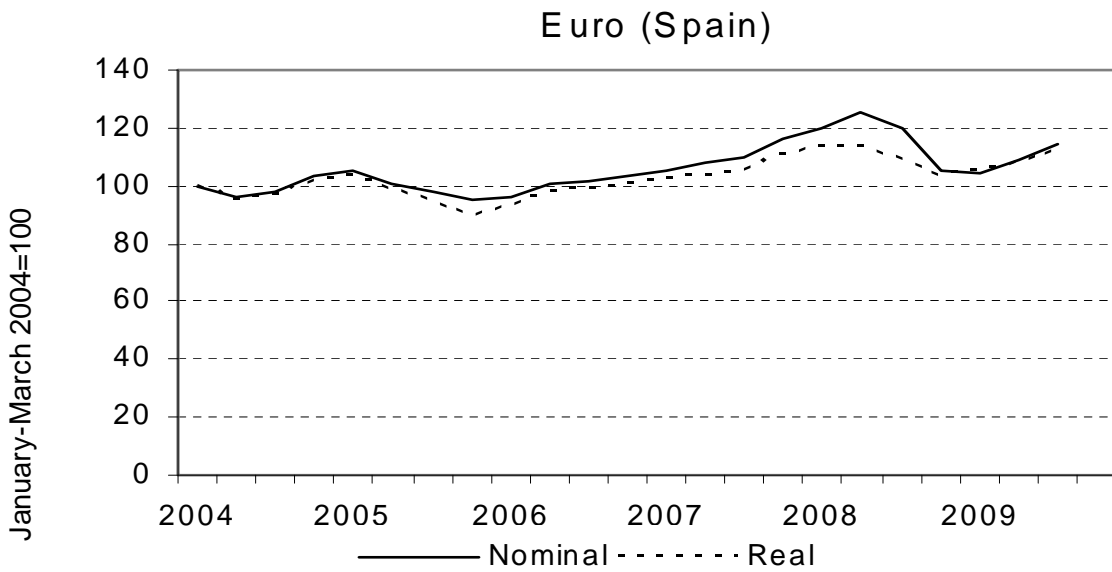
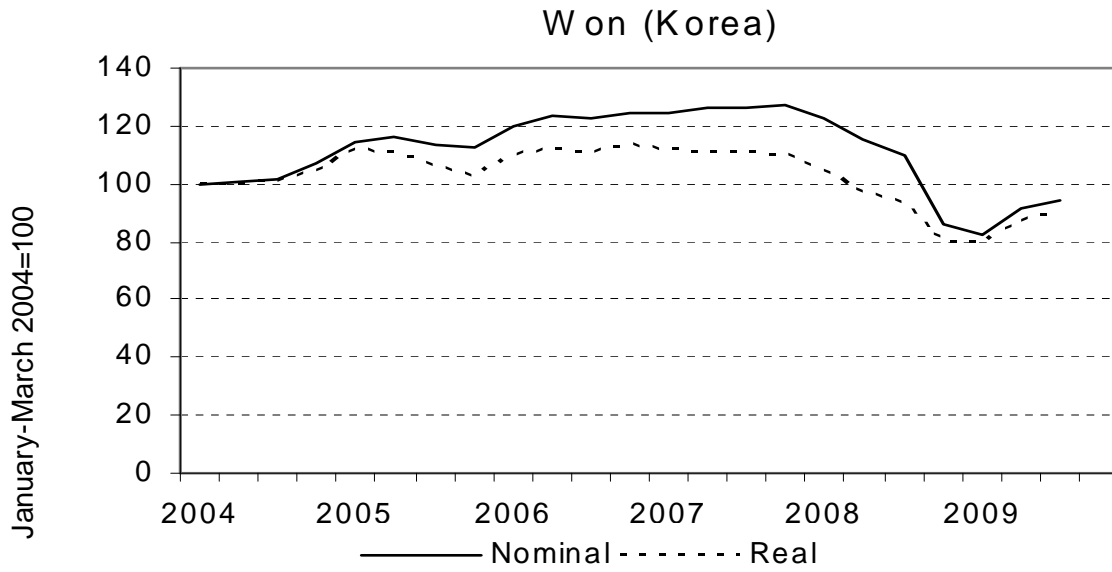
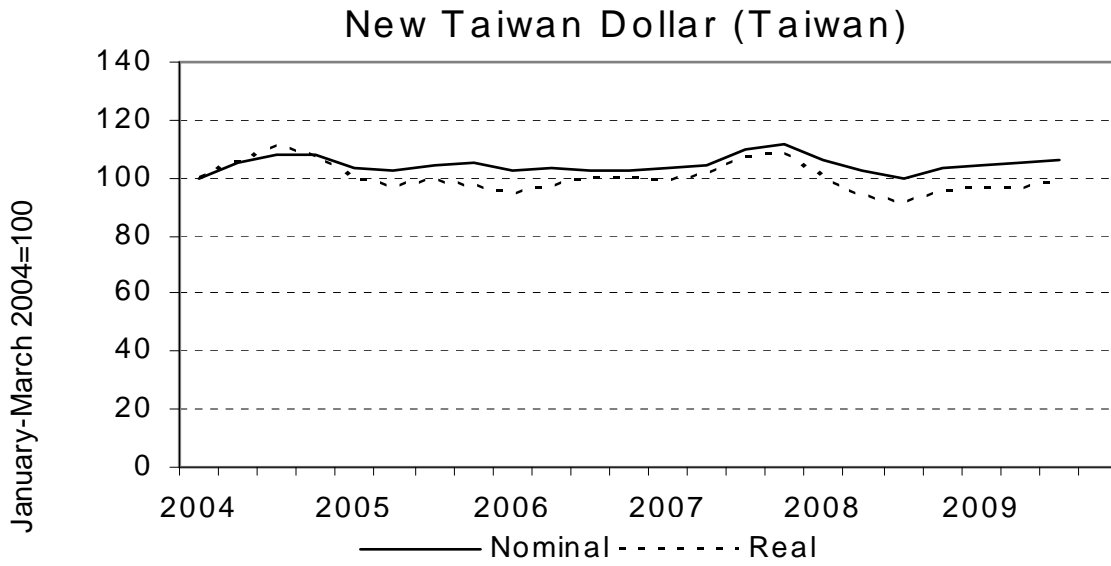


Table continued on next page.

Table G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates between the currencies of Italy, Japan, Korea, Spain, and Taiwan and the U.S. dollar, by quarters, January 2004-December 2009



Source: International Financial Statistics and <http://eng.dgbas.gov.tw/mp.asp?mp=2> .