

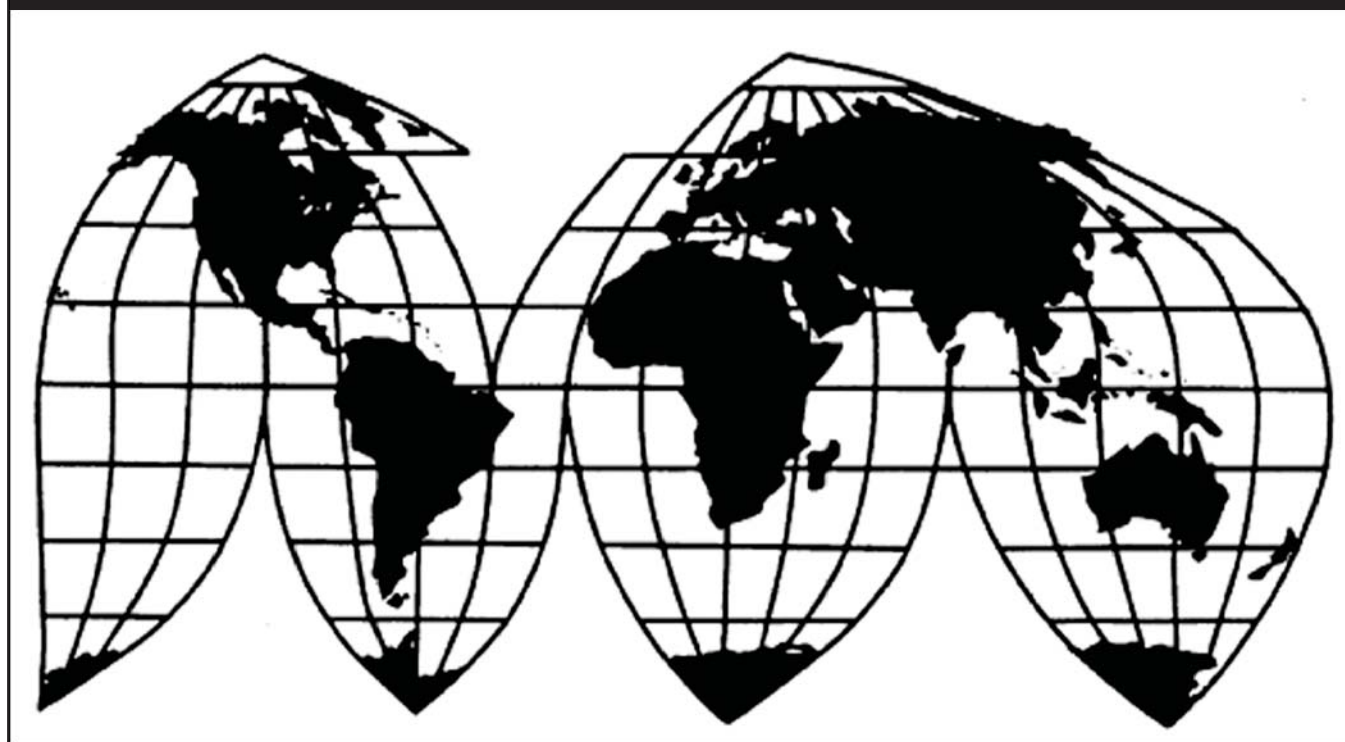
Stainless Steel Plate from Belgium, Italy, Korea, South Africa, and Taiwan

Investigation Nos. 701-TA-379 and 731-TA-788, 790-793 (Second Review)

Publication 4248

August 2011

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-379 and 731-TA-788, 790-793 (Second Review)

STAINLESS STEEL PLATE FROM BELGIUM, ITALY, KOREA, SOUTH AFRICA, 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 countervailing duty order on stainless steel plate from South Africa and revocation of the antidumping duty orders on stainless steel plate from Belgium, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.² The Commission further determines that revocation of the antidumping duty order on stainless steel plate 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.³

BACKGROUND

The Commission instituted these reviews on June 1, 2010 (75 F.R. 30434) and determined on September 7, 2010 that it would conduct full reviews (75 F.R. 59744, September 28, 2010). 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 December 27, 2010 (75 F.R. 81309). The hearing was held in Washington, DC, on May 26, 2011, 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 Deanna Tanner Okun and Commissioner Daniel R. Pearson dissent with respect to the determinations regarding stainless steel plate from Belgium, Korea, South Africa, and Taiwan.

³ Commissioner Charlotte R. Lane dissents with respect to the determination regarding stainless steel plate from Italy.

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the countervailing duty order on imports of certain stainless steel plate (stainless steel plate in coils or “SSPC”) from South Africa and revocation of the antidumping duty orders on SSPC from Belgium, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹ The Commission further determines under section 751(c) of the Act that revocation of the antidumping duty order on SSPC 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.^{2 3}

I. BACKGROUND

A. Original Investigations

On May 3, 1999, having found two domestic like products – hot-rolled SSPC and cold-rolled SSPC – and two domestic industries, the Commission determined that the domestic industry producing hot-rolled SSPC was materially injured by reason of cumulated subject imports of hot-rolled SSPC from Belgium, Canada, Italy, Korea, South Africa, and Taiwan.⁴ The Commission determined that subject imports of cold-rolled SSPC from Italy, Korea, South Africa, and Taiwan were negligible and terminated those investigations. The Commission also found that the domestic industry producing cold-rolled SSPC was not materially injured or threatened with material injury by reason of cumulated subject imports of cold-rolled SSPC from Belgium and Canada.⁵

The Commission’s original determinations were the subject of two separate appeals. In the first, respondents challenged the Commission’s affirmative determination as to hot-rolled SSPC on the basis that the domestic like product definition should have been expanded to include stainless steel sheet and strip. The United States Court of International Trade (“CIT”) rejected the challenge and affirmed the determination.⁶

In the second appeal, domestic producers challenged the Commission’s negative determinations with respect to imports of cold-rolled SSPC from Belgium and Canada. The CIT affirmed the

¹ Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissenting. Chairman Okun and Commissioner Pearson join the majority opinion with respect to sections I (Background), II (Domestic Like Product and Domestic Industry), III (Cumulation), IV.A (Legal Standards for Likely Injury), IV.B (Prior Proceedings), IV.C (Conditions of Competition), and IV.E (Likely Injury Analysis of SSPC from Italy).

² Commissioner Charlotte R. Lane dissenting with respect to SSPC from Italy. Commissioner Lane joins the majority opinion with respect to sections I (Background), II (Domestic Like Product and Domestic Industry), III.A (Legal Standards for Cumulation), III.B (Likelihood of No Discernible Adverse Impact), III.C (Likelihood of a Reasonable Overlap of Competition), IV.A (Legal Standards for Likely Injury), IV.B (Prior Proceedings), IV.C (Conditions of Competition), and IV.D.1-2 (Likely Volume of Imports and Likely Price Effects of Imports).

³ Commissioner Dean A. Pinkert does not join sections III.B (Likelihood of No Discernible Adverse Impact), III.D (Likely Conditions of Competition), IV.D.3 (Belgium, Korea, South Africa and Taiwan--Impact), and IV.E (Italy). See notes *infra* and Separate Views of Commissioner Dean A. Pinkert.

⁴ Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final), USITC Pub. 3188 (May 1999) (“USITC Pub. 3188”) at 3-7, 13-22.

⁵ USITC Pub. 3188 at 8-9, 23-27.

⁶ Acciai Speciali Terni v. United States, 118 F. Supp. 2d 1298 (Ct. Int’l Trade 2000).

Commission's negative determinations. On further appeal, however, the United States Court of Appeals for the Federal Circuit ("Federal Circuit") vacated the CIT's ruling, finding error in the Commission's injury analysis.⁷ On June 18, 2002, the CIT remanded the Commission's negative determinations regarding cold-rolled SSPC to the Commission pursuant to the Federal Circuit judgment.

On September 27, 2002, the Commission on remand found a single domestic like product – all SSPC that was coextensive with Commerce's original scope – and determined that an industry in the United States was materially injured by reason of dumped and/or subsidized imports of subject merchandise from Belgium, Canada, Italy, Korea, South Africa, and Taiwan.⁸ The affirmative injury determinations were upheld on appeal to the CIT and no further appeals were taken.⁹ On March 11, 2003, pursuant to the Commission's affirmed remand determinations, Commerce amended the scope of the antidumping duty orders for Belgium, Canada, Italy, Korea, South Africa, and Taiwan and countervailing duty orders for Belgium, Italy, and South Africa, to cover both hot-rolled and cold-rolled SSPC (the orders had originally excluded cold-rolled SSPC based on the Commission's original determinations).¹⁰

B. First Five-Year Reviews

The Commission instituted the first reviews of the subject orders on SSPC from Belgium, Canada, Italy, Korea, South Africa, and Taiwan on April 1, 2004,¹¹ and received responses to the notice of institution from domestic interested parties and from respondent interested parties concerning subject imports from Belgium and Korea. The Commission conducted full reviews with respect to all six reviews and issued its determinations in June 2005.¹²

The Commission defined a single domestic like product that was co-extensive with the scope of investigation, finding no basis to revisit the original remand determination.¹³ The Commission cumulated subject imports from five of the six subject countries, declining to cumulate subject imports from Canada with other subject imports because they were likely to have no discernible adverse impact on the domestic industry if the antidumping duty order on SSPC from Canada were revoked.¹⁴

An evenly divided Commission determined that revocation of the antidumping duty orders on SSPC from Belgium, Italy, Korea, South Africa, and Taiwan, and of the countervailing duty orders on SSPC from Belgium, Italy, and South Africa, would be likely to lead to continuation or recurrence of

⁷ Allegheny Ludlum Corp. v. United States, 287 F.3d 1365 (Fed. Cir. 2002).

⁸ The Commission majority on remand, which included Chairman Okun and Commissioners Bragg and Koplán, adopted the original affirmative determinations of then-Chairman Bragg and Commissioner Koplán. USITC Pub. 3541 at 1-2 (Sept. 2002). Vice Chairman Hillman and Commissioner Miller, who had been part of the four Commissioner majority in the original determinations, dissented on remand, again making negative determinations with respect to imports of cold-rolled SSPC. USITC Pub. 3541 at 3-4 (Dissenting Views).

⁹ See 68 Fed. Reg. 8925 (Feb. 26, 2003) (Commission's notice of final Court order affirming injury determinations).

¹⁰ See Confidential Staff Report ("CR"), Public Report ("PR") at I-2 (the CR was issued on June 30, 2011 (Memorandum INV-JJ-068) and amended on July 8 and 11, 2011 (Memoranda INV-JJ-070 and 071)). See also 68 Fed. Reg. 11520 (Mar. 11, 2003) (antidumping duty orders); 68 Fed. Reg. 11524 (Mar. 11, 2003) (countervailing duty orders).

¹¹ 69 Fed. Reg. 17235 (Apr. 1, 2004).

¹² Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376, 377, & 379 and 731-TA-788-793 (Review), USITC Pub. 3784 (June 2005) ("USITC Pub. 3784").

¹³ USITC Pub. 3784 at 6.

¹⁴ USITC Pub. 3784 at 7-19.

material injury to an industry in the United States within a reasonably foreseeable time.¹⁵ The Commission also determined, by a four-to-two vote, that revocation of the antidumping duty order on SSPC from Canada would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.¹⁶

C. Second Five-Year Reviews

The Commission instituted its second five-year reviews of the remaining orders on June 1, 2010.¹⁷ On September 7, 2010, the Commission determined to conduct full reviews of the orders.¹⁸ Two domestic producers of SSPC that accounted for the majority of U.S. production during the period of review, Allegheny Ludlum Corp. (“Allegheny Ludlum”) and North American Stainless (“NAS”), and a labor union representing workers in the domestic industry, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (“USW”) (collectively “domestic interested parties”), participated in these reviews, filing pre- and post-hearing briefs and testifying at the hearing. An Italian producer of subject merchandise – the dominant producer of stainless steel plate in Italy, ThyssenKrupp Acciai Speciali Terni S.p.A. (“TKAST”), and its U.S. importer, ThyssenKrupp Acciai Speciali Terni USA, Inc. (“TKAST USA”) (collectively “respondent interested parties”), also participated in these reviews, filing pre- and post-hearing briefs and testifying at the hearing.

U.S. industry data in these reviews are based on the questionnaire responses of Allegheny Ludlum and NAS, as well as a third producer of SSPC in the United States, AK Steel Corporation (“AK Steel”), which combined accounted for all domestic production of SSPC in 2010. U.S. import data with respect to subject imports from Belgium, Italy, Korea, and nonsubject sources are based on the questionnaire responses of seven U.S. importers of SSPC, with importers’ questionnaire responses accounting for virtually all imports of SSPC from Belgium, Italy, and Korea during the period examined. U.S. import data with respect to subject imports from South Africa and Taiwan are based on Commerce official statistics.¹⁹

Foreign industry data are based on the questionnaire responses of three foreign producers of SSPC from Belgium, Italy, and Korea, which accounted for virtually all of the production of subject merchandise in those three subject countries. No subject producer from South Africa or Taiwan responded to the Commission’s questionnaire.²⁰

The Commission also received 10 useable questionnaire responses from U.S. distributors/processors/service centers and tubular products producers that purchased SSPC during the review period. These firms reported purchases totaling 102,434 short tons in 2010.²¹

When appropriate in these reviews, we have relied on the facts otherwise available, which consist of information from the original investigations and first reviews, as well as information submitted in these

¹⁵ USITC Pub. 3784 at 19-30 (Views of the Commission (Chairman Koplán and Commissioners Miller and Lane)); *cf.* USITC Pub. 3784 at 49-56 (Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioners Jennifer A. Hillman and Daniel R. Pearson).

¹⁶ USITC Pub. 3784 at 31 (Commission Views); *cf. id.* at 33-34 (Chairman Koplán and Commissioner Lane dissenting).

¹⁷ 75 Fed. Reg. 30434 (June 1, 2010).

¹⁸ 75 Fed. Reg. 59744 (Sept. 28, 2010); *see* CR/PR at App. A (Explanation of Commission Determination on Adequacy).

¹⁹ CR/PR at I-15.

²⁰ CR/PR at I-15.

²¹ CR at I-38, PR at I-34.

reviews, including information the parties provided in their briefs and hearing testimony, questionnaire responses, and information available from published sources.^{22 23}

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c) of the Act, the Commission defines the “domestic like product” and the “industry.”²⁴ The 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.”²⁵ The Commission’s practice in five-year reviews is to examine the like product definition from the original determination and any completed reviews and consider whether the record indicates any reason to revisit the prior findings.²⁶

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

²³ Chairman 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.

²⁴ 19 U.S.C. § 1677(4)(A).

²⁵ 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).

²⁶ 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).

In these five-year reviews, Commerce has identified the imported merchandise within the scope of the antidumping and countervailing duty orders (SSPC) as follows:

Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (*e.g.*, cold-rolled, polished, *etc.*) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of the orders are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars.²⁷

Key physical attributes of SSPC include corrosion resistance, heat resistance, and ease of maintenance. SSPC is used in the fabrication of storage tanks, process vessels, and other equipment used in the chemical, dairy, restaurant, pulp and paper, and pharmaceutical industries (among others) when one or more of these physical characteristics is required. The same industries also use SSPC in the fabrication of tubing when corrosion resistance, heat resistance, or ease of maintenance is needed in the particular tubing application.²⁸

In the original investigations, as noted above, the Commission found two separate like products consisting of hot- and cold-rolled SSPC. Following the remand proceeding, the Commission found a single domestic like product that was coextensive with Commerce's scope. The Commission explained:

[B]ecause hot-rolled and cold-rolled SS coiled plate share similar physical characteristics, chemical composition, and dimensions; can be used in most of the same corrosion resistant applications; share the same channels of distribution; share the same production process through production of the hot-rolled product; and because cold-rolled SS coiled plate is substitutable for the hot-rolled product while hot-rolled SS coiled plate may be substitutable for the cold-rolled product with further grinding and polishing, we find that there is no clear dividing line between hot-rolled and cold-rolled SS coiled plate.²⁹

In the first five-year reviews, the Commission continued to find a single domestic like product that was coextensive with Commerce's scope. The Commission found no reason to revisit the single domestic like product definition adopted in the remand determinations based on the record developed in the first reviews and the lack of any argument to the contrary.³⁰

The domestic interested parties indicated in their response to the notice of institution of the second reviews that they agreed with the domestic like product definition adopted by the Commission in the remand determinations and first reviews, while respondent interested parties took no position on the

²⁷ *E.g.*, 75 Fed. Reg. 61699 (Oct. 6, 2010) (final results of expedited reviews of subject antidumping duty orders).

²⁸ CR at I-25, PR at I-24.

²⁹ USITC Pub. 3541 at 1 n.4 (Commissioners Bragg and Koplan adopting their original determination); USITC Pub. 3188 at 31 (original determination of Commissioners Bragg and Koplan, dissenting); USITC Pub. 3541 at 1 n.7 (Commissioner Okun adopting the original determination of Commissioners Bragg and Koplan). We note that because the Commission majority on remand adopted the dissenting analysis from the original determinations and provided no additional analysis, when relevant we cite to the original dissenting views (in USITC Pub. 3188) in discussing the Commission's remand determination.

³⁰ USITC Pub. 3784 at 6 (June 2005).

issue.³¹ Based on the record in these reviews, which indicates no changes with respect to the product that would justify revisiting the domestic like product definition,³² and absent any request or argument for a different definition, we again define a single domestic like product of SSPC corresponding to the scope of the subject orders.

B. Domestic Industry and Related Parties

Section 771(4)(A) of the 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.”³³ 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. Section 771(4)(B) of the Act allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or which are themselves importers.

The Commission defined the domestic industry to include all domestic producers of SSPC in the remand determinations and first five-year reviews.³⁴ Based upon our domestic like product definition, we define the domestic industry in these reviews as all domestic producers of SSPC: AK Steel, Allegheny Ludlum, and NAS.³⁵

III. CUMULATION

A. Legal Standard

With respect to five-year reviews, section 752(a) of the 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.³⁶

³¹ CR at I-33, PR at I-30. See also Domestic Interested Parties' Prehearing Brief at 4.

³² See CR at I-22-I-33, PR at I-22-I-30.

³³ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable 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.

³⁴ USITC Pub. 3188 at 31; USITC Pub. 3784 at 7.

³⁵ CR at I-33-I-34, PR at I-30-I-31. The record indicates that domestic producer NAS is affiliated with Columbus Stainless, a South African producer of SSPC. NAS is affiliated with Columbus Stainless through common ownership by Acerinox, S.A (“Acerinox”). Acerinox, is a Spanish specialty steel producer that holds a 76 percent share in Columbus Stainless. CR at I-34, PR at I-32. However, the record demonstrates that neither Columbus Stainless nor NAS, through their common parent, ***. NAS and Columbus Stainless ***. CR at I-34-I-35, PR at I-32. In addition, “***.” CR at I-35, PR at I-32. Accordingly, we find that NAS is not a related party within the meaning of 19 U.S.C. § 1677(4)(B)(ii).

³⁶ 19 U.S.C. § 1675a(a)(7).

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(I) of the Act.³⁷ 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.

In the original investigations, the Commission found a reasonable overlap of competition between and among the domestic like product and imports from each subject country, and therefore considered subject imports from all sources on a cumulated basis.³⁸ In the first five-year reviews, the Commission cumulated subject imports from Belgium, Italy, Korea, South Africa, and Taiwan, but determined that subject imports from Canada were likely to have no discernible adverse impact on the domestic industry and therefore considered subject imports from Canada on an individual basis.³⁹

In these second five-year reviews, the threshold criterion for cumulation is satisfied because all reviews were instituted on the same day, June 1, 2010.⁴⁰ We consider three issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether 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; (2) whether there is a likelihood of a reasonable overlap of competition among imports 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. market.⁴¹

³⁷ 19 U.S.C. § 1677(7)(G)(i); see also, e.g., Nucor Corp. v. United States, 601 F.3d 1291, 1293, 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).

³⁸ USITC Pub. 3188 at 10-12.

³⁹ USITC Pub. 3784 at 8-19 (Views of the Commission (Chairman Koplan and Commissioners Miller and Lane)), 40-43 (Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioners Jennifer A. Hillman and Daniel R. Pearson). But see USITC Pub. 3784 at 33-34 (Dissenting Views With Respect to Canada of Chairman Stephen Koplan and Commissioner Charlotte R. Lane), 57-59 (Additional Views of Commissioner Daniel R. Pearson Regarding Cumulation).

⁴⁰ CR/PR at I-2.

⁴¹ Chairman Okun and Commissioner Pearson 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).

Based on the record, we find that subject imports from each of the five countries would not be likely to have no discernible adverse impact on the domestic industry were the antidumping and countervailing duty orders revoked.⁴² We also find a likely reasonable overlap of competition among the subject imports and between the subject imports and the domestic like product were the orders revoked. We further find, however, that conditions of competition likely to apply to subject imports from Italy in the U.S. market are distinct from the conditions of competition likely to apply to subject imports from the other four subject countries: Belgium, Korea, South Africa, and Taiwan.^{43 44} We therefore exercise our discretion to cumulate subject imports from Belgium, Korea, South Africa, and Taiwan for our likely injury analysis with respect to those subject imports and perform a separate likely injury analysis with respect to subject imports from Italy, as discussed further below.^{45 46 47}

B. Likelihood of No Discernible Adverse Impact⁴⁸

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.⁴⁹ 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.⁵⁰ 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.

Based on the record, we do not find that imports from any of the five subject countries are likely to have no discernible adverse impact on the domestic industry in the event of revocation of the orders. Prior to the imposition of the orders, the volume of subject imports from each of the five countries in question increased sharply.⁵¹ The volume of subject imports from each country generally declined after

⁴² Commissioner Pinkert finds that subject imports from Italy are likely to have no discernible adverse impact on the domestic industry after revocation. He therefore does not cumulate them. See Separate Views of Commissioner Dean A. Pinkert.

⁴³ Commissioners Lane and Pinkert do not join this finding.

⁴⁴ Commissioner Pearson finds that the conditions of competition likely to confront Belgium are also distinct from those likely to confront Korea, South Africa, and Taiwan.

⁴⁵ Commissioner Lane exercises her discretion to cumulate subject imports from Belgium, Italy, Korea, South Africa, and Taiwan.

⁴⁶ Commissioner Pinkert exercises his discretion to cumulate subject imports from Belgium, Korea, South Africa, and Taiwan. He joins section III.C (Likelihood of a Reasonable Overlap of Competition) only with respect to those countries.

⁴⁷ Commissioner Pearson exercises his discretion to cumulate subject imports from Korea, South Africa, and Taiwan.

⁴⁸ Commissioner Pinkert sets forth in his separate views his analysis of whether imports of the subject merchandise are likely to have no discernible adverse impact in the event of revocation. See Separate Views of Commissioner Dean A. Pinkert.

⁴⁹ 19 U.S.C. § 1675a(a)(7).

⁵⁰ SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

⁵¹ In the years examined in the original investigation, U.S. shipments of subject imports from Belgium increased from *** short tons in 1995 to *** short tons in 1996, then decreased to *** short tons in 1997. U.S. shipments of subject imports from Italy increased sharply from *** short tons in 1995 to *** short tons in 1997. In the case of subject imports from Korea, U.S. shipments increased from *** short tons in 1995 to *** short tons in 1997. U.S. shipments of subject imports from South Africa increased from *** short tons in 1995 to *** short tons in 1996, and decreased to *** short tons in 1997. U.S. shipments of subject imports from Taiwan increased dramatically from *** short tons in 1995 to *** short tons in 1996, and then to *** short tons in 1997. CR/PR at Table I-1.

the original investigations and was lower in 2010 compared with 1997.⁵² As in the original investigations, foreign producers in each of the five countries continue to export outside their respective home markets.^{53 54} Additionally, foreign producers in each of the five countries produced substantial quantities of the SSPC⁵⁵ and had substantial capacity or excess capacity.⁵⁶

⁵² CR/PR at Table I-1.

⁵³ In the case of the sole Belgian producer (Aperam Stainless Belgium (“Aperam”)), *** percent of its shipments were to the home market in 2010, while *** percent of its shipments were to export markets. CR/PR at Table IV-4. The European Union market accounted for *** percent of shipments by the Belgian producer in 2010. Asian markets constituted the next largest export destination, accounting for *** percent of shipments in 2010. *Id.*

For the dominant stainless steel plate producer in Italy, TKAST, home market shipments as a share of total shipments of the Italian industry increased overall during the period of review, from *** percent in 2005 to *** percent in 2010. Internal consumption has also increased overall, from *** percent in 2005 to *** percent in 2010. Combined, home market shipments and internal consumption therefore accounted for more than *** percent of total shipments in 2010. Export shipments show the opposite trend in the period of review. In 2005, exports accounted for *** percent of the Italian industry’s shipments. Exports accounted for *** of total shipments as of 2006 (*** percent) and have declined steadily to *** percent of total shipments in 2010. In 2010, exports were shipped to the European Union (*** percent) and other non-Asian markets (*** percent). CR/PR at Table IV-6.

The Korean industry’s shipments to its home market fluctuated during the period. They constituted *** percent of shipments in 2010, up from *** percent in 2005 but down from the period high of *** percent in 2007. Export shipments fluctuated as well, from a high of *** percent of total shipments in 2005 to a low of *** percent in 2007. In 2010, exports constituted *** percent of the industry’s total shipments and were primarily directed to Asian markets. CR/PR at Table IV-8.

The sole foreign producer in South Africa, Columbus Stainless, indicated that ***. The record therefore contains limited information respecting the South African industry. CR at IV-29 & n.30, PR at IV-12 & n.30. According to Columbus Stainless’ website, however, home market shipments comprise 25 percent of the company’s total sales. In addition, the company has a “well-developed” sales network for its exports in Europe, the Americas, the Middle East, and the Far East. CR at IV-29, PR at IV-12.

There are four Taiwan companies with hot-rolled annealing and pickling capacity: Chien Shing Stainless Steel Co., Ltd.; Tang Eng Iron Works Co., Ltd. (“Tang Eng”); Tung Mung Development Co., Ltd. (“Tung Mung”); and YUSCO, none of which provided data in these reviews. As a result, the information in these reviews on the Taiwan industry is limited. The record includes *** regarding the Taiwan industry’s global shipments of hot-rolled stainless steel. While figures provided by that information source ***, they indicate that shipment volumes have fluctuated during the review period, from a high of *** short tons in 2006 to a low of *** short tons in 2008. Shipment volumes were *** short tons in 2010, an increase overall of *** percent from 2005 (*** short tons). CR/PR at Table IV-12. According to Global Trade Atlas data (which may include nonsubject product), Taiwan exports of SSPC have declined irregularly during the period of review. These data show that the Taiwan industry’s exports in 2010 were 34,007 short tons, a figure representing a decline of 53.1 percent from 2005, though it is modestly higher than the period low of 31,287 short tons in 2008. CR/PR at Table IV-13.

⁵⁴ Commissioner Shara L. Aranoff notes additionally that the foreign producers in Belgium and Italy export non-trivial volumes to markets outside the European Union. CR/PR at Tables IV-4 and IV-6.

⁵⁵ Production of SSPC by Aperam (Belgium), fluctuated during the period of review from a high of *** short tons in *** to a low of *** short tons in ***. Its production was *** short tons in 2010, *** percent lower than in 2005. CR/PR at Table IV-4. Production of SSPC by the dominant producer in Italy (TKAST) fluctuated throughout the period, from a high of *** in 2006 to a low of *** in 2008. Production was *** short tons in 2010, *** percent lower than in 2005 (*** short tons). CR at IV-18, PR at IV-10; CR/PR at Table IV-6. The Korean producer’s production increased between 2005 and 2006, then decreased, ending *** percent lower in 2010 (***) than in 2005 (***). CR/PR at Table IV-8. The domestic interested parties reported that Columbus Stainless produced a total of 705,472 short tons of hot-rolled stainless steel coil (which includes nonsubject products such as stainless steel sheet and strip) in 2007. CR at IV-29, PR at IV-13. The record does not contain information for production of SSPC in Taiwan, but we conclude that it is substantial, given that there are four producers of SSPC in that country, and that one of them, YUSCO, is reportedly the largest integrated stainless steel mill in Southeast Asia, with melting capacity
(continued...)

⁵⁵(...continued)

of 1 million metric tons, hot-rolling capacity of 900,000 metric tons, and cold-rolling capacity of 650,000 metric tons. CR at IV-31, PR at IV-14.

⁵⁶ In the case of Aperam (Belgium), assessment of that producer's SSPC capacity and excess capacity is complicated by that firm's failure to provide ***. CR/PR at Table IV-4 n.1. Instead, we turn to information available to estimate excess capacity in Belgium, including Aperam's hot-rolled stainless steel capacity and cold-rolled stainless steel capacity. CR/PR at Table IV-5. We are cognizant that both sets of capacity data include flat-rolled products outside the scope of the subject order. In addition to subject SSPC, products covered by the data include non-subject stainless steel sheet and strip ("SSSS") in various forms and cut-to-length plate ("CTL plate"), among others. Id. The reported data identify production quantities for each of these flat-rolled stainless products and, based on combined production totals, a total capacity utilization rate for the industry's hot-rolled and cold-rolled stainless operations, respectively, for each year of the period of review. CR/PR at Table IV-5. (We note that the hot-rolled stainless production data do not include coils that are rerolled in Aperam's cold-rolling operations. CR at IV-17, PR at IV-9; CR/PR at Table IV-5 n.1.) The data show that the Belgian industry produced *** with its hot-rolled stainless capacity than any other hot-rolled stainless products, with *** accounting for the second highest quantity. CR/PR at Table IV-5. The data show that *** accounted for *** quantities and relative allocation of cold-rolled stainless capacity, with the vast majority of cold-rolled stainless capacity used for ***. CR/PR at Table IV-5. The information available thus shows that the Belgian industry's hot-rolled stainless operations had excess capacity throughout the period of review, with capacity utilization rates fluctuating from a high of *** percent in *** to a low of *** percent in 2009. Capacity utilization was *** percent in 2010, up from *** percent in 2005. CR/PR at Table IV-5. Capacity utilization for the Belgian industry's cold-rolled stainless operations fluctuated during the period from a high of *** percent in 2006 to a low of *** percent in 2009, and was *** percent in 2010. CR/PR at Table IV-5. The information available thus shows excess capacity in the reported hot-rolled and cold-rolled stainless operations of the Belgian industry that, constrained only by allocation levels, may be directed to the production of subject SSPC. Excess capacity in 2010 with respect to Belgian hot-rolled stainless production, for example, was *** short tons, the equivalent of *** percent of apparent U.S. consumption of SSPC in 2010. See CR/PR at Tables IV-5 & I-1. At a minimum, some portion of this idle capacity could be directed to increased production of subject SSPC. A separate tabulation combining the Belgian industry's reported hot-rolled and cold-rolled stainless capacity and production data further illustrates the point, showing idle capacity throughout the period of review, for hot-rolled and cold-rolled stainless production combined, with capacity utilization rates most recently of *** percent and *** percent in 2009 and 2010, respectively. CR at IV-17, PR at IV-9.

In assessing capacity for TKAST of Italy, we note that the capacity and production data in Table IV-6 of the staff report differ from the data reported in Table IV-7. In addition to the SSPC-specific data in Table IV-6, TKAST provided raw stainless steel (melt) capacity and production figures, as well as, more specifically, hot-rolled and cold-rolled stainless capacity and production figures, as identified in Table IV-7. The figures in Table IV-7 thus cover substantial percentages of non-subject product and, insofar as they include subject SSPC, reportedly capture volumes that are internally consumed in the production of higher-value, downstream flat-rolled products such as SSSS. CR/PR at Table IV-7. The lower production figures in Table IV-6 represent TKAST's production that is sold as SSPC. Reported capacity was *** short tons in 2005-2007 and *** in 2008, its present level. CR at IV-18, PR at IV-10; CR/PR at Table IV-6. The decrease in capacity was a result of the closure of a plant in Turin in 2008 as well as a change in the firm's product mix. CR at IV-18, PR at IV-10. The closure of the plant in Turin ***. The hot annealing and pickling line is presently "in the custody of Italian authorities and its future is uncertain." CR at IV-18 n.21, PR at IV-10 n.21. The Turin plant ***. CR/PR at Table IV-14. TKAST also emphasized that it has made substantial investments in finishing capacity in its Terni facility, and is more focused on the downstream, value-added products such as CTL plate and other cold-rolled products. CR at IV-18 n.21, PR at IV-10 n.21. The industry's capacity utilization rate fluctuated in the first part of the period and ranged *** percent in 2008-2010. CR/PR at Table IV-6.

In the case of the Korean industry, capacity decreased from *** short tons in 2005 to *** short tons in 2010, a decline of *** percent. Capacity utilization was *** percent in 2010, which was higher than in 2007-2009, but lower than during the first two years of the period. CR/PR at Table IV-8.

*** data indicate that the South African industry's hot-rolled annealing and pickling capacity, which covers
(continued...)

Given the pre-order increases in the volume of subject imports from Belgium, Italy, Korea, South Africa, and Taiwan, the fact that producers continued to export, continue to produce SSPC in substantial quantities, and have excess capacity, we determine that subject imports from none of the five countries in question are likely to have no discernible adverse impact on the domestic industry upon revocation.

C. Likelihood of a Reasonable Overlap of Competition

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.⁵⁷ Only a “reasonable overlap” of competition is required.⁵⁸ 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.⁵⁹

Fungibility. As in the original investigations and the first five-year reviews, the record in these second five-year reviews continues to show a moderate to high degree of substitutability between U.S.-produced SSPC and SSPC imported from subject countries.⁶⁰ All responding purchasers indicated that the SSPC they purchase must meet standards set by ASTM or by a similar body (all identified ASTM and five others identified other certifications including ASME, MILS, and AMS). In addition, four purchasers reported other supplier qualifications including ISO certification, PED, quality, delivery, and performance. All purchasers reported that during the period of review (2005-2010), no domestic or foreign supplier had failed in its attempt to qualify product, or had lost its approved status.⁶¹

Purchasers, domestic producers, and importers reported on the interchangeability of imports from each subject country both among each other and with the domestic like product. The majority of purchasers reported that SSPC for each country comparison was “always” interchangeable, as did all

⁵⁶(...continued)

subject product (though not coils for rerolling) and certain non-subject product, was *** short tons in 2010. CR/PR at Table IV-10 & n.1 and Note.

While we lack data for the foreign producers of SSPC in Taiwan, YUSCO is reportedly the largest integrated stainless steel mill in Southeast Asia, with melting capacity of 1 million metric tons, hot-rolling capacity of 900,000 metric tons, and cold-rolling capacity of 650,000 metric tons. CR at IV-31, PR at IV-14. According to ***, the Taiwan industry’s hot-rolled annealing and pickling capacity was *** short tons in 2010. CR/PR at Table IV-14.

⁵⁷ 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).

⁵⁸ 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.”); *U.S. 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 Found. 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).

⁵⁹ See generally *Cheflene Corp. v. United States*, 219 F. Supp. 2d 1303, 1314 (Ct. Int’l Trade 2002).

⁶⁰ CR at II-11, PR at II-9.

⁶¹ CR at II-14, PR at II-11.

responding U.S. producers. All responding importers reported that product for all country comparisons was either “frequently” or “sometimes” interchangeable, except as noted below.⁶² While the responses reveal differences in the perceptions of each group, they collectively demonstrate a reasonable competitive overlap between the domestically produced SSPC and subject imports and among the subject imports.

Purchasers reported factors they considered when making their purchasing decisions. They cited price most frequently as the most important factor in purchasing decisions, followed by quality and delivery.⁶³ The majority of purchasers reported that they “always” or “usually” purchase the lowest-priced product for their spot purchases (seven of ten) and contract purchases (six of ten).⁶⁴

In our evaluation of the likely overlap in competition, we have taken into account the availability of the Belgian product in certain dimensions. Four purchasers reported that Belgian product was superior to U.S. product in the availability of SSPC in extra wide or long rolls and metric widths.⁶⁵ When evaluating the same issue in the first reviews, the Commission noted that the proper focus was the likely overlap of competition if the orders were revoked.⁶⁶ The Commission also found that the composition of subject imports from Belgium while under the discipline of the order was not necessarily indicative of likely composition of subject imports upon revocation.⁶⁷ In that respect, the Commission observed that while subject imports from Belgium were concentrated in wide widths following the imposition of the orders, they competed across a greater range prior to the orders, including in narrower widths made by domestic producers.⁶⁸ The Commission noted that it had found a reasonable overlap of competition in the original investigation, and it found in the first reviews a likely reasonable overlap upon revocation, notwithstanding the greater availability of subject imports from Belgium in certain dimensions.⁶⁹ Having reviewed the record here and that compiled in the original investigations and first five-year reviews, we find no contrary evidence. Extra-wide SSPC constitutes approximately five percent of the U.S. market, and Aperam continues to produce SSPC in more common widths of 60 inches or less, as do the domestic producers.⁷⁰ Unlike in the first five-year reviews, no party argues that there is no reasonable overlap of competition between subject imports from Belgium and the domestic like product. Moreover, NAS has reported that it has the capacity to produce “wide-width” plate, but stated that it cannot compete with the lower-priced imports.⁷¹ ***.⁷² And TKAST has reported that it will shortly have the capacity to produce plate up to 72 inches wide at its new Alabama facility.⁷³

⁶² CR/PR at Table II-10. In comparing the Belgian and U.S. product, one importer reported that they were “frequently” interchangeable while a second reported that they were “never” interchangeable. CR/PR at Table II-10.

⁶³ CR/PR at Table II-6.

⁶⁴ CR at II-13, PR at II-10.

⁶⁵ CR/PR at Table II-9.

⁶⁶ USITC Pub. 3784 at 18 (Views of Commission (Chairman Koplán and Commissioners Miller and Lane)).

⁶⁷ USITC Pub. 3784 at 18 (Views of Commission (Chairman Koplán and Commissioners Miller and Lane)) & 42 (Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioners Jennifer A. Hillman and Daniel R. Pearson).

⁶⁸ USITC Pub. 3784 at 18 (Views of Commission (Chairman Koplán and Commissioners Miller and Lane)) & 42 (Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioners Jennifer A. Hillman and Daniel R. Pearson).

⁶⁹ USITC Pub. 3784 at 18 (Views of Commission (Chairman Koplán and Commissioners Miller and Lane)) & 42 (Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioners Jennifer A. Hillman and Daniel R. Pearson).

⁷⁰ CR at IV-10, PR at IV-7.

⁷¹ Hearing Transcript, May 26, 2011 (“Tr.”) at 24-25 (Feeley).

⁷² CR at IV-10 n.10, PR at IV-7 n.10.

⁷³ See, e.g., Tr. at 117-18, 161 (Salas).

Fungibility considerations therefore evidence the likelihood of a reasonable overlap of competition between subject imports and the domestic like product and among the subject imports in the event of revocation.

Geographic Overlap and Simultaneous Presence in Market. The domestic producers reported selling SSPC nationwide in these five-year reviews.⁷⁴ The sole importer of product from Belgium reported selling to ***.⁷⁵ TKAST reported that its Alabama mill will replace imports, particularly on the West Coast, with product to be shipped by rail.⁷⁶ The new data is therefore limited but demonstrates existing geographic overlap in the sales that take place.

In respect to simultaneous market presence, subject imports from Belgium were present in every month of the period for which data were collected except February 2009. Subject imports from South Africa were more sporadic, with the exception of their presence in the second half of 2005 and calendar years 2006 and 2007. Imports from Taiwan were present in less than half of the months in each year between 2005 and 2010.⁷⁷ Although not all subject imports have been present in the U.S. market during the period of review, no evidence indicates – and no argument has been advanced – that subject imports would not have a simultaneous market presence sufficient to establish the likelihood of a reasonable overlap of competition in the event of revocation.

Channels of Distribution. Although some SSPC is sold to end users, most is sold to distributors, processors, and/or service centers.⁷⁸ During the period of review, more than two-thirds of U.S. producers' sales were to distributors/processors/service centers and almost one-third were to end-users.⁷⁹ With the exception of sales of imports from Belgium, which were *** to distributors, only limited data were available from other subject countries. Available data respecting nonsubject countries is consistent with the longstanding trends in distribution channels in the U.S. market, the large majority of such sales going to distributors.⁸⁰ Based on the evidence of overlapping channels of distribution by subject imports from the first reviews, and the limited data in these reviews that show continued overlap in distribution channels, we find a likely continued overlap in competition in sales to the same channels of distribution in the event of revocation.

Conclusion. The record of these reviews indicates that there would likely be a reasonable overlap of competition were the orders to be revoked with respect to fungibility, geographic overlap, simultaneous presence in the U.S. market, and channels of distribution. Based on these considerations, and the absence of any argument to the contrary, we find that there would likely be a reasonable overlap of competition between and among imports from each subject country and the domestic like product if the orders were to be revoked.

⁷⁴ CR/PR at Table II-2.

⁷⁵ CR/PR at II-2.

⁷⁶ CR/PR at II-2.

⁷⁷ CR at IV-10, PR at IV-8.

⁷⁸ CR/PR at II-1.

⁷⁹ CR/PR at Table II-1.

⁸⁰ CR/PR at II-1.

D. Likely Conditions of Competition⁸¹

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether the subject imports from Belgium, Italy, Korea, South Africa, and Taiwan are likely to compete under similar or different conditions in the U.S. market after revocation of the orders.⁸²

Italy. In the event of revocation, the record shows that subject imports from Italy will likely compete under different conditions of competition in the U.S. market than subject imports from Belgium, Korea, South Africa, and Taiwan. The sole responding Italian producer TKAST is a division of and controlled by ThyssenKrupp and therefore is subject to ThyssenKrupp's local supply strategy, which ThyssenKrupp has taken very clear and concrete steps to implement in the U.S. market. Motivated by U.S. customer demands for shorter lead times, and in response to increased logistical costs and the weak U.S. dollar, ThyssenKrupp is in the process of localizing its production of SSPC for the North American market so that the U.S. market will be served almost exclusively by ThyssenKrupp Stainless USA LLC ("SL-USA"), while ThyssenKrupp's Italian operations (TKAST) focus on serving the European market.⁸³

As a central element of this strategy, ThyssenKrupp is constructing a \$1.4 billion greenfield integrated production facility in Calvert, Alabama (SL-USA), which will commence operations in three phases.⁸⁴ During the first phase of construction, which is already completed, ThyssenKrupp put in place its first cold-rolling line (the 64-inch mill) and a cold annealing and pickling line that is used at the end of the cold-rolling process.⁸⁵ SL-USA currently produces cold-rolled products from hot-rolled pickled and

⁸¹ Commissioners Lane and Pinkert do not join in this section. Where, in a five-year review, they do not find that imports of the subject merchandise would be likely to have no discernible adverse impact on the domestic industry in the event of revocation and find that such imports would be likely to compete with each other and with the domestic like product in the U.S. market, they cumulate them unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted. Commissioner Lane applies this analysis to all subject countries in these reviews. Commissioner Pinkert applies it only to Belgium, Korea, South Africa, and Taiwan, as he has found that imports of the subject merchandise from Italy are likely to have no discernible adverse impact on the domestic industry in the event of revocation.

Commissioner Lane finds no evidence of such a condition or propensity with respect to imports of the subject merchandise from the subject countries. These imports have a moderate to high level of substitutability. Moreover, the limited data available suggest that, if the orders were revoked, these imports would compete in similar channels of distribution and in overlapping geographical markets.

Similarly, Commissioner Pinkert finds no evidence of such a condition or propensity with respect to imports of the subject merchandise from Belgium, Korea, South Africa, and Taiwan. These imports have a moderate to high level of substitutability. Moreover, the limited data available suggest that, if the orders in question were revoked, these imports would compete in similar channels of distribution and in overlapping geographical markets.

Therefore, in making determinations regarding likelihood of material injury in the event of revocation, Commissioner Lane finds it appropriate to cumulate imports of the subject merchandise from all subject countries, and Commissioner Pinkert finds it appropriate to cumulate imports of the subject merchandise from Belgium, Korea, South Africa, and Taiwan.

⁸² 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; U.S. Steel, Slip Op. 08-82.

⁸³ Hearing Transcript, May 25, 2011 ("SSSS Tr."), at 143-46 (Iler); Respondent Interested Parties' Posthearing Br. at 8-9; Respondent Interested Parties' Posthearing Br. App. at 20-25. Lead times for SSPC in the U.S. market have declined to just 4 to 6 weeks. CR at II-16, PR at II-13; Respondent Interested Parties' Prehearing Br. Exh 1.

⁸⁴ Tr. at 116-19 (Salas).

⁸⁵ Respondent Interested Parties' Posthearing Br. at 10; Respondent Interested Parties' Final Comments at 2.

annealed feedstock, known as white band, imported from Germany, a nonsubject country.⁸⁶ The second phase involves the completion of a 74-inch stainless cold rolling mill and a hot annealing and pickling line which is scheduled to be fully operational in the third quarter of 2011.⁸⁷ At this point, SL-USA will utilize its hot-rolling mill to produce hot-rolled SSPC from nonsubject black band, and white band from Germany will be phased out as feedstock.⁸⁸ The third and final phase of construction involves commissioning of the third cold-rolling mill (the 54-inch mill) and a melt shop, with production of stainless steel slabs scheduled for the end of 2013.⁸⁹ ThyssenKrupp projects that SL-USA's capacity to produce SSPC will be *** short tons in 2011, *** short tons in 2012, *** short tons in 2013, and *** short tons in 2014, with projected production of *** short tons in 2011, *** short tons in 2012, *** short tons in 2013, and *** short tons in 2014.⁹⁰ ThyssenKrupp indicates that all of SL-USA's SSPC production in 2011 and 2012 will be internally processed into downstream products; starting in 2013 it intends to begin commercial sales of SSPC made by SL-USA.⁹¹

Another key element of ThyssenKrupp's local supply strategy is the consolidation of ThyssenKrupp's North American administration and marketing in SL-USA and the coordination of ThyssenKrupp's sales of SSPC in the United States, Canada, and Mexico by its vice president of sales and marketing for SL-USA.⁹² As ThyssenKrupp's marketing executive for the entire North American region, its vice president has the authority to "veto" imports from affiliates that could potentially harm SL-USA's sales, and has been instructed to wield such authority to safeguard ThyssenKrupp's substantial investment in SL-USA.⁹³

We find that ThyssenKrupp's local supply strategy is a logical approach to dealing with U.S. customer demands for shorter lead times, which are much more difficult to satisfy from Italy,⁹⁴ increased logistical costs for ocean transport and raw materials,⁹⁵ and the weakness of the dollar relative to the euro.⁹⁶ ThyssenKrupp's investment of \$1.4 billion in SL-USA, of which a considerable amount has already been spent, is compelling evidence of the company's commitment to this strategy. We find it credible that ThyssenKrupp would consolidate responsibility for the sale and distribution of its SSPC in the U.S. market in SL-USA under this strategy, and establish the necessary corporate power structure to which it has testified in order to prevent subject imports from Italy that could harm SL-USA.

We do not believe that ThyssenKrupp's plan to separate its global stainless steel operations from the rest of the company will likely result in the alteration or reversal of the unit's local supply strategy.⁹⁷ The stainless steel unit's rationale for pursuing a local supply strategy will likely remain unchanged after the unit's separation from ThyssenKrupp. Given the short lead times demanded by U.S. purchasers, increased logistical costs, and exchange rate volatility, the stainless steel unit will still have an economic

⁸⁶ Id.

⁸⁷ Id.

⁸⁸ Id.

⁸⁹ Respondent Interested Parties' Final Comments at 2. SL-USA will also fully replace Italy and Germany as the sources of hot band feedstock to the mill in Mexico sometime during 2014. Id.; Tr. at 118-19 (Salas).

⁹⁰ Respondent Interested Parties' Final Comments at 3.

⁹¹ Respondent Interested Parties' Final Comments at 1-3.

⁹² Respondent Interested Parties' Posthearing Br. at 7; Tr. at 121-22 (Lacor).

⁹³ Respondent Interested Parties' Final Comments at 3; Respondent Interested Parties' Posthearing Br. at 7-8; Respondent Interested Parties' Posthearing Br. App. at Exhibit 11 (Statement on U.S. Sales Strategy by Clemens Iller, Chairman of the Management Board); Tr. at 125 (Lacor).

⁹⁴ CR at II-15-II-16, PR at II-12-II-13; Respondent Interested Parties' Posthearing Br. at 9-10.

⁹⁵ CR/PR at V-1-V-2; CR at V-7, PR at V-6-V-7; Respondent Interested Parties' Posthearing Br. at 8-9.

⁹⁶ CR/PR at V-7; Respondent Interested Parties' Posthearing Br. at 9.

⁹⁷ Respondent Interested Parties' Posthearing Br. App. at 38; SSSS Tr. at 206-07 (Iller).

incentive to serve the U.S. SSPC market with SSPC produced by SL-USA, while managing any imports of SSPC from related companies so as to protect its \$1.4 billion investment in SL-USA.

Because TKAST, unlike subject producers in any of the other subject countries, will be subject to and operate under ThyssenKrupp's local supply strategy in the U.S. market, which is calculated to ensure the success of ThyssenKrupp's \$1.4 billion investment in domestic producer SL-USA, the conditions under which subject imports from Italy are likely to compete in the United States in the event of revocation (*i.e.*, the discipline of a local supply strategy designed to foster domestic SSPC production) are quite distinct from those under which subject imports from Belgium, Korea, South Africa, and Taiwan are likely to compete and justify declining to cumulate subject imports from Italy with other subject imports.⁹⁸

We disagree with domestic interested parties' assertion that this strategy is not a distinguishing condition of competition because ThyssenKrupp could decide to focus all of the resources of SL-USA on the production of SSSS, not produce any SSPC at SL-USA, and import SSPC from TKAST.⁹⁹ As discussed above, ThyssenKrupp's local supply strategy is premised on the competitive disadvantages of exporting stainless steel products to the U.S. market from long distances. These disadvantages make it likely that ThyssenKrupp will follow through on its stated plans to produce SSPC in the United States for commercial sale starting in 2013.

We also reject domestic interested parties' contention that ThyssenKrupp's local supply strategy is not a distinguishing condition of competition because ThyssenKrupp "must still rely on imports from Italy to supply the U.S. commercial market through 2013 or 2014."¹⁰⁰ TKAST does not supply the U.S. market – it stopped imports to the United States *** the planning or implementation of ThyssenKrupp's local supply strategy.¹⁰¹ Nor is there any indication that during the process of implementation, ThyssenKrupp's local supply strategy requires (much less "relies on") imports of SSPC from its Italian division. ThyssenKrupp already has, and has had throughout the period of review, access to SSPC shipments from its German division – as nonsubject imports. ThyssenKrupp's pattern of SSPC exports from Germany is revealing of ThyssenKrupp's motivations precisely because it has always been able to import SSPC from its nonsubject German production without restriction. The import data show that its SSPC imports from Germany for third-party sales have *** during the period of review, despite not being subject to the restraining effects of an order. When apparent U.S. consumption was at its peak in this period, *** short tons in 2006, ThyssenKrupp's SSPC imports from Germany were *** short tons; in 2010, with apparent U.S. consumption of *** short tons, only *** short tons were imported from Germany.¹⁰² These data are consistent with the testimony from ThyssenKrupp that it is withdrawing its imports from the U.S. market.¹⁰³ If ThyssenKrupp desired greater market share or saw opportunities for additional sales, it could meet those needs with its nonsubject German production. The fact that German exports have declined suggests that no such expansion is taking place.

In addition to the local supply strategy to which subject imports from Italy will be subject, other factors distinguish the competitive conditions under which subject imports from Italy will likely compete. Unlike the export orientation of the industries in Belgium, Korea, South Africa, and Taiwan, home market shipments and internal consumption accounted for more than *** percent of total SSPC shipments by the

⁹⁸ As noted above, the South African subject producer Columbus Stainless also has a U.S. affiliate producing the domestic like product, but in contrast to TKAST and SL-USA, the evidence shows that ***. CR at I-34-I-35, PR at I-32.

⁹⁹ Domestic Interested Parties' Posthearing Brief at 4; Domestic Interested Parties' Final Comments at 6.

¹⁰⁰ Domestic Interested Parties' Final Comments at 6.

¹⁰¹ CR/PR at Table I-1.

¹⁰² CR/PR at Tables I-1, IV-2. ThyssenKrupp also reported exporting *** short tons of SSPC in 2010 to SL-USA for internal consumption, which it described as a ***. Respondents' Posthearing Br. App. at 26.

¹⁰³ Id.

Italian industry in 2010.¹⁰⁴ In addition, unlike subject imports from Belgium, South Africa, and Taiwan, which have remained in the U.S. market to varying degrees, there have been *** subject imports from Italy since 2001.¹⁰⁵ Also, SSPC capacity and production in Italy declined *** during the period of review for an SSPC industry that is now smaller than the SSPC industries in any of the other subject countries.¹⁰⁶ In this respect, in addition to recognizing the closure of the Turin plant, we credit the SSPC-specific capacity and production data identified in Table IV-6 of the staff report. Based on the entire record, including TKAST's explanations of the data sets that it has submitted in these reviews, there is no basis for us to discount or second-guess TKAST's flat-rolled stainless product allocations, which for business reasons direct production capacity to higher-value flat-rolled stainless products such as CTL plate and SSSS.

We also find that the combination of the Italian industry's size relative to the industries in the other subject countries and its downward trends in capacity and production, differences in the orientation of its sales, with a greater domestic focus than the industries of the other subject countries, and the lack of any presence in the U.S. market since 2001, further support our conclusion that subject imports from Italy are likely to compete under conditions of competition that are distinct from those under which subject imports from the other subject countries are likely to compete. We therefore decline to exercise our discretion to cumulate subject imports from Italy.

Belgium,¹⁰⁷ Korea, South Africa, and Taiwan. Based on the likely reasonable overlap of competition between subject imports from Belgium, Korea, South Africa, and Taiwan, and the absence of other factors that would warrant the consideration of subject imports from any one of the countries on an individual basis, we exercise our discretion to cumulate subject imports from Belgium, Korea, South Africa, and Taiwan. The information available indicates that subject industries in Belgium, Korea, South Africa, and Taiwan would likely compete under similar conditions of competition in the U.S. market after revocation. Specifically, in 2010, the SSPC industries in Belgium, Korea, South Africa, and Taiwan each possessed significant excess capacity and were export oriented to a significant degree.¹⁰⁸ In addition, to varying degrees, Belgium, South Africa, and Taiwan have maintained a presence in the U.S. market since the original investigations, and Korea competes with all three in their current major SSPC markets.¹⁰⁹ Finally, there is no evidence that subject producers accounting for a major proportion of SSPC in Belgium, Korea, South Africa, or Taiwan are controlled by ThyssenKrupp or other interests implementing a U.S. supply strategy to grow and protect U.S. production of SSPC.

For all of these reasons, we exercise our discretion to cumulate subject imports from Belgium, Korea, South Africa, and Taiwan, and we decline to exercise our discretion to cumulate subject imports from Italy.

¹⁰⁴ CR/PR at Table IV-6 (*** percent exports in 2010). *Cf.*, *e.g.*, CR/PR at Table IV-4 (Belgium, *** percent exports in 2010); CR/PR at Table IV-8 (Korea, *** percent exports in 2010); CR/PR at Tables IV-10-IV-11 (South Africa, *** percent exports in 2010, based on data available, from different sources, that includes nonsubject product); CR/PR at Tables IV-12-IV-13 (Taiwan, *** percent exports in 2010, based on data available, from different sources, that includes nonsubject product).

¹⁰⁵ CR/PR at Table I-1.

¹⁰⁶ CR/PR at Table IV-6 (Italy); *cf.*, *e.g.*, CR/PR at Tables IV-5 (Belgian SSPC production), IV-8 (Korean SSPC capacity and production), IV-10 (South African hot-rolled coiled product shipments), and IV-12 (Taiwan hot-rolled coiled product shipments).

¹⁰⁷ Commissioner Pearson does not join in this discussion as it relates to Belgium.

¹⁰⁸ *See, e.g.*, CR at IV-11-IV-17, IV-23-IV-32, PR at IV-8-IV-9, IV-11-IV-14.

¹⁰⁹ *See* CR/PR at Tables I-1, IV-8.

IV. WHETHER REVOCATION OF THE ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS WOULD LIKELY LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standards

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing 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 or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”¹¹⁰ 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.”¹¹¹ Thus, the likelihood standard is prospective in nature.¹¹² The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.^{113 114 115}

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.”¹¹⁶ According to

¹¹⁰ 19 U.S.C. § 1675a(a).

¹¹¹ 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.

¹¹² 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.

¹¹³ 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 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’”).

¹¹⁴ For a complete statement of Chairman 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).

¹¹⁵ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape From Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade’s interpretation of “likely,” but she will apply the Court’s standard in 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.

¹¹⁶ 19 U.S.C. § 1675a(a)(5).

the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”¹¹⁷

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”¹¹⁸ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).¹¹⁹ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.¹²⁰

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.¹²¹ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.¹²²

In evaluating the likely price effects of subject imports if the orders under review are revoked and/or the suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to 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.¹²³

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked and/or the suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to 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,

¹¹⁷ 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.*

¹¹⁸ 19 U.S.C. § 1675a(a)(1).

¹¹⁹ 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings with respect to SSPC from the subject countries. *See* CR/PR at I-16 n.27.

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

¹²¹ 19 U.S.C. § 1675a(a)(2).

¹²² 19 U.S.C. § 1675a(a)(2)(A-D).

¹²³ *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.

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.¹²⁴ 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.¹²⁵ 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 and agreement under review and whether the industry is vulnerable to material injury upon revocation or termination.¹²⁶

B. Findings in the Prior Proceedings

1. Original Investigations

*Subject Import Volume.*¹²⁷ The Commission found a dramatic increase in the volume of cumulated subject imports over the period of investigation, and further that cumulated subject imports' market share more than doubled, significantly outpacing any gains in apparent U.S. consumption during the period. Based on their large increase in quantity and substantial increase in market share, and

¹²⁴ 19 U.S.C. § 1675a(a)(4).

¹²⁵ Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping or the magnitude of the 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 five-year reviews of the antidumping duty orders on SSPC from Belgium, Italy, Korea, South Africa, and Taiwan, and found likely antidumping margins for subject imports as follows: *Belgium*, 8.54 percent for AMS Belgium and all others; *Italy*, 45.09 percent for TKAST and 39.69 percent for all others; *Korea*, 6.08 percent for POSCO and all others; *South Africa*, 41.63 percent for Columbus Stainless and all others; *Taiwan*, 8.02 percent for Yieh United Steel Corporation, 10.20 percent for YUSCO/Ta Chen, and 7.39 percent for all others. 75 Fed. Reg. 61699 (Oct. 6, 2010); 75 Fed. Reg. 67346 (Nov. 2, 2010). Commerce also conducted an expedited five-year review of the countervailing duty order on SSPC from South Africa, determining that revocation would be likely to lead to subsidization at the weighted average of 3.95 percent for Columbus Stainless and all other South African producers. 75 Fed. Reg. 62103 (Oct. 7, 2010). (Commerce did not find that the revocation of the countervailing duty order on SSPC from Belgium would likely lead to continuation or recurrence of subsidization and therefore revoked this order. 76 Fed. Reg. 25666 (May 5, 2011).)

In addition, the statute provides that “[i]f a countervailable subsidy is involved the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.” 19 U.S.C. § 1675a(a)(6). With respect to countervailable subsidies, Commerce identified the following government programs potentially present in South Africa: low interest rate finance for the promotion of exports; export assistance under the Export Marketing Assistance and Export Marketing and Investment Assistance Programs; benefits (allowances) under section 37E of the Income Tax Act; import financing through Impofin, Ltd., and through the IDC Competitiveness Fund (loan guarantees provided by the IDC); and the Regional Industrial Development Program. *See* CR/PR at I-18 n.29.

¹²⁶ 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.

¹²⁷ In the preliminary determinations, the Commission highlighted in its analysis of conditions of competition technological advances occurring in stainless steel plate technology and production, characteristics of SSPC demand in the United States, and an overall increase in apparent U.S. consumption over the period of investigation. Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, 701-TA-376-379 and 731-TA-788-793 (Preliminary), USITC Pub. 3107 (May 1998).

particularly in light of their price effects in the U.S. market, the Commission found the volume of cumulated subject imports, in absolute and relative terms, to be significant.¹²⁸

Price Effects. The Commission found that price was an important factor in purchasing decisions and that SSPC, once certified to required specifications, was a commodity product that sold on the basis of price regardless of country of origin. The Commission further found that subject imports depressed domestic SSPC prices to a significant degree based on a number of factors including the substitutability of the subject imports and domestic like product; parallel declines in domestic and subject import prices that started as subject import volumes began to displace nonsubject imports and gained market share; evidence of underselling and lost sales and revenues; the perceived role of subject imports as downward price leaders; and the price depressive effects of the steady build-up in subject merchandise inventories.¹²⁹

Impact. The Commission noted that subject imports had significantly increased in market share during the period examined. It found that despite rising apparent U.S. consumption and increasing shipments, production, and employment, the domestic producers' net sales values declined along with domestic prices and profitability.¹³⁰ It further found that domestic producers' deteriorating profitability negatively affected the domestic industry's ability to invest in process improvements and expanded product lines. The Commission thus concluded that cumulated subject imports had had a significant adverse effect on the domestic industry.¹³¹

2. First Five-Year Reviews

Conditions of Competition. The Commission found that domestic demand for SSPC depended on the level of demand for downstream products, and that the end uses for the product had remained relatively unchanged since the original investigation. The Commission noted that apparent U.S. consumption fluctuated -- increasing and decreasing -- during the period of review. The Commission found record evidence as to future demand was somewhat mixed but that most producers, importers, and purchasers believed demand for SSPC would remain fairly steady in the foreseeable future.¹³²

The Commission found that there was an expansion in the global capacity and production of stainless steel. The Commission found that while SSPC consumption had also grown over the period of review, with much of this growth centered in Asia, China was expected to expand its stainless steel production and this might inhibit future exports to that market.¹³³

The Commission found that consolidation had changed the composition of the domestic industry since the original investigations, with NAS becoming the largest domestic producer.¹³⁴ The Commission also found that the domestic industry's market share declined slightly over the period of review as nonsubject imports gained market share.¹³⁵

The Commission found that SSPC was a commodity product that was largely sold on the basis of price. The Commission found that SSPC prices were influenced by a number of factors including processing, raw materials, and transportation costs.¹³⁶ Due to the high and volatile cost of raw materials,

¹²⁸ USITC Pub. 3188 at 15-16; *see* USITC Pub. 3541 at 1 nn.4 & 7 (majority remand views adopting dissent from the original determination).

¹²⁹ USITC Pub. 3188 at 17-20.

¹³⁰ USITC Pub. 3188 at 20-21.

¹³¹ USITC Pub. 3188 at 22.

¹³² USITC Pub. 3784 at 22-23.

¹³³ USITC Pub. 3784 at 24.

¹³⁴ USITC Pub. 3784 at 23.

¹³⁵ USITC Pub. 3784 at 22-24.

¹³⁶ USITC Pub. 3784 at 23.

the Commission noted that many producers reported charging surcharges for certain raw materials over the period of review.¹³⁷

Likely Volume. The Commission noted that the volume of subject imports and their market share decreased dramatically as a result of imposition of the orders. The Commission noted that several factors hindered the assembly of a consistent set of foreign capacity data, but concluded based on the available data that while reported capacity utilization rates in the subject countries were relatively high, there remained unused capacity. The Commission also concluded that the industries in the subject countries were export-oriented, and had a demonstrated ability to shift exports among destinations with relative ease.¹³⁸

The Commission found several reasons why subject producers were likely to shift exports to the United States upon revocation. First, increased Chinese production was likely to require subject producers to find other markets for exports that had previously been directed to China. Second, the Commission noted the impediments to the importation of the subject merchandise into certain third-country markets. Third, the United States was found to be an attractive market because of its large size, steady demand, and high prices.¹³⁹

The Commission rejected respondents' arguments regarding exchange rate movements, and noted that while the dollar had depreciated, nonsubject imports' market share had increased.¹⁴⁰ The Commission concluded that the likely volume of cumulated imports of the subject merchandise, both absolutely and relative to consumption and production in the United States, would be significant absent the restraining effects of the orders.¹⁴¹

Likely Price Effects. The Commission again found that stainless steel plate remained an interchangeable commodity product that is sold largely on the basis of price. As in the original investigations, price was determined to be an important factor in purchasing decisions. Though price comparison data in the review was limited due to the substantial reduction in the volume of subject imports after imposition of the orders, the Commission found the level of underselling similar to that found in the original investigation. Based on the importance of price in the market, the commodity nature of SSPC, import trends during the original period of investigation, and the incentive to enter the high-priced, large, open, and stable U.S. SSPC market, the Commission found a likelihood of negative price effects from the subject imports. It therefore determined that if the orders were revoked, significant volumes of subject imports likely would significantly undersell the domestic like product to gain market share and likely would have significant depressing or suppressing effects on the prices of the domestic like product within a reasonably foreseeable time.¹⁴²

Likely Impact. The Commission found that following imposition of the orders, the domestic industry showed signs of improvement with increases in shipments, net sales, employment, and operating profits. The Commission also found that the industry made significant strides in improving its efficiency and productivity through consolidation and restructuring during the period of review. Notwithstanding efficiency and productivity gains, the record demonstrated to the Commission that the domestic industry's condition began to deteriorate after 2000.¹⁴³ The Commission found that while the industry experienced an upturn in 2004 due to a sharp rise in prices, these profits did not begin to offset the losses sustained in the previous three years. The Commission therefore found the domestic industry vulnerable to the continuation or recurrence of material injury. The Commission further found that revocation of the orders

¹³⁷ USITC Pub. 3784 at 23-24.

¹³⁸ USITC Pub. 3784 at 24-27.

¹³⁹ *Id.* at 26-27.

¹⁴⁰ *Id.* at 27.

¹⁴¹ *Id.*

¹⁴² USITC Pub. 3784 at 27-28.

¹⁴³ USITC Pub. 3784 at 28-30.

would likely lead to significant increases in the volume of cumulated subject imports at prices that would undersell the domestic like product and significantly depress or suppress U.S. prices. It concluded that these declines would have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry, which in turn would have a direct adverse impact on the industry's profitability and ability to raise capital and make and maintain necessary capital investments, and also result in domestic employment declines. The Commission thus determined that if the orders were revoked, cumulated subject imports would have a significant adverse impact on the domestic industry within a reasonably foreseeable time.¹⁴⁴

C. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, 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."¹⁴⁵ The following conditions of competition inform our determinations.

1. Demand Conditions

Demand for SSPC depends on the demand for U.S.-produced downstream products. Reported end uses (and users) for SSPC, from which SSPC demand is derived, include pipes and fittings, storage tanks and pressure vessels, automotive parts, railcar parts, appliance/food service/kitchen equipment industries, the petrochemical industry, and the construction, agriculture, and energy industries.¹⁴⁶ Apparent U.S. consumption of SSPC fluctuated during the period of review, increasing from 122,928 short tons in 2005 to a period high of 188,868 short tons in 2006 and then declined to 143,887 short tons in 2007.¹⁴⁷ Due to the economic downturn, apparent U.S. consumption declined to period lows of 84,758 short tons and 85,046 short tons in 2008 and 2009, respectively.¹⁴⁸ Apparent U.S. consumption recovered to 107,512 short tons in 2010, a level still 12.5 percent lower than in 2005.¹⁴⁹ Firms' perceptions of demand conditions during 2005-2010 are consistent with the apparent U.S. consumption data, with most reporting that demand fluctuated or decreased, citing the recession in 2008-2009 as the major reason for decreased demand.¹⁵⁰

Most firms reported that they expect demand for SSPC to increase in 2011 and 2012.¹⁵¹ Domestic interested parties reported that they expect a "very modest" increase in demand in the reasonably foreseeable future, while respondent interested parties reported that they expect "strong market growth."¹⁵² One purchaser remarked that it expected increased demand due to "the increased need for maintenance that has not been done during the recession and more industrial products being quoted in 2011."¹⁵³ Firms indicated that demand for SSPC generally tracks overall economic conditions. Average forecasts for U.S. real GDP growth are 2.6 percent in 2011 and 3.1 percent in 2012, while real industrial

¹⁴⁴ USITC Pub. 3784 at 28-30.

¹⁴⁵ 19 U.S.C. § 1675a(a)(4).

¹⁴⁶ CR at II-7, PR at II-5.

¹⁴⁷ CR/PR at Table I-1.

¹⁴⁸ CR/PR at Table I-1.

¹⁴⁹ CR/PR at Table I-1; CR at II-7, PR at II-6.

¹⁵⁰ CR/PR at Table II-4; CR at II-9, PR at II-7.

¹⁵¹ CR at II-9, PR at II-7.

¹⁵² CR at II-10, PR at II-8.

¹⁵³ CR at II-9, PR at II-7.

production is projected to increase by 4.5 percent in 2011 and 4.1 percent in 2012.¹⁵⁴ Most firms also expect an increase in SSPC demand outside the United States in 2011 and 2012.¹⁵⁵

2. Supply Conditions

The U.S. SSPC market is supplied by the domestic industry, subject imports, and nonsubject imports. During the period of review, the domestic industry satisfied the bulk of domestic demand for SSPC. On an annual basis, the domestic industry supplied between *** percent and *** percent of apparent U.S. consumption during the period of review; its share of apparent U.S. consumption in 2010 was *** percent.¹⁵⁶ AK Steel, Allegheny Ludlum, and NAS accounted for all domestic production of SSPC in 2010.¹⁵⁷ Domestic industry capacity increased irregularly from *** short tons in 2005 to *** short tons in 2010.¹⁵⁸ *** accounted for the majority of the capacity increase, ***.¹⁵⁹

Domestic producers anticipated changes to their SSPC operations. ***.¹⁶⁰ ***.¹⁶¹

In addition, SL-USA, ThyssenKrupp's \$1.4 billion greenfield, integrated production facility in Alabama, is newly operational as discussed above.¹⁶² While it will *** of SSPC in 2011 and 2012, SL-USA's production will be for feedstock for cold-rolled SSSS production rather than production of SSPC for external supply. SL-USA is not expected to begin significant, non-captive commercial shipments of SSPC to third parties until 2013, as previously discussed. SL-USA's SSPC will therefore not be in competition with SSPC imports from any source until 2013.¹⁶³

Subject imports from Belgium, Italy, Korea, South Africa, and Taiwan accounted for *** percent of apparent U.S. consumption in 2005, reached a period high of *** percent in 2007, before declining to a period low of *** percent in 2009.¹⁶⁴ They constituted *** percent of apparent U.S. consumption in 2010.¹⁶⁵

Imports from nonsubject countries accounted for between *** percent and *** percent of apparent U.S. consumption during the period of review. In 2010, they accounted for *** percent of apparent U.S. consumption.¹⁶⁶ The largest sources of nonsubject imports during the period were Germany and Sweden, which combined accounted for *** percent of nonsubject imports in 2010.¹⁶⁷

¹⁵⁴ CR at II-8, PR at II-6; CR/PR at Figs. II-1-II-2.

¹⁵⁵ CR at IV-38, PR at IV-17.

¹⁵⁶ CR/PR at Table I-15.

¹⁵⁷ CR/PR at Table I-12.

¹⁵⁸ CR/PR at Table III-4.

¹⁵⁹ CR at III-4, PR at III-2.

¹⁶⁰ CR/PR at Table III-3.

¹⁶¹ CR/PR at Table III-3.

¹⁶² ThyssenKrupp projects that SL-USA's capacity to produce SSPC will be *** short tons in 2011, *** short tons in 2012, *** short tons in 2013, and *** short tons in 2014, with projected SSPC production of *** short tons in 2011, *** short tons in 2012, *** short tons in 2013, and *** short tons in 2014. Respondent Interested Parties' Final Comments at 3.

¹⁶³ See, e.g., Respondent Interested Parties' Final Comments at 3.

¹⁶⁴ CR/PR at Table I-1.

¹⁶⁵ CR/PR at Table I-1.

¹⁶⁶ CR/PR at Table I-1.

¹⁶⁷ CR at II-6, PR at II-5; CR/PR at Table IV-2.

3. Other Likely Conditions of Competition

As discussed in section III.D above, there is a moderate to high degree of substitutability between subject imports from each source and the domestic like product,¹⁶⁸ and price is an important factor in purchasing decisions in the U.S. SSPC market.¹⁶⁹ Responding U.S. purchasers also indicated that quality and delivery (i.e., timeliness and lead time) are very important factors in their purchasing decisions.¹⁷⁰

U.S. purchasers are reportedly demanding shorter lead times in response to the 2008-2009 economic downturn. Domestic producers traditionally sold SSPC produced to order, with distributors carrying inventories, but the U.S. market now requires that producers hold more inventory to meet purchaser requirements. The record confirms that lead times for SSPC have declined from 6 to 8 weeks to 4 to 6 weeks.¹⁷¹ ThyssenKrupp reported that to meet such requirements, importers have to maintain large inventories in the United States, which creates financial risks given the volatility of raw material costs and other surcharge drivers (discussed below) that the market has experienced during the review period.¹⁷²

Sales of SSPC in the U.S. market are made primarily on a spot basis, with a small percentage of short-term contracts. Responding domestic producers reported that *** percent of their 2010 sales were on a spot basis and *** percent were sold pursuant to short term contracts.¹⁷³ Responding importers reported that 95.6 percent of their 2010 sales were on a spot basis while the balance, or 4.4 percent, were sold pursuant to short term contracts.¹⁷⁴ No firms reported the use of long-term contracts in the U.S. SSPC market.¹⁷⁵

Many firms add surcharges to the base prices of their SSPC products as a means of passing on to customers increased raw material, energy, and other costs. The responding U.S. producers reported raw material surcharges and fuel surcharges; one also reported energy surcharges.¹⁷⁶ Five importers reported the use of one or more types of surcharge, including for raw material (five responding firms), energy (four firms), fuel (two firms), and transportation (one firm).¹⁷⁷ Domestic producers have utilized surcharges since the 1980s, beginning with a nickel surcharge and later including other raw materials. Energy surcharges were the most recently added, starting around 2002-2003.¹⁷⁸ Purchasers reported that these surcharges have led to fluctuations in prices, but none reported that the types of surcharges had changed since the beginning of the period of review.¹⁷⁹

¹⁶⁸ See, e.g., CR at II-11, PR at II-9.

¹⁶⁹ See, e.g., CR at II-13, PR at II-10; CR/PR at Table II-6.

¹⁷⁰ CR/PR at Table II-6.

¹⁷¹ CR at II-15-II-16, PR at II-12-II-13.

¹⁷² CR at II-16, PR at II-13.

¹⁷³ CR at V-8, PR at V-7.

¹⁷⁴ CR at V-8, PR at V-7.

¹⁷⁵ CR at V-8, PR at V-7.

¹⁷⁶ CR/PR at V-5.

¹⁷⁷ CR/PR at V-5.

¹⁷⁸ CR/PR at V-5.

¹⁷⁹ CR/PR at V-6.

D. Revocation of the Antidumping Duty Orders on Belgium, Korea, South Africa, and Taiwan and the Countervailing Duty Order on South Africa Is Likely to Lead to the Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time¹⁸⁰

1. Likely Volume of Subject Imports

We find that cumulated subject imports from Belgium, Korea, South Africa, and Taiwan are likely to increase significantly from current levels after revocation of the orders. Although we have considered the questionnaire responses received from POSCO of Korea and Aperam of Belgium in these reviews, the absence of any information in these reviews from the foreign industries in South Africa or Taiwan leads us to rely on the information available with respect to South Africa and Taiwan. As discussed below, we find that subject producers in Belgium, Korea, South Africa, and Taiwan have both the means and the incentive to increase significantly their exports to the U.S. market after revocation.

During the original investigations, cumulated subject imports from Belgium, Korea, South Africa, and Taiwan increased significantly in absolute terms and as a share of apparent U.S. consumption. Cumulated subject imports from Belgium, Korea, South Africa, and Taiwan increased from *** short tons in 1995, equivalent to *** percent of apparent U.S. consumption, to *** short tons in 1996, equivalent to *** percent of apparent U.S. consumption, and *** short tons in 1997, equivalent to *** percent of apparent U.S. consumption. Thus, subject producers in Belgium, Korea, South Africa, and Taiwan demonstrated the ability to increase their penetration of the U.S. market rapidly prior to imposition of the orders.¹⁸¹

Since imposition of the orders, cumulated subject imports from Belgium, Korea, South Africa, and Taiwan have maintained a continuous presence in the U.S. market, including during the period examined in these reviews. During the period examined in the first reviews, the volume and market share of cumulated subject imports from Belgium, Korea, South Africa, and Taiwan declined irregularly but dramatically overall as a result of the imposition of the orders, from *** short tons in 1998 to *** short tons in 2004. The volume declines during the period examined in the first reviews were equivalent to *** percentage points in terms of share of apparent U.S. consumption, from *** percent in 1998 to *** percent in 2004.¹⁸²

During the period examined in these second reviews, the cumulated subject import volume from Belgium, Korea, South Africa, and Taiwan was *** short tons in 2005 (a level higher than in 2004), and increased to *** short tons in 2006 and *** short tons in 2007.¹⁸³ During the economic downturn, the cumulated subject import volume from Belgium, Korea, South Africa, and Taiwan was *** short tons in 2008 and *** short tons in 2009, before increasing to *** short tons in 2010, a one-year increase of *** percent over the 2009 level but still *** percent lower than in 2005.¹⁸⁴ As a share of apparent U.S. consumption, cumulated subject imports from Belgium, Korea, South Africa, and Taiwan followed a similar trend, increasing in 2005 to *** percent and to *** percent in 2007, before declining to *** percent in 2008 and to *** percent in 2009.¹⁸⁵ U.S. market share of cumulated subject imports from Belgium, Korea, South Africa, and Taiwan increased to *** percent in 2010, a level *** percentage

¹⁸⁰ Chairman Okun and Commissioner Pearson do not join this section, see Dissenting Views, but join section IV.E regarding Italy.

¹⁸¹ See CR/PR at Table I-1

¹⁸² See CR/PR at Table I-1.

¹⁸³ See CR/PR at Table I-1 (based on U.S. shipments of imports).

¹⁸⁴ CR/PR at Table C-1 (based on U.S. shipments of imports).

¹⁸⁵ CR/PR at Table C-1.

points lower than in 2005.¹⁸⁶ Thus, despite the overall declines in cumulated subject import volume since the imposition of the orders, as a group, subject producers in Belgium, Korea, South Africa, and Taiwan have demonstrated an ongoing interest in serving the U.S. market and continue to maintain ongoing relationships with U.S. customers.

Based on the information available, subject producers in Belgium, Korea, South Africa, and Taiwan also possessed significant excess capacity in 2010 with which they could significantly increase exports to the United States. The Belgian industry's hot-rolled stainless steel capacity, which includes capacity allocated to SSPC production, was *** short tons in 2010.¹⁸⁷ Total Belgian production in the same year was *** short tons, resulting in a capacity utilization rate of *** percent.¹⁸⁸ This industry's hot-rolled stainless steel excess capacity, at least some portion of which could be used for the increased production of SSPC directed to the United States, was *** short tons, equivalent to *** percent of apparent U.S. consumption of SSPC in 2010.¹⁸⁹ The record thus demonstrates that the Belgian industry had significant SSPC excess capacity to direct to the U.S. market in the event of revocation.¹⁹⁰

Korean capacity and production in 2010 were *** short tons and *** short tons, respectively.¹⁹¹ While this resulted in the highest capacity utilization rate since 2006, it still left *** short tons of Korean SSPC capacity idle, the equivalent of *** percent of apparent U.S. consumption in 2010.¹⁹²

Although there is no specific data on the South African industry's SSPC capacity and production, its total hot-rolled annealing and pickling capacity, which includes capacity that may be allocated to SSPC production, was *** short tons in 2010 according to *** data.¹⁹³ Global shipments of hot-rolled stainless steel by the South African industry in 2010 were *** short tons.¹⁹⁴ According to this same data, the highest global shipment figure for South Africa during the review period was *** short tons in 2006.¹⁹⁵ Relying upon the latter figure as a conservative proxy for allocated capacity to produce SSPC for South Africa yields a *** percent capacity utilization rate for South African SSPC in 2010.¹⁹⁶ This capacity utilization rate, if applied to actual total hot-rolled coil capacity of *** short tons in 2010, would indicate that the South African industry had unused hot-rolled coil capacity of *** short tons, at least some of which could be used for the increased production of SSPC directed to the United States.¹⁹⁷ Given the size of the U.S. market, this and other data available demonstrate that the South African industry, too, had significant SSPC excess capacity to direct to the U.S. market in the event of revocation.¹⁹⁸

The Taiwan industry, which also did not participate in these reviews, includes what is reportedly the largest integrated stainless steel mill in Southeast Asia, YUSCO, which has a melting capacity of 1 million metric tons, hot-rolling capacity of 900,000 metric tons, and cold-rolling capacity of 650,000 metric tons.¹⁹⁹ While there is no specific data on the Taiwan industry's SSPC capacity and production, its total hot-rolled coil annealing and pickling capacity, which includes capacity that may be allocated to

¹⁸⁶ CR/PR at Table C-1

¹⁸⁷ CR/PR at Table IV-5.

¹⁸⁸ CR/PR at Table IV-5.

¹⁸⁹ CR/PR at Tables I-1 & IV-5.

¹⁹⁰ CR at IV-11-IV-17, PR at IV-8-IV-9.

¹⁹¹ CR/PR at Table IV-8.

¹⁹² CR/PR at Tables I-1, IV-8.

¹⁹³ CR/PR at Table IV-10.

¹⁹⁴ CR/PR at Table IV-10.

¹⁹⁵ CR/PR at Table IV-10.

¹⁹⁶ CR/PR at Table IV-10.

¹⁹⁷ CR/PR at Table IV-10.

¹⁹⁸ CR at IV-29-IV-30, IV-33-IV-37, PR at IV-12-IV-13, IV-16-IV-17.

¹⁹⁹ CR at IV-31, PR at IV-14.

SSPC production, was *** short tons in 2010 according to *** data.²⁰⁰ Global shipments of hot-rolled stainless steel by the Taiwan industry in 2010 were *** short tons, according to *** data.²⁰¹ *** data show that in 2010 Taiwan producers had a *** percent stainless steel slab capacity utilization rate.²⁰² At this utilization rate, Taiwan would have unused capacity for hot-rolled stainless production of *** short tons, at least some of which could be used for the increased production of SSPC directed to the United States. Given the size of the U.S. market, these and other data available demonstrate that the Taiwan industry had excess capacity to produce SSPC in quantities that could dominate the U.S. market in the event of revocation.²⁰³

In sum, based on the data provided by Belgian producer Aperam and Korean producer POSCO, and the information available with respect to subject industries in South Africa and Taiwan, foreign producers in Belgium, Korea, South Africa, and Taiwan possessed significant excess capacity in 2010 with which they could significantly increase exports to the United States.

The record also indicates that subject producers in Belgium, Korea, South Africa, and Taiwan have the incentive to use their excess capacity to increase exports to the United States after revocation. According to the data provided by Aperam (Belgium) and POSCO (Korea), and the information available with respect to the industries in South Africa and Taiwan, subject foreign producers in Belgium, Korea, South Africa, and Taiwan have a significant export orientation. Respectively, these industries exported the following percentages of shipments during the review period (2005-2010) (percentages are approximate for South Africa and Taiwan): Belgium, between *** percent and *** percent, and *** percent in 2010;²⁰⁴ Korea, between *** percent and *** percent, and *** in 2010;²⁰⁵ South Africa, 75 percent;²⁰⁶ and Taiwan, between *** percent (2010) and *** percent.²⁰⁷ The declines in export percentages for Taiwan and Korea primarily reflected *** declines in shipments to a major export market, China,²⁰⁸ whose domestic production of stainless steel hot-rolled product surged *** percent during the review period from *** short tons in 2005 to *** in 2010,²⁰⁹ and is forecasted to continue its massive growth (to *** short tons in 2012 and further to *** short tons through 2015).²¹⁰ The Taiwan and Korean industries also faced increased competition from Chinese exports in their home markets with Chinese exports to Taiwan rising from *** short tons in 2005 to *** short tons in 2010, and those to Korea rising from *** short tons in 2005 to *** short tons in 2010.²¹¹ The South African industry has suffered similar export constraints because China was *** export destination for South African SSPC during the review period.²¹² Moreover, after the EU, Asian markets were the second largest export destination for Belgian SSPC; Belgian exports were also impacted by the growth in Chinese supply insofar as the two competed

²⁰⁰ CR/PR at Table IV-12.

²⁰¹ CR/PR at Table IV-12.

²⁰² ***.

²⁰³ CR at IV-31-IV-37, PR at IV-14-IV-17; CR/PR at Table I-1.

²⁰⁴ CR/PR at Table IV-4.

²⁰⁵ CR/PR at Table IV-8.

²⁰⁶ See CR at IV-29, PR at IV-12 (Columbus Stainless' website). See also CR/PR at Tables IV-10-IV-11 (showing hot-rolled exports of 33,190 in 2010 out of estimated global shipments of ***, thus indicating that exports accounted for *** percent of production in 2010, based on data available, from different sources, that includes nonsubject product).

²⁰⁷ See, e.g., CR/PR at Tables IV-12-IV-13. This is based on data available, from different sources, that includes nonsubject product.

²⁰⁸ Domestic Interested Parties' Prehearing Br. Exh. 6

²⁰⁹ CR/PR at Table IV-15.

²¹⁰ CR/PR at Table IV-16.

²¹¹ Domestic Interested Parties' Prehearing Br. Exh. 6.

²¹² Domestic Interested Parties' Prehearing Br. Exh. 6. Between 2009 and 2010 alone, South African exports to China declined from *** short tons to *** short tons. Id.

in the same Asian markets.²¹³ Given this, as well as the generally higher SSPC prices available in the U.S. market relative to Korea and Taiwan during the review period, subject producers in Belgium, Korea, South Africa, and Taiwan would have an incentive to make use of their unused capacity with increased production for exports to the United States after revocation.²¹⁴

Third country barriers further support finding that cumulated subject imports from Belgium, Korea, South Africa, and Taiwan are likely to increase significantly after revocation.²¹⁵ In 2010, Russia imposed antidumping duty orders on certain flat-rolled steel, including SSPC, from Brazil, China (including Taiwan), Korea, and South Africa. The antidumping duty rate is 33.3 percent for South Africa; 62.8 percent for Korea, with the exception of POSCO, which has an individual rate of 4.8 percent; and 39.1 percent for Taiwan.²¹⁶ POSCO also reported that ***.²¹⁷ These third country barriers will likely force subject producers in Korea, South Africa, and Taiwan to shift their exports to other markets, including the United States.

For all of these reasons, and in the absence of any argument to the contrary from a Belgian, Korean, South African, or Taiwan interested party, we conclude that revocation of the orders on subject imports from Belgium, Korea, South Africa, and Taiwan would likely result in a significant increase in cumulated subject imports from Belgium, Korea, South Africa, and Taiwan within a reasonably foreseeable time.²¹⁸

2. Likely Price Effects

As discussed in sections III.C and IV.C above, we have found that, as in the original investigations and first reviews, there is a moderate to high degree of substitutability between cumulated subject imports from each of the subject countries and the domestic like product,²¹⁹ and that price is an

²¹³ CR/PR at Table IV-6.

²¹⁴ CR/PR at Tables IV-20-IV-21.

²¹⁵ Given the economic disincentive to shift production capacity from higher-value flat-rolled products such as SSSS to lower-value SSPC product in a climate in which demand for the higher value products is steady or increasing, we are unpersuaded on this record that subject foreign producers have the incentive to engage in significant production shifting to increase imports of SSPC to the United States.

Inventory data respecting subject imports is limited on this record. U.S. importers' inventories of subject imports from Belgium, the only subject country for which any such inventories were held during the review period, were only *** short tons in 2010. CR/PR at Table IV-3. POSCO reported end-of-period inventories of *** short tons in 2010, equivalent to *** percent of its total shipments that year. CR/PR at Table-IV-8. There is no information on the record concerning Taiwan or South African producers' end-of-period inventories.

²¹⁶ CR at IV-23 n.25, IV-29 n.31, IV-31 n.35, PR at IV-11 n.25, IV-12 n.31, IV-14 n.35.

²¹⁷ CR at IV-23 n.25, PR at IV-11 n.25.

²¹⁸ Commissioner Lane cumulates the subject imports of Italy with those of Belgium, Korea, South Africa, and Taiwan. She finds that the dominant Italian producer, TKAST, shares the above detailed reasons to export its subject merchandise to the United States and, additionally, has significant excess capacity and is likely to direct a significant amount of volume to the United States in the event of revocation. These conclusions are based on the attractiveness of the U.S. market and TKAST having excess capacity in a larger amount than reported by its allocations, and on the basis of there being no planned production of stainless steel plate in Alabama until ***. Domestic Interested Parties' Prehearing Br. at 8-10 & Posthearing Br. Exh.1 at 11-12. According to TKAST's own submission, the Alabama mill will not supply commercial shipments of SSPC until late 2013. TKAST Posthearing Br. Exh. 3 at 9-11. Thus, TKAST must still rely on imports from Italy to supply the U.S. market through 2013 or 2014. Although average unit values for Italy's home market shipments were higher during the early part of the review period, by 2010 prices in the U.S. market were generally higher. CR at IV-18, PR at IV-10.

²¹⁹ See, e.g., CR at II-11, PR at II-9.

important factor in the U.S. SSPC market.²²⁰ When certified to required specifications, SSPC is essentially a commodity product and it is consistently traded on a spot-pricing basis. The vast majority of sales in the U.S. SSPC market are made on a spot basis, with only a small percentage of purchases subject to short-term contracts and no use of long-term contracts.²²¹

The Commission collected pricing data in these reviews on four SSPC products. Two U.S. producers provided useable pricing data for sales of the four products; one importer of SSPC from Belgium provided useable pricing data for products 1 and 2, but no data for Belgian SSPC were reported for products 3 and 4. No useable data were reported for products from the cumulated subject countries, Korea, South Africa, or Taiwan.²²² By quantity, the reported pricing data accounted for *** percent of subject imports from Belgium, and approximately *** percent of U.S. producers' shipments of domestic SSPC.²²³

Prices for domestic SSPC declined slightly in 2005, increased sharply until the second quarter of 2007, then declined to below 2005 levels in 2009, before increasing through the end of 2010.²²⁴ Overall domestic price increases during the review period ranged from 13 to 45 percent.²²⁵ As noted, however, the price comparison data are sparse, owing to the substantial reduction in the volume of subject imports after the imposition of the orders. The data show that subject imports from Belgium were priced lower than domestic products in 5 of 13 available comparisons, by margins ranging from *** percent to *** percent, and were priced higher than the domestic products in the remaining 8 available comparisons, by margins ranging from *** percent to *** percent. Given the low volume of sales covered, these data are of limited significance.²²⁶

In the first reviews, in 40 percent of price comparisons, the imported product was priced below the domestic product, with margins ranging from 0.2 to 31.8 percent.²²⁷ The Commission noted in those reviews that the level of underselling was similar to the levels of underselling that were found to be significant in the original investigations.²²⁸

Given the substitutability of the products, their commodity nature, the importance of price in their sales, and that spot-based sales are prevalent in this market, we conclude, as we did in the first reviews, that if the orders were revoked, cumulated subject imports will enter the U.S. market at highly competitive prices in order to obtain sales and increase market share.²²⁹ In these circumstances, and particularly when, as here, gradual but modest growth in demand is expected, domestic producers will be forced to respond to low import prices or lose market share. Similar adverse price effects were evidenced in the original investigations before the imposition of the orders. Prices for both the domestic like product and the subject imports ended the original period of investigation lower than they began it, with price declines beginning just as subject imports made their largest gains in volume and market share.²³⁰ The Commission acknowledged mixed overselling and underselling, but found that in a commodity market characterized by intense price competition, such a pattern was to be expected. The Commission

²²⁰ See, e.g., CR at II-12, PR at II-10; CR/PR at Table II-6.

²²¹ CR at V-8, PR at V-7.

²²² CR at V-9, PR at V-8.

²²³ CR at V-9, PR at V-8.

²²⁴ CR/PR at Tables V-3-V-5, Figs. V-4-V-7

²²⁵ CR/PR at Table V-6.

²²⁶ CR/PR at Table V-6.

²²⁷ USITC Pub. 3784 at 28.

²²⁸ USITC Pub. 3784 at 28. In the original investigations, based on the useable data, subject imports undersold the domestic like product in 35.4 percent of comparisons. CR at V-17 n.18, PR at V-9 n.18.

²²⁹ USITC Pub. 3784 at 28.

²³⁰ USITC Pub. 3188 at 17.

found that this pattern, combined with the increasing volume of subject imports, was having a significant depressive effect on domestic SSPC prices.²³¹

In view of our findings that the cumulated volume of subject imports from Belgium, Korea, South Africa, and Taiwan would likely increase significantly after revocation and that they would enter the market at highly competitive prices in order to obtain sales and increase market share, and given the moderate to high degree of substitutability between subject imports and the domestic like product, the commodity nature of these products, the importance of price and the spot-based nature of sales, the underselling by subject imports during the original period of investigation and the significant price depression found in those investigations, we find a likelihood of significant adverse price effects in the event of revocation of the orders. Subject import underselling would likely intensify after revocation of the orders, as subject foreign producers in Belgium, Korea, South Africa, and Taiwan seek to increase their penetration of the U.S. market. We also find that the significant underselling of subject imports from Belgium, Korea, South Africa, and Taiwan after revocation would likely result in the depression or suppression of domestic like product prices to a significant degree. Domestic producers would likely have to reduce their base prices to defend their market share and maintain an acceptable rate of capacity utilization in the face of significantly increased quantities of low priced subject imports from Belgium, Korea, South Africa, and Taiwan.

Thus, we conclude that, if the orders were revoked, significant volumes of subject imports from Belgium, Korea, South Africa, and Taiwan likely would significantly undersell the domestic like product to gain market share, thereby depressing or suppressing domestic like product prices to a significant degree.²³²

3. Likely Impact²³³

In evaluating the likely impact of imports of subject merchandise if the antidumping duty and countervailing duty 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.²³⁴ 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.²³⁵ 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.

We find that the domestic industry is not vulnerable to the continuation or recurrence of material injury. The domestic industry has undergone significant consolidation since the original investigation,

²³¹ USITC Pub. 3188 at 19-20.

²³² Commissioner Lane cumulates the subject imports of Italy with those of Belgium, Korea, South Africa, and Taiwan. The Italian producer has consistently undersold the domestic like product even when the orders were in place. CR/PR at Table I-1. She finds that the Italian subject imports share the above detailed negative price effects and notes that the likely significant increase of such subject imports would likely exacerbate the depression or suppression of domestic prices in the reasonably foreseeable time.

²³³ These are the views of Vice Chairman Williamson and Commissioner Aranoff. Commissioner Pinkert does not join this section. See Separate Views of Commissioner Dean A. Pinkert.

²³⁴ 19 U.S.C. § 1675a(a)(4).

²³⁵ 19 U.S.C. § 1675a(a)(4).

reducing the number of domestic producers to three major producers, making the industry far more productive and profitable, under normal market conditions, than during any period we have thus examined. As further discussed below, the domestic industry's current condition is more a reflection of the lingering effects of the 2008-2009 economic downturn than any fundamental vulnerability, and the domestic industry's positive prospects as demand continues to recover are reflected in the domestic industry's substantial investments in new capacity and equipment during the period of review.

The domestic industry's capacity increased much more than its production during the period of review, resulting in a reduced capacity utilization. Domestic capacity increased from *** short tons in 2005, to *** short tons in 2010, a *** percent increase over the period of review, with NAS accounting for ***.²³⁶ Domestic industry production increased from *** short tons in 2005 to *** short tons in 2006, a period high, but then declined to *** short tons in 2008, during the trough of the economic downturn.²³⁷ With the economic recovery in 2010, production increased to *** short tons, *** percent higher than 2005 levels.²³⁸ The domestic industry's rate of capacity utilization declined over the period from *** percent in 2005 to *** percent in 2010 due to the domestic industry's capacity increases over the period.²³⁹

Domestic industry employment and hours worked fluctuated during the period, while compensation and productivity increased. Domestic industry employment increased from *** production and related workers ("PRWs") in 2005 to *** PRWs in 2006, declined to *** PRWs in 2007, and *** PRWs in 2008, increased in 2009 to *** PRWs, before dropping to *** PRWs, a level *** percent lower than in 2005.²⁴⁰ Domestic industry hours increased from *** hours in 2005 to *** hours in 2006, declined to *** hours in 2007 and *** hours in 2008, increased in 2009 to *** hours, and then fell to *** hours in 2010, a level *** percent lower than in 2005.²⁴¹ Domestic industry wages paid increased from \$*** in 2005 to \$*** in 2006, declined to \$*** in 2007 and \$*** in 2008, increased in 2009 to \$***, and then decreased in 2010 to \$***, a level *** percent higher than 2005.²⁴²

The increase in wages paid over the period of review, even as employment and hours worked declined, reflects the *** percent increase in hourly wages during the period.²⁴³ Additionally, unit labor costs decreased by *** percent, while domestic industry productivity increased *** percent over the period, from *** short tons per 1,000 hours in 2005 to *** short tons per 1,000 hours in 2010.²⁴⁴

The domestic industry's net sales quantity tracked production, increasing from *** short tons in 2005 to *** short tons in 2006, a period high, declining to *** short tons in 2007, and *** short tons in 2008, before increasing to *** short tons in 2009, and *** short tons in 2010 when the economy

²³⁶ CR/PR at Table III-4. The production and capacity data presented in this table is SSPC-specific and we therefore rely upon it. We are mindful that a different allocation of capacity is reflected in Table III-5, which alters both the capacity and capacity utilization figures appearing there. Even under the capacity utilization data appearing in the Table III-5, *** excess capacity was demonstrated in 2009 and 2010. CR/PR at Table III-5 (capacity utilization rates of *** percent, respectively, for hot-rolled stainless steel production). (We note that Table III-6 – U.S. producers' shipments by type, takes into account both reduced production data as well as the allocation change.) We have taken into account all of the data presented and note that, while we ultimately rely upon the U.S. producers' reported production and capacity figures, consideration of the other data as presented in other tables does not alter our conclusion regarding the domestic industry's condition and lack of vulnerability in these reviews.

²³⁷ Id.

²³⁸ Id.

²³⁹ Id.

²⁴⁰ CR/PR at Table III-8.

²⁴¹ Id.

²⁴² Id.

²⁴³ Id.

²⁴⁴ Id.

recovered.²⁴⁵ The 2010 quantities are *** percent below those of 2005.²⁴⁶ Similarly, the domestic industry's U.S. shipments increased from *** short tons in 2005 to *** short tons in 2006, declined to *** short tons in 2007, and *** short tons in 2008, and then increased to *** short tons in 2009 and *** short tons in 2010, a level *** percent lower than in 2005.²⁴⁷ The domestic industry's exports decreased when U.S. producers' U.S. shipments were at their highest, and ended *** percent lower in 2010 than 2005 quantities.²⁴⁸ The domestic industry's share of apparent U.S. consumption fluctuated within a fairly narrow band during the period of review, increasing from *** percent in 2005 to *** percent in 2006, declining to *** percent in 2007, increasing once again to *** percent in 2008 and *** percent in 2009, and then finally declining to *** percent in 2010, a level *** percent higher than in 2005.²⁴⁹

The domestic industry's robust financial performance over the 2005-2007 period, when U.S. SSPC demand was strong, reflects the fundamental competitiveness of the industry's operations. Over that period, the domestic industry's net sales value increased *** percent, from \$*** in 2005 to \$*** in 2006 and \$*** in 2007, its operating income increased *** percent, from \$*** in 2005 to \$*** in 2006 and \$*** in 2007, and its operating income as a share of net sales increased from *** percent in 2005 to *** percent in 2006 and *** percent in 2007.²⁵⁰

Although the domestic industry's financial performance worsened considerably due to the economic downturn during the 2008-2009 period, the domestic industry's performance rebounded strongly with the nascent economic recovery in 2010. The domestic industry's net sales value declined to \$*** in 2008 and \$*** in 2009, before increasing *** percent to \$*** in 2010, a level *** percent higher than in 2005.²⁵¹ The domestic industry's operating income declined from \$*** in 2008, equivalent to *** percent of net sales, to a loss of \$*** in 2009, equivalent to *** percent of net sales, before increasing to \$*** in 2010, equivalent to *** percent of net sales.²⁵² The domestic industry's return on investment declined to *** percent in 2008 and *** percent in 2009 before recovering to *** percent in 2010.²⁵³

Apparent U.S. consumption remains at just above 2008 levels, and well below the level that prevailed during the 2005-2007 period.²⁵⁴ Most reporting firms expect demand to grow in 2011 and 2012 in the SSPC market,²⁵⁵ and the domestic industry appears well positioned to be the primary beneficiary of any such growth given its commanding share of the U.S. market, high productivity, and lead time advantage over subject and nonsubject imports.²⁵⁶ Domestic like product prices increased during the period of review,²⁵⁷ and the domestic industry's extensive use of surcharges should ensure that most of any increases in raw material and energy costs are passed through to purchasers.²⁵⁸

The domestic industry's investments in new and improved capacity reflect the domestic industry's optimism over its future prospects in a market protected from unfairly traded imports. As discussed above, NAS ***, AK Steel ***, Allegheny Ludlum ***. In addition, ThyssenKrupp began construction of a \$1.4 billion greenfield, integrated SSPC production facility. Domestic industry capital

²⁴⁵ CR/PR at Table III-9.

²⁴⁶ Id.

²⁴⁷ CR/PR at Table I-14.

²⁴⁸ CR/PR at Table III-6.

²⁴⁹ CR/PR at Table I-15.

²⁵⁰ CR/PR at Table III-9.

²⁵¹ CR/PR at Table III-9.

²⁵² Id.

²⁵³ CR/PR at Table III-13.

²⁵⁴ CR/PR at Table I-15.

²⁵⁵ CR at II-9, PR at II-7.

²⁵⁶ CR/PR at Tables I-15, III-8; CR at II-15-II-16, PR at II-9-II-10.

²⁵⁷ CR/PR at Tables V-3-V-5.

²⁵⁸ CR/PR at V-5.

expenditures increased irregularly from \$*** in 2005 to \$*** in 2008, before declining to \$*** in 2009 and \$*** in 2010.²⁵⁹

We therefore find that the domestic industry is not vulnerable to the continuation or recurrence of material injury in the reasonably foreseeable future. Nevertheless, we find that cumulated subject imports from Belgium, Korea, South Africa, and Taiwan would likely have a significant adverse impact on the domestic industry after revocation.

As addressed in our volume and price analyses above, we have determined that revocation of the orders on subject imports from Belgium, Korea, South Africa, and Taiwan would likely result in a significant increase in subject import volume that would likely undersell the domestic like product, thereby depressing or suppressing domestic like product prices to a significant degree. 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 therefore conclude that, if the orders were revoked, subject imports from Belgium, South Africa, South Korea and Taiwan would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

In evaluating the likely impact of subject imports, we have considered the role of nonsubject imports in the U.S. market. Nonsubject imports in the U.S. market declined irregularly during the period of review from *** short tons in 2005 to *** short tons in 2010. Nonsubject imports from Germany, the principal source of nonsubject imports to the U.S. market during the period of review, have mirrored these declines, with import volumes for third-party sales totaling *** short tons in 2005 and declining to *** short tons in 2010.²⁶⁰ No party has argued that nonsubject imports are likely to significantly increase their penetration of the U.S. market and weaken the causal nexus between cumulated subject imports and the continuation or recurrence of material injury to the domestic industry after revocation of the orders. Nor, as we discuss below with respect to our negative determination on Italy, are imports of what will be nonsubject imports from Italy likely to increase significantly upon revocation or weaken the causal nexus between cumulated subject imports and the likely continuation or recurrence of material injury. Based on the information available, we conclude that nonsubject imports are unlikely to prevent subject imports from Belgium, Korea, South Africa, and Taiwan from increasing the penetration of the U.S. market significantly after revocation of the orders with significant adverse volume and price effects to the domestic industry.

In sum, we find that revocation of the orders on subject imports from Belgium, Korea, South Africa, and Taiwan would likely lead to a significant adverse impact on the domestic industry within a reasonably foreseeable time. Thus, we conclude that if the orders were revoked, cumulated subject imports from Belgium, Korea, South Africa, and Taiwan would likely lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

²⁵⁹ CR/PR at Table III-12.

²⁶⁰ CR/PR at Table IV-2. As previously noted, ThyssenKrupp also reported exporting *** short tons of SSPC in 2010 to SL-USA for internal consumption, which it described as a ***. Respondents' Posthearing Br. App. at 26.

E. Revocation of the Antidumping Duty Order on Subject Imports from Italy Is Not Likely to Lead to the Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time

1. Likely Volume of Subject Imports

We find that subject imports from Italy are not likely to reach significant levels after revocation of the orders. As discussed in section III.E above, ThyssenKrupp, motivated by U.S. customer demands for shorter lead times, savings on significant logistical costs, and exchange rate volatility, is in the process of localizing its production of SSPC for the North American market so that the U.S. market will come to be served by SL-USA, while ThyssenKrupp's Italian operations focus on serving the European market.²⁶¹ We find that ThyssenKrupp's local supply strategy coupled with a unified sales network will likely limit subject imports from Italy to noninjurious levels in the reasonably foreseeable future for all of the reasons set forth above. Subject imports from Italy, if any, will consist of low volumes of niche products not produced by SL-USA.²⁶²

The volume of subject imports from Italy is also not likely to be significant after revocation for several reasons other than ThyssenKrupp's local supply strategy. Imports of SSPC from ThyssenKrupp's German production are not subject to an antidumping duty or countervailing duty order. Thus, SSPC could currently be imported from Germany if ThyssenKrupp so desired without restriction. While Germany was one of the largest nonsubject importers of SSPC during the period of review, imports from Germany have declined steadily over the period and are projected to decline further with SL-USA's hot annealing and pickling line scheduled for completion in the third quarter of 2011.²⁶³ At that time, imports from Germany are expected to shift to non-subject black band to be consumed as feedstock by the SL-USA facilities.²⁶⁴

Moreover, although the Italian industry possessed excess capacity of *** short tons in 2010,²⁶⁵ subject imports from Italy were *** throughout this period, as well as in the previous five-year span.²⁶⁶ The Italian industry's production during this period is also notable in that SSPC capacity has been *** during the period of review,²⁶⁷ a decrease in capacity resulting from the closure of a plant in Turin in 2008 as well as a change in product mix.²⁶⁸

The Italian industry has also reported an increasing proportion of its shipments being directed to home and third country markets in the European Union. In 2010, *** percent of Italy's shipments, including internal consumption, went to its domestic market, and another *** percent went to the European Union.²⁶⁹ Prices in the European Union and Italy were comparable to or higher than prices in the United States towards the end of the period of review, and demand is projected to grow in Western

²⁶¹ See, e.g., Respondent Interested Parties' Posthearing Br. at 8-9 & App. at 20-25. Lead times in the U.S. market have declined to just 4-6 weeks. CR at II-16, PR at II-13.

²⁶² Tr. at 120 (Salas).

²⁶³ CR/PR at IV-5 & Table IV-2; Respondent Interested Parties' Posthearing Br. at 10-13 & App. at 25-27; Respondent Interested Parties' Final Comments at 2.

²⁶⁴ Respondent Interested Parties' Posthearing Br. at 11 and App. at 26-27; Respondent Interested Parties' Final Comments at 2.

²⁶⁵ CR/PR at Table IV-6.

²⁶⁶ CR/PR at Table I-1.

²⁶⁷ CR/PR at Table IV-6.

²⁶⁸ Some of the equipment from the Turin plant is currently in the custody of Italian authorities. Also, TKA-ST has emphasized that it has made substantial investments in finishing capacity in its Terni facility, and is more focused on value-added products such as CTL plate and other cold-rolled products. CR at IV-18, PR at IV-10.

²⁶⁹ CR/PR at Table IV-6.

Europe.²⁷⁰ We note that while *** short tons of TKAST's production went to its Mexican affiliate,²⁷¹ even this production is expected to decline once the SL-USA plant has the capability to provide feedstock.²⁷²

Thus, in light of the size and declines in capacity of the industry, its *** from the U.S. market at least ***, its increasing focus on its home market and the European Union, where prices are competitive and demand is expected to grow, and the likelihood of ThyssenKrupp using nonsubject Germany as its external source, if any, we find that the Italian industry has little ability or incentive to significantly increase exports to the United States after revocation for reasons in addition to being restrained by ThyssenKrupp's local supply strategy.²⁷³

We are unpersuaded by the domestic interested parties' argument that a significant increase in subject imports from Italy is likely because such an increase would be necessary for ThyssenKrupp to meet its goal of a 25 percent share of the U.S. SSPC market. As an initial matter, ThyssenKrupp's target market share in the United States appears to be 21 percent, not 25 percent, based on materials prepared by ThyssenKrupp and submitted by the domestic interested parties.²⁷⁴ In light of *** projections for U.S. consumption of SSPC, SL-USA's projected production of SSPC would be sufficient to meet ThyssenKrupp's target market share by 2013 with no increase in subject import volume from Italy.²⁷⁵

We are also not convinced that Italian producers would likely shift production from other hot-rolled products (CTL plate, CTL SSSS, SSSS in coils and other flat rolled products) to subject SSPC in order to increase their exports of SSPC to the U.S. market after revocation. Because nonsubject flat rolled products are value-added products that command a premium over subject SSPC, subject foreign producers have no economic incentive to shift production to subject SSPC after revocation.²⁷⁶ This remains especially true since the size of the market of other hot-rolled products is considerably larger than the SSPC market.²⁷⁷

In sum, in view of ThyssenKrupp's local supply strategy coupled with a unified sales network, in addition to numerous corroborative considerations respecting the Italian SSPC industry, its import history and market orientation, and pertinent competitive conditions, we conclude that revocation of the order on SSPC from Italy is not likely to lead to a significant volume of subject imports from Italy in the reasonably foreseeable future.

²⁷⁰ CR/PR at Tables IV-18, IV-20-IV-21. Exports from Italy to the United States would also incur additional costs for shipping and brokerage and handling. Respondents' Posthearing Br. at 8-9.

²⁷¹ This amount is just under *** percent of Italian production, and constitutes the remainder of all production excluding *** short tons that went to ***. Respondent Interested Parties' Posthearing Br. at 12.

²⁷² Id. at 12-13.

²⁷³ We note that U.S. importers' inventories of subject imports, consistent with the industry's import record, were *** throughout the review period. CR/PR at Table IV-3. The Italian producer's end-of-period inventories were also *** through the review period. CR/PR at Table IV-6.

Further, we note that India has initiated an antidumping duty investigation against hot-rolled flat products of stainless steel of ASTM Grade 304 (including 88 PC) from the European Union, including Italy, the final phase of which is ongoing. Domestic Interested Parties' Prehearing Br. at 17.

²⁷⁴ Domestic Interested Parties' Posthearing Br. App. at Exh. 8. The domestic interested parties cite a Chinese internet website of unknown credibility for their assertion that ThyssenKrupp's target market share in the United States is 25 percent. See id. We find the materials prepared by ThyssenKrupp itself to be more credible.

²⁷⁵ CR/PR at Table IV-18; Respondent Interested Parties' Final Comments at 3. Based on projected merchant SSPC production of *** in 2013, SL-USA's projected merchant production would account for *** percent of U.S. consumption in 2013. See CR/PR at Table IV-18.

²⁷⁶ See, e.g., Respondent Interested Parties' Posthearing Br. App. at 30-31.

²⁷⁷ Id.

2. Likely Price Effects

We find that subject imports from Italy are not likely to undersell the domestic like product or depress or suppress domestic like product prices to a significant degree after revocation of the order. As noted above, there is a moderate to high degree of interchangeability between subject imports and the domestic like product, and price is an important factor in the U.S. SSPC market.

In this review, no price data specific to imports from Italy were available to compare to prices of the domestic product. In the original investigations, imports from Italy oversold the domestic like product in 40 of 57 comparisons.²⁷⁸ While the percentage of underselling increased in the first reviews, comparisons were based on a much smaller set of pricing data because the Italian industry ***.²⁷⁹

We do not find that subject imports from Italy likely would significantly undersell the domestic like product or adversely affect domestic like product prices to a significant degree after revocation in light of ThyssenKrupp's local supply strategy, the Italian industry's capacity reductions, and its focus on the domestic market. Based on ThyssenKrupp's adoption of its local supply strategy, we have found that subject imports from Italy, if any, would likely be limited to low volumes of niche products after revocation and would likely be too small to have any significant price depressing or price suppressing effects on prices for domestic like products.

We are unpersuaded by the domestic interested parties' argument that Italian imports will target and undersell the domestic market until SL-USA begins merchant production of SSPC in 2013. As discussed in section III.E above, ThyssenKrupp's pattern of SSPC exports from Germany during the period of review is revealing of this precise point because ThyssenKrupp has always been able to import SSPC from its nonsubject German production without restriction. As we have found, however, German imports have been *** during the period of review and demonstrate that ThyssenKrupp not only has no propensity to gain SSPC market share during SL-USA's ramp-up through the importation of nonsubject SSPC from its German division, it has no incentive to shift nonsubject production from Germany to Italy, much less target the U.S. market at prices that could suppress or depress domestic SSPC pricing for SL-USA. SL-USA's impending entry into the U.S. merchant market for SSPC in 2013 creates a disincentive for ThyssenKrupp to depress or suppress U.S. prices for SSPC.

Accordingly, we find that subject imports from Italy are not likely to significantly price undersell the domestic like product or suppress or depress domestic like product prices to a significant degree after revocation.

3. Likely Impact

We find that subject imports from Italy would not likely have a significant adverse impact on the domestic industry after revocation. As addressed above, we have found that the domestic industry is not vulnerable to the continuation or recurrence of material injury in the reasonably foreseeable future. We have also concluded that revocation of the order on SSPC from Italy is not likely to lead to a significant volume of subject imports from Italy. Under ThyssenKrupp's local supply strategy, SL-USA is empowered to manage subject imports from Italy and "veto" them as necessary, to prevent them from adversely affecting SL-USA's sales and to protect ThyssenKrupp's \$1.4 billion investment in SL-USA.²⁸⁰ Given this, as well as the price sensitivity of the U.S. SSPC market, and ThyssenKrupp's current ability to

²⁷⁸ CR at V-17 n.18, PR at V-9 n.18.

²⁷⁹ Id.; CR/PR at Table I-1.

²⁸⁰ See, e.g., Respondent Interested Parties' Final Comments at 3; Respondent Interested Parties' Posthearing Br. at 7-8; Respondent Interested Parties' Posthearing Br. App. at Exh. 11 (Statement on U.S. Sales Strategy by Clemens Iller, Chairman of the Management Board); Tr. at 125 (Lacor).

supply SSPC from its German sources, we find that subject imports from Italy at most would likely be limited to small volumes of niche products.

We have also found that subject imports from Italy are not likely to undersell the domestic like product or suppress or depress domestic like product prices to a significant degree after revocation. ThyssenKrupp's local supply strategy will likely restrain the volume and pricing of subject imports from Italy to levels that would not adversely affect SL-USA's prices and, by extension, domestic like product prices.

In light of our finding that the domestic industry is not vulnerable, and given that we do not find that the volume of subject imports from Italy likely will be significant or have significant adverse price effects, we find that revocation of the antidumping duty order on Italy would not likely lead to a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the above-stated reasons, we determine that revocation of the countervailing duty order on SSPC from South Africa and revocation of the antidumping duty orders on SSPC from Belgium, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We also determine that revocation of the antidumping duty order on SSPC 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.

SEPARATE VIEWS OF COMMISSIONER DEAN A. PINKERT

Based on the record in these five-year reviews, I determine under section 751(c) of the Tariff Act of 1930, as amended, that revocation of the antidumping duty orders on imports of stainless steel plate in coils (“SSPC”) from Belgium, Korea, South Africa, and Taiwan and the countervailing duty order on imports of SSPC from South Africa would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. I further determine that revocation of the antidumping duty order on imports of SSPC 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.

Because the reasons for my negative determination with respect to Italy differ significantly from the reasons expressed by other Commissioners, and because my analyses of likelihood of no discernible adverse impact and the vulnerability of the domestic industry differ from those of my colleagues, I am providing these separate views.

I. ITALY

A. Imports Of The Subject Merchandise From Italy Would Be Likely To Have No Discernible Adverse Impact On The Domestic Industry If The Order Were Revoked

The statute precludes the Commission from cumulating imports of the subject merchandise from a given country if it finds they are likely to have no discernible adverse impact on the domestic industry.¹ Based on the record in these reviews, as explained below, I find that, if the antidumping order on SSPC from Italy were revoked, imports of the subject merchandise from Italy would be likely to have no discernible adverse impact on the domestic industry.

The volume and market share of imports from Italy have always been relatively low. U.S. shipments of imports from Italy were *** short tons in 1997, the last year of the period of the original investigation, and accounted for *** percent of U.S. consumption quantity.² Under the discipline of the antidumping duty order, U.S. shipments of imports from Italy fell to *** short tons in 2001 and then to *** for the remainder of the review period.³

Against that background, and given that the Italian SSPC industry is not export-oriented, its capacity has sharply decreased, it is focusing on higher-value products than SSPC, and it has incentives to continue to export to other markets, there is little or no reason to expect that imports of subject merchandise from Italy would enter the U.S. market in significant volumes in the reasonably foreseeable future if the order were revoked. Nor is it likely that such imports would cause adverse price effects in the U.S. market in the reasonably foreseeable future if the order were revoked.

The Italian SSPC industry is focused on home market shipments and internal consumption, which collectively accounted for *** percent of its total shipments in 2010. In contrast, export shipments accounted for only *** percent of total shipments in that year. Total Italian exports of SSPC were ***

¹ 19 U.S.C. § 1675a(a)(7). I note that the “no discernible” standard is relatively difficult to satisfy. Certain Welded Large Diameter Line Pipe from Mexico, Inv. No. 731-TA-920, USITC Pub. 4227 (April 2011), at 19 (Separate Views of Commissioner Dean A. Pinkert), citing Nippon Steel Corp. v. United States, 494 F.3d 1371, 1370 (Fed. Cir. 2007).

² CR/PR at Table I-1.

³ Id.

short tons in 2010, well below the industry's exports of *** short tons in 2005.⁴ Prices for SSPC in Italy were generally higher than U.S. prices in 2009 and 2011, and were either higher than or competitive with U.S. prices in 2010.⁵

Production capacity for TKAAT, the dominant Italian SSPC producer, decreased by *** during the review period, from *** short tons in 2005 to *** short tons in 2010.⁶ Capacity decreased due to a plant closure in 2008 and a change in product mix toward higher value-added products.⁷ Production declined similarly from *** short tons in 2005 to *** short tons in 2010.⁸ Although capacity utilization decreased from 2005 to 2010, this coincided with a sharp drop in capacity, an increase in home market and internal consumption, and a sharp decrease in exports.⁹

To the extent that TKAAT exports SSPC, it will continue to rely to a large extent on EU customers, primarily because of favorable pricing.¹⁰ Prices for SSPC in the European Union were generally higher than U.S. prices in 2009 and 2011, and were either higher than or competitive with U.S. prices in 2010.¹¹

Given these trends, there is little or no reason to expect imports of subject merchandise from Italy, which have been out of the U.S. market for over a decade, to enter the market at greater than negligible volumes and have a discernible adverse impact in the reasonably foreseeable future. It is simply not likely that TKAAT would abandon its home market or EU customers to ship SSPC to the United States at generally lower prices.¹²

In the original investigations, subject imports from Italy undersold the domestic like product in 17 out of 57 quarterly comparisons (overselling the domestic like product in 40 out of 57 quarterly comparisons).¹³ In the first reviews, in contrast, they undersold the domestic like product in 15 of 21 quarterly comparisons. Although the percentage of underselling increased in the first reviews, the comparisons were based on a much lower quantity of pricing data, because the Italian industry ***.¹⁴ Given that the volume of imports of subject merchandise from Italy is likely to remain at or near that level, and in light of the overselling during the original investigations, a significant level of underselling and adverse price effects would not be likely if the order were revoked.

⁴ CR/PR at Table IV-6.

⁵ CR/PR at Table IV-20 at IV-42, Table IV-21 at IV-45.

⁶ CR/PR at Table IV-6.

⁷ CR at IV-18 & n.21; PR at IV-10 & n.21.

⁸ CR/PR at Table IV-6. I rely on the SSPC-specific data in Table IV-6 of the staff report. I note that the production data in Table IV-7 includes production dedicated to value-added downstream products.

⁹ CR/PR at Table II-3 and Table IV-6.

¹⁰ In 2010, the highest volume export destinations for Italy were, in descending order, Mexico, Germany, China, Turkey, Egypt, Switzerland, India, France, the Netherlands, and Poland. Petitioners' Posthearing Brief, Exhibit 7. Four of those countries are members of the European Union.

¹¹ CR/PR at Table IV-20 at IV-42, Table IV-21 at IV-45.

¹² Indeed, ThyssenKrupp appears to be moving away from the U.S. merchant market even with respect to its German SSPC production, which is not subject to an order. ThyssenKrupp accounted for *** reported imports from Germany to the United States from 2005 to 2010. Imports from Germany destined for the U.S. merchant market fell from *** short tons in 2005 to *** short tons in 2010. CR/PR at Table IV-2. ThyssenKrupp exported *** short tons of SSPC in 2010 from Germany to SL-USA for internal consumption, which it described as a ***. Respondent Interested Parties' Posthearing Br. App. at 26.

¹³ CR at V-17, n.18; PR at V-9, n. 18.

¹⁴ Confidential Staff Report for the First Reviews (Memorandum INV-CC-058, April 27, 2005) at V-28.

Based upon the record evidence that imports of subject merchandise from Italy are likely to be negligible in the reasonably foreseeable future and are unlikely to have significant adverse price effects, I conclude that such imports would be likely to have no discernible adverse impact on the domestic industry if the antidumping duty order on such imports were revoked, and I do not cumulate them with subject imports from other countries. In making this determination, I have taken into account the mixed record evidence on the vulnerability of the domestic industry, which I discuss in greater detail below.

B. Revocation Of The Order On Imports Of The Subject Merchandise From Italy Would Not Likely Lead To Continuation Or Recurrence Of Material Injury Within A Reasonably Foreseeable Time

In section I.A. above, I find that imports of SSPC from Italy would be likely to have no discernible adverse impact on the domestic industry if the antidumping duty order on such imports were revoked. It necessarily follows from this determination that such imports would be unlikely to cause material injury to the domestic industry under those circumstances. Therefore, I determine that revocation of the antidumping duty order on SSPC from Italy would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

II. BELGIUM, KOREA, SOUTH AFRICA, AND TAIWAN

A. Cumulation

1. Likelihood Of No Discernible Adverse Impact

In contrast to my views with respect to Italy, I do not find that imports of the subject merchandise from any of the other four subject countries would be likely to have no discernible adverse impact on the domestic industry in the event of revocation. I write separately from my colleagues because my analyses differ from theirs.

Belgium. In the original investigations, U.S. shipments of subject imports from Belgium increased from *** short tons in 1995 to *** short tons in 1996, then decreased to *** short tons in 1997.¹⁵ U.S. shipments of subject imports from Belgium were *** short tons in the first year of the period examined in the first reviews (1998). In 1999, U.S. shipments of subject imports from Belgium increased to their highest level of the period examined in the first reviews, *** short tons. In 2000, U.S. shipments of subject imports from Belgium were *** short tons, which declined to *** short tons the following year but steadily increased through the remainder of the period examined in the first reviews, reaching *** short tons in 2004.¹⁶ During the period examined in these second five-year reviews, U.S. shipments of subject imports from Belgium increased from *** short tons in 2005 to a period high of *** short tons in 2007, then declined to a period low in 2009 of *** short tons, and were *** short tons in 2010.¹⁷ As a share of apparent U.S. consumption, Belgian SSPC ranged from *** percent to *** percent in the original investigations, from *** percent to *** percent in the first five-year reviews, and from *** percent to *** percent in these second five-year reviews.¹⁸

¹⁵ CR/PR at Table I-1.

¹⁶ CR/PR at Table I-1.

¹⁷ CR/PR at Table I-1.

¹⁸ CR/PR at Table I-1.

In 2010, *** percent of Belgian industry shipments went to the home market; *** percent of shipments went to export markets, with the European Union accounting for *** percent of all shipments in 2010. Asian markets constituted the next most significant export destination, accounting for *** percent of shipments in 2010. The United States accounted for *** percent of Belgian industry shipments in 2010.¹⁹

The Commission did not receive *** from the sole Belgian producer, Aperam Stainless Belgium (“Aperam”).²⁰ Aperam reported its production of SSPC, which fluctuated during the period of review from a high of *** short tons in *** to a low of *** short tons in ***. Production was *** short tons in 2010, *** percent lower than in 2005.²¹ Production is not a proxy for capacity, however, so I turn to information available, which includes Aperam’s hot-rolled stainless steel capacity and cold-rolled stainless steel capacity.²²

Both sets of capacity data include flat-rolled products outside the scope of the order. Thus, in addition to subject SSPC, products covered by the data include non-subject stainless steel sheet and strip (“SSSS”) in various forms and cut-to-length (“CTL”) plate, among others.²³ The reported data indicate production quantities for each of these flat-rolled stainless products and, based on combined production totals, a total capacity utilization rate for the industry’s hot-rolled and cold-rolled stainless operations, respectively, for each year of the period of review.²⁴ The data show that the Belgian industry produced *** with its hot-rolled stainless capacity than any other hot-rolled stainless products, with *** accounting for the second highest quantity.²⁵ The data also show that *** accounted for *** quantities and relative allocation of cold-rolled stainless capacity, with the vast majority of cold-rolled stainless capacity used for ***.²⁶

The Belgian industry’s hot-rolled stainless capacity decreased during the period of review from *** short tons (in 2005-2007) to *** short tons (2008-2010). Production of subject hot-rolled SSPC fluctuated throughout the period, from a high of *** short tons in 2006 to a low of *** short tons in 2009. Production was *** in 2010, an *** percent decline overall from the start of the period when it was *** short tons.²⁷

Belgian hot-rolled stainless operations showed excess capacity throughout the period of review, with capacity utilization rates fluctuating from a high of *** percent in *** to a low of *** percent in 2009. Capacity utilization was *** percent in 2010, up from *** percent in 2005.²⁸

Aperam’s cold-rolled stainless capacity during the period of review was *** short tons in 2005 and increased to its current level of *** in 2008. Production of subject cold-rolled SSPC, *** than hot-rolled SSPC, fluctuated throughout the period, from a high of *** short tons in 2007 to a low of *** short

¹⁹ CR/PR at Table IV-4.

²⁰ CR/PR at Table IV-4 n.1.

²¹ CR/PR at Table IV-4.

²² CR/PR at Table IV-5.

²³ CR/PR at Table IV-5.

²⁴ CR/PR at Table IV-5. I note that the hot-rolled stainless production data do not include coils that are rerolled in Aperam’s cold-rolling operations. CR at IV-17, PR at IV-9; CR/PR at Table IV-5 n.1.

²⁵ CR/PR at Table IV-5.

²⁶ CR/PR at Table IV-5.

²⁷ CR/PR at Table IV-5. I note that these data do not include coils that are rerolled in Aperam’s cold-rolling operations. See CR/PR at Table IV-5 n.1.

²⁸ CR/PR at Table IV-5.

tons in 2009.²⁹ Capacity utilization for the industry's cold-rolled stainless operations fluctuated during the period from a high of *** percent in 2006 to a low of *** percent in 2009, and was *** percent in 2010.³⁰

The information available thus shows excess capacity in the reported hot-rolled and cold-rolled stainless operations of the Belgian industry that, constrained only by allocation levels, may be directed to the production of subject SSPC. Excess capacity in 2010 for hot-rolled stainless, for example, was *** short tons, the equivalent of *** percent of apparent U.S. consumption of SSPC in 2010.³¹ At a minimum, some portion of this idle capacity could be used to increase production of subject SSPC. A separate tabulation combining the Belgian industry's reported hot-rolled and cold-rolled stainless capacity and production data further illustrates the point, showing idle capacity throughout the period of review for hot-rolled and cold-rolled stainless production combined, with capacity utilization rates most recently of *** percent and *** percent in 2009 and 2010, respectively.³²

I find that the Belgian industry has significant SSPC capacity and excess capacity to direct to the U.S. market. Considering also the industry's high degree of export orientation and the continued presence of Belgian SSPC in the U.S. market, I conclude that imports of the subject merchandise from Belgium, upon revocation, would not be likely to have no discernible adverse impact on the domestic industry.³³

Korea. In the original investigations, U.S. shipments of subject imports from Korea increased from *** short tons in 1995 to *** short tons in 1997. U.S. shipments of subject imports from Korea have never returned to this pre-order high following imposition of the orders, declining to *** short tons in 1998 and *** short tons in 1999 before a brief jump to *** short tons in 2000, following which they have been *** in the U.S. market through the remainder of the first and the entirety of the second five-year review periods.³⁴ As a share of apparent U.S. consumption, subject Korean SSPC rose from *** percent in 1995 to *** percent in 1997. Since the imposition of the orders, subject Korean SSPC's highest market share was in 2000, at *** percent, after which there were ***.³⁵

The Korean industry's shipments to its home market fluctuated during the period. They constituted *** percent of shipments in 2010, up from *** percent in 2005 but down from the period high of *** percent in 2007. Export shipments fluctuated as well, from a high of *** percent of total shipments in 2005 to a low of *** percent in 2007. In 2010, exports constituted *** percent of the industry's total shipments and were directed primarily to Asian markets.³⁶

The Korean industry's production capacity decreased from *** short tons in 2005 to *** short tons in 2010, a decline of *** percent.³⁷ Production increased between 2005 and 2006, then decreased, ending *** percent lower in 2010 (***) than in 2005 (***). In 2010, capacity utilization was *** percent, which was higher than in 2007-2009, but lower than during the first two years of the period.³⁸

²⁹ CR/PR at Table IV-5.

³⁰ CR/PR at Table IV-5.

³¹ See CR/PR at Tables IV-5 & I-1.

³² CR at IV-17, PR at IV-9.

³³ See CR at IV-11-IV-17, PR at IV-8-IV-9.

³⁴ CR/PR at Table I-1.

³⁵ CR/PR at Table I-1.

³⁶ CR/PR at Table IV-8.

³⁷ CR/PR at Table IV-8.

³⁸ CR/PR at Table IV-8.

Based on the Korean industry's significant SSPC production capacity, including its excess capacity, and the industry's high degree of export orientation, I find that imports of the subject merchandise from Korea, upon revocation, would not be likely to have no discernible adverse impact on the domestic industry.

South Africa. In the original investigations, the quantity of U.S. shipments of subject imports from South Africa increased from *** short tons in 1995 to *** short tons in 1996, and decreased to *** short tons in 1997. The share of apparent U.S. consumption of South African SSPC also increased, from *** percent in 1995 to *** percent in 1997. The volume of subject imports from South Africa was *** short tons in 1998 or *** percent of apparent U.S. consumption, but fell *** after the orders were imposed, and was *** and *** short tons in 2003 and 2004, the last years of the period examined in the first five-year reviews.³⁹

During the period examined in these second five-year reviews, the volume of subject imports from South Africa increased to period highs of 1,320 short tons in 2006 and 1,176 short tons in 2007, accounting for 0.7 percent and 0.8 percent of apparent U.S. consumption in each year, respectively. As of 2009, the volume of subject imports from South Africa was 2 short tons, and the volume was 69 short tons in 2010.⁴⁰

Columbus Stainless provided questionnaire responses in the original investigations and the first reviews. Although the Commission issued a foreign producer questionnaire to Columbus Stainless in these second five-year reviews, the firm replied that ***. The record therefore contains limited information in regard to the South African industry.⁴¹

The domestic interested parties reported that Columbus Stainless produced a total of 705,472 short tons of hot-rolled stainless steel coil (which includes nonsubject products such as SSSS) in 2007.⁴² *** data indicate that the industry's hot-rolled annealing and pickling capacity, which covers subject product (though not coils for rerolling) and certain non-subject product, was *** short tons in 2010.⁴³ Global shipments of hot-rolled stainless steel, according to *** data, increased by *** percent during 2005-2006 before declining *** percent during 2006-2010.⁴⁴ In 2010, South Africa's global shipments of hot-rolled stainless steel plate, ***, amounted to *** short tons.⁴⁵

According to Columbus Stainless' website, home market shipments comprise 25 percent of the company's total sales. In addition, the company has a "well-developed" sales network for its exports in Europe, the Americas, the Middle East, and the Far East.⁴⁶

Given the South African industry's significant capability to produce SSPC, its high degree of export orientation, and the continued presence of South African SSPC in the U.S. market, I find that imports of the subject merchandise from South Africa, upon revocation, would not be likely to have no discernible adverse impact on the domestic industry.

Taiwan. In the original investigations, the quantity of U.S. shipments of subject imports from Taiwan increased dramatically from *** short tons in 1995 to *** short tons in 1996, and then to *** short tons in 1997. Official Commerce statistics indicate that subject import volume from Taiwan was

³⁹ CR/PR at Table I-1.

⁴⁰ CR/PR at Table I-1.

⁴¹ CR at IV-29 & n.30, PR at IV-12 & n.30.

⁴² CR at IV-29, PR at IV-13.

⁴³ CR/PR at Table IV-10 & n.1

⁴⁴ See CR/PR at Table IV-10.

⁴⁵ CR/PR at Table IV-10.

⁴⁶ CR at IV-29, PR at IV-12.

5,004 short tons in 1998, but fell to 307 short tons in 1999. During the remaining period examined in the first reviews, 2000-2004, subject import volume from Taiwan remained low, with *** reported imports in 2003 and only *** short tons in 2004.⁴⁷ Official Commerce statistics for 2005-2010 indicate that subject import volume from Taiwan has remained low during the period of review in the second reviews, from a high of 373 short tons in 2005, to 3 short tons in 2010.⁴⁸

There are four Taiwan companies with hot-rolled annealing and pickling capacity: Chien Shing Stainless Steel Co., Ltd.; Tang Eng Iron Works Co., Ltd. (“Tang Eng”); Tung Mung Development Co., Ltd. (“Tung Mung”); and YUSCO. YUSCO is believed to account for the major portion both of Taiwan production and exports of the subject merchandise.⁴⁹ During the original investigations, YUSCO, along with Tang Eng and Tung Mung, provided data. No producer from Taiwan provided data during the first reviews, however, nor has any producer from Taiwan provided data in these reviews.⁵⁰ Therefore, the information in these reviews on the Taiwan industry is significantly limited.

YUSCO is reportedly the largest integrated stainless steel mill in Southeast Asia, with melting capacity of 1 million metric tons, hot-rolling capacity of 900,000 metric tons, and cold-rolling capacity of 650,000 metric tons.⁵¹ According to ***, the Taiwan industry’s hot-rolled annealing and pickling capacity was *** short tons in 2010.⁵² *** regarding the Taiwan industry’s global shipments of hot-rolled stainless steel, ***, indicate that shipment volumes have fluctuated during the review period, from a high of *** short tons in 2006 to a low of *** short tons in 2008. Shipment volumes were *** short tons in 2010, an increase of *** percent from 2005 (*** short tons).⁵³ According to Global Trade Atlas data (which may include nonsubject product), Taiwan exports of SSPC have declined irregularly during the period of review. These data show that the Taiwan industry’s exports in 2010 were 34,007 short tons, a figure representing a decline of 53.1 percent from 2005, though it is modestly higher than the period low of 31,287 short tons in 2008.⁵⁴

Given the Taiwan industry’s significant capacity to produce SSPC, the Taiwan industry’s export orientation, and the continued presence of Taiwan SSPC in the U.S. market, I find that imports of the subject merchandise from Taiwan, upon revocation, would not be likely to have no discernible adverse impact on the domestic industry.

2. Likelihood Of A Reasonable Overlap Of Competition And Likely Conditions Of Competition

I join my colleagues in their finding in section III.C of the Commission views that there would likely be a reasonable overlap of competition between and among imports of the subject merchandise from Belgium, Korea, South Africa, and Taiwan and the domestic like product if the orders were revoked. I do not join section III.D of the Commission views, as Commissioner Lane and I set forth our analysis of

⁴⁷ CR/PR at Table I-1.

⁴⁸ CR/PR at Table I-1.

⁴⁹ CR at IV-31-IV-32, PR at IV-14.

⁵⁰ YUSCO and several other steel producers and exporters in Taiwan, including YUSCO’s ***, received but did not respond to the Commission’s questionnaire in these reviews. CR at IV-31, PR at IV-14.

⁵¹ CR at IV-31, PR at IV-14.

⁵² CR/PR at Table IV-14.

⁵³ CR/PR at Table IV-12.

⁵⁴ CR/PR at Table IV-13.

likely conditions of competition in footnote 136. Based on that analysis, I cumulate imports from Belgium, Korea, South Africa, and Taiwan.

B. Revocation Of The Orders On Imports Of The Subject Merchandise From Belgium, Korea, South Africa, And Taiwan Would Likely Lead To Continuation Or Recurrence Of Material Injury Within A Reasonably Foreseeable Time

1. Likely Impact

I concur with the determinations of Vice Chairman Williamson and Commissioner Aranoff with respect to the likelihood that revocation of the orders on Belgium, Korea, South Africa, and Taiwan would lead to continuation or recurrence of material injury within a reasonably foreseeable time and generally concur with their findings and conclusions with respect to those four countries. I thus join their discussion of likely volume and price effects in sections IV.D.1 and IV.D.2 of the Commission views, but I do not join their discussion of likely impact in section IV.D.3. I write separately on likely impact because my views on vulnerability differ from theirs, namely, I find that the record evidence is mixed as to whether the domestic industry is vulnerable to continuation or recurrence of material injury in the reasonably foreseeable future. Because I find that the domestic industry is currently exhibiting certain weaknesses, as explained below, the findings and conclusions reached by Vice Chairman Williamson and Commissioner Aranoff with respect to likelihood of material injury due to imports of subject merchandise from Belgium, Korea, South Africa, and Taiwan apply with even greater force in my analysis.

As a result of the downturn in consumption that began in 2007 and intensified in 2008, the industry's performance generally slumped in 2008 and 2009. U.S. shipments decreased by quantity by *** from 2007 to 2008, although they increased by *** from 2008 to 2009. Net sales *** by quantity and *** by value from 2007 to 2008. Although net sales increased by *** percent by quantity from 2008 to 2009, low unit values caused total net sales values to decrease by *** at that time. This decline in total net sales values resulted in *** in 2009, which is in contrast to *** in 2007. The domestic industry registered an operating margin in 2009 of *** percent, which is in contrast to an operating margin of *** percent in 2007.⁵⁵ I find that the economic downturn had a significant negative impact on the SSPC industry and that it weakened the industry.

As consumption improved in 2010, the domestic industry recovered to some extent. This is most apparent in the industry's profitability. The domestic industry's operating income was *** in 2010, and its operating margin was *** percent. Nevertheless, I do not find the domestic industry's health to be robust. Although operating margins, operating income, net sales values, and unit values were higher in 2010 than in 2005, they remained lower than in 2007. There are other signs of weakness as well. Net sales by quantity in 2010 were lower than in 2005. Market share was down slightly in 2010.⁵⁶ Finally, *** had to rescind a price increase in 2011.⁵⁷ Accordingly, I find the record evidence mixed on the issue of vulnerability.

As addressed in the volume and price analyses in the Commission's views, I join Vice Chairman Williamson and Commissioner Aranoff in finding that revocation of the orders on subject imports from Belgium, Korea, South Africa, and Taiwan would likely result in a significant increase in SSPC imports from the four countries that would likely undersell the domestic like product, thereby depressing or suppressing domestic like product prices to a significant degree. I concur with them that the likely

⁵⁵ CR/PR at Table C-1.

⁵⁶ *Id.*

⁵⁷ Domestic Interested Parties' Posthearing Br., Ex. 9.

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 necessary capital investments. I therefore conclude that, if the orders were revoked, subject imports from Belgium, Korea, South Africa, and Taiwan would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

In evaluating the likely impact of subject imports, I have considered the role of nonsubject imports in the U.S. market. Nonsubject imports declined irregularly from *** short tons in 2005 to *** short tons in 2010.⁵⁸ Nonsubject imports from Germany (the largest source of nonsubject imports during the review period) in the merchant market declined as well. Imports of SSPC from Italy, which will be nonsubject, are likely to be negligible. I conclude that nonsubject imports are unlikely to prevent subject imports from Belgium, Korea, South Africa, and Taiwan from increasing their penetration of the U.S. market significantly after revocation of the orders and thereby causing significant volume and price effects that would be adverse to the domestic industry.

In sum, I find that revocation of the orders on cumulated subject imports from Belgium, Korea, South Africa, and Taiwan would likely lead to a significant adverse impact on the domestic industry within a reasonably foreseeable time.

⁵⁸ CR/PR at Table IV-2.

SEPARATE VIEWS OF COMMISSIONER CHARLOTTE R. LANE

LIKELY IMPACT OF SUBJECT IMPORTS ON THE DOMESTIC INDUSTRY

Based on the record in these five-year reviews, I determine under section 751(c) of the Tariff Act of 1930, as amended, that revocation of the countervailing duty order on imports of certain stainless steel plate in coils (“SSPC”) from South Africa and revocation of the antidumping duty orders on SSPC from Belgium, Italy, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I join with the majority Commission views with regard to: I (Background); II (Domestic Like Product and Domestic Industry); III.A (Legal Standards for Cumulation), III.B (Likelihood of No Discernable Adverse Impact), III.C (Likelihood of a Reasonable Overlap of Competition); IV.A (Legal Standards For Likely Injury), IV.B (Prior Proceedings), IV.C (Conditions of Competition) and IV.D.1 and 2 (Likely Volume of Imports and Likely Price Effects of Imports). I also join with the views of Vice Chairman Williamson and Commissioner Aranoff in IV.D.3 in the majority Commission views with regard to the likely impact of subject imports, except with regard to vulnerability. I also note that my analysis of the likely impact of subject imports includes the effect of cumulated subject imports which include imports from Italy. I write these separate views with regard to the vulnerability of the domestic industry and the likely impact of subject imports on the domestic industry.

IV. WHETHER REVOCATION OF THE ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS WOULD LIKELY LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

D. Revocation of the Antidumping Duty Orders on Belgium, Italy, Korea, South Africa, and Taiwan and the Countervailing Duty Order on South Africa Would Be Likely To Lead to Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time

3. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to 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. 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, I 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 upon revocation or termination.

I find the domestic industry to be in a vulnerable state. Although the performance of the domestic industry improved following the imposition of the orders in the original investigations, the domestic industry has experienced declines in U.S. shipments, capacity utilization, net sales, number of production

workers, wages paid, and hours worked in the more recent period of review from 2005 to 2010.¹ Furthermore, the domestic industry's operating income margin was only slightly better in 2010 than it was in 2005, and the domestic industry had a negative operating income in 2009.² This tenuous recovery is coupled with the fact that demand for stainless steel plate in the U.S. market, as measured by apparent consumption, declined in the period between 2005 and 2010.³ The record indicates that demand for SSPC generally tracks overall economic conditions and that average forecasts for U.S. real GDP growth are 2.6 percent in 2011 and 3.1 percent in 2012.⁴ The first two quarters of 2011 have shown a disappointing beginning to reaching even half way to the 2011 forecast of 2.6 percent real GDP growth. Worldwide economic growth, which is favorable to increased demand for SSPC, is under pressure from a variety of factors including tightening monetary policy in China and debt problems in Europe and the United States. I don't believe that the negative overall economic outlook shows signs of significant improvement in the foreseeable future. The nascent economic recovery of 2010, which provided an upturn in some of the financial performance indicators of the domestic industry, has simply not demonstrated sufficient strength and sustainability to determine that the domestic industry is not vulnerable.

A further manifestation of a weakened domestic industry is the decline in employment over the period of review.⁵ Domestic industry compensation, productivity, and labor costs fluctuated over the period, while the number of production related employees and the average number of hours worked declined from 2005 to 2010.⁶ Although the industry has benefitted from increased productivity of the remaining employees, the work force has lost jobs. I find that the employment data demonstrates that the domestic work force is in a vulnerable position.

Domestic capacity increased from *** short tons in 2005, to *** short tons in 2010, a *** percent increase over the period of review. Domestic production increased from *** short tons in 2005 to *** short tons in 2006. It then decreased irregularly ending at *** short tons in 2010. Although production was higher in 2010 than in 2005, capacity utilization declined from *** percent in 2005 to *** percent in 2010.

The domestic industry's net sales fluctuated over the period with the 2010 quantities being less than those of 2005.⁷ Similarly, the domestic industry's U.S. shipments were lower in 2010 than in 2005.⁸ Although the domestic industry was able to increase its exports during portions of the review period,⁹ I believe this is merely a reflection of the depressed U.S. market, and not a sign of overall industry health.

The domestic industry's financial performance worsened considerably during the earlier part of the review period, and started to rebound in the last year of the period. The domestic industry's operating income margin reached its lowest point in 2009, and was but a *** in 2010 than in 2005.¹⁰ The domestic

¹ CR/PR at Table I-1.

² CR/PR at Table III-9.

³ CR/PR at Table I-1.

⁴ CR at II-8, PR at II-6; CR/PR at Figs. II-1-II-2.

⁵ CR/PR at Table III-8.

⁶ CR/PR at Table III-8.

⁷ CR/PR at Table I-1.

⁸ CR/PR at Table I-1.

⁹ CR/PR at Table III-6.

¹⁰ CR/PR at Table I-1.

industry's return on investment also reached its lowest point in 2009 but was still *** percentage points lower in 2010 than in 2005.¹¹

For the reasons summarized herein, and as addressed in more detail in the portions of the majority views with which I join, I determine that revocation of the orders on subject imports from Belgium, Korea, South Africa, and Taiwan would likely result in a significant increase in subject import volumes that would likely undersell the domestic like product, thereby depressing or suppressing domestic prices to a significant degree and would have a significant adverse impact on the domestic industry within a reasonably foreseeable time. I also cumulate subject imports from Italy in my analysis. I find that the likely volume and price effects of the cumulated subject imports, including subject imports from Italy, would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry which 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.

CONCLUSION

For the foregoing reasons, I determine that revocation of the countervailing duty order on imports of SSPC from South Africa and revocation of the antidumping duty orders on imports of SSPC from Belgium, Italy, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

¹¹ CR/PR at Table III-13.

DISSENTING VIEWS OF CHAIRMAN DEANNA TANNER OKUN AND COMMISSIONER DANIEL R. PEARSON REGARDING SUBJECT IMPORTS FROM BELGIUM, KOREA, SOUTH AFRICA, 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 (“the Act”),¹ that revocation of the countervailing duty order on certain stainless steel plate (“SSPC”) from South Africa, and the antidumping duty orders on SSPC from Belgium, Korea, South Africa, and Taiwan would not be likely to lead to the continuation or recurrence of material injury within a reasonably foreseeable time.

We join the Commission’s Views with respect to background, the domestic like product, the domestic industry, cumulation, legal standards, prior proceedings, conditions of competition and the likely material injury analysis and determination with respect to imports of SSPC from Italy.² We write separately, however, with respect to our analysis and determination that revocation of the countervailing duty order and the antidumping duty orders on SSPC from Belgium, Korea, South Africa, and Taiwan would not be likely to lead to the continuation or recurrence of material injury.

I. SUMMARY

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

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

Since the original determinations the domestic SSPC industry has undergone a significant transformation. Consolidation and rationalization with respect to the industry as a whole reduced the number of producers from six in 1997 to three in 2010. During the first review period the industry suffered operating losses in several years due both to the effects of the industry’s restructuring (e.g., the write-offs of underperforming assets and the increased capacity and production of North American Stainless (“NAS”)), and to a drop in demand caused by a recession in the United States. The industry, however, emerged from that period stronger and fundamentally changed. One producer, NAS, solidified its position as the preeminent domestic supplier of SSPC, accounting for *** of every *** short tons manufactured in the United States in 2010.³ The industry was profitable and recorded solid operating income to sales ratios from *** until the drop in demand due to the global economic downturn led to

¹ 19 U.S.C. § 1675(c).

² We join sections I (Background), II (Domestic Like Product and Domestic Industry), III.A (Legal Standards for Cumulation), III.B (Past Proceedings), III.C (Likelihood of No Discernible Adverse Impact), III.D (Likelihood of a Reasonable Overlap of Competition), IV.A (Legal Standards for Likely Injury), IV.B (Prior Proceedings), IV.C (Conditions of Competition), and IV.E (Italy).

³ CR/PR at Table I-12. NAS is a globally competitive player and is *** for the United States becoming a *** of SSPC in 2003 and maintaining that position in 2008, 2009 and 2010. CR/PR at Tables III-6 & C-1, and domestic producer questionnaire responses of AK Steel, Allegheny Ludlum, and NAS.

temporary losses in 2009.⁴ The industry's quick recovery in 2010 is a testament to its fundamental strength. ThyssenKrupp's \$1.4 billion investment in North American stainless steel production⁵ and Allegheny Ludlum's ***⁶ will make the domestic industry even more globally competitive.

The global stainless steel plate market has also changed significantly since the original investigations. Worldwide steel consumption increased substantially, with much of that growth occurring in Asia. Most notably, China has risen as a significant consumer of stainless steel.⁷ The growth in global demand has contributed to higher worldwide stainless steel prices; pricing in certain major foreign markets is approaching parity with the U.S. market.⁸ These dynamics of strong demand and strong pricing outside of the United States have reduced the initial incentive of the Asian financial crisis for foreign producers to focus their sales on the U.S. market in the original investigations. The restructured U.S. SSPC industry has benefitted from the changed market conditions and consequently experienced five straight years of solid performance (2004-08) and rebounded quickly after the recent global economic downturn.

The evidence on the record suggests that market conditions in the United States will remain favorable in the reasonably foreseeable future. Thus, while revocation of the orders may lead to some increase in subject imports into the United States, such an increase likely will not be significant nor lead to significant price effects or have a significant impact on the domestic industry. Therefore, based on the evidence collected in these reviews, we do not find that revocation of the orders on SSPC from Belgium, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

II. Revocation of the Countervailing Duty Order on SSPC from South Africa and the Antidumping Duty Orders on SSPC from Belgium, Korea, South Africa, and Taiwan Is Not Likely to Lead to Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time

A. Likely Volume of Cumulated Subject Imports from Belgium, Korea, South Africa, and Taiwan

In evaluating the likely volume of imports of subject merchandise if the orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁹ In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4)

⁴ CR/PR at Table I-1.

⁵ Respondent Interested Parties' Final Comments at 3, 7.

⁶ CR/PR at Table I-1 and CR at III-16-17, PR at III-7.

⁷ See, e.g., CR/PR at Table IV-17 (***).

⁸ CR/PR at Tables IV-20 & IV-21.

⁹ 19 U.S.C. § 1675a(a)(2).

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.¹⁰

We have exercised our discretion to cumulate subject imports from Belgium, Korea, South Africa, and Taiwan¹¹ but do not cumulate them with subject imports from Italy for the reasons discussed in Part III of the Commission's Views.¹² We find that cumulated subject imports from Belgium, Korea, South Africa, and Taiwan are not likely to reach significant levels after revocation of the orders. Subject import volume increased during the original investigation period.¹³ But, as we noted in our first five-year review opinion, the increase in subject import volume from 1995 to 1997 was driven largely by unique global conditions, wherein the Asian financial crisis significantly disrupted global markets while the U.S. market for SSPC remained relatively unaffected. The record in these reviews, as in the first five-year reviews, does not indicate that those particular circumstances are likely to recur. Demand for stainless steel hot-rolled flat products, a category that includes SSPC, in the Asian market in 2010 was *** short tons, or about *** the level of demand in the North American market (including the United States), and growth in the Asian market is expected to outstrip growth in the U.S. market in the near future.¹⁴

In the first five-year reviews (1998 to 2004), after imposition of the orders, the cumulated volume of U.S. shipments of subject imports declined from *** short tons in 1998 to *** short tons in 2004. The market share of cumulated subject imports declined from *** percent in 1998 to *** percent in 2004.¹⁵

During the current review period (2005 to 2010) the volume of cumulated subject imports was small and decreased overall. Cumulated subject imports fluctuated between years from a low of *** short tons in 2009 to a high of *** short tons in 2007, and ended the period at *** short tons. The market share of cumulated subject imports also declined, from *** percent in 2005 to *** percent in 2010.¹⁶ The domestic industry has continued to hold at least *** percent of the U.S. market since the original investigations and accounted for *** percent of the U.S. market in 2010.¹⁷

Almost all of the cumulated volume of subject imports during these five-year reviews have consisted of subject imports from ***. Subject imports from Belgium accounted for more than ***

¹⁰ 19 U.S.C. § 1675a(a)(2)(A-D).

¹¹ Commissioner Pearson joins in the following discussion. He did not cumulate subject imports from Belgium with other subject imports, as he finds that imports from Belgium are likely to compete under different conditions of competition. However, he concurs that, even if all subject imports, including those from Belgium, are considered cumulatively, material injury to the U.S. SSPC industry would not likely continue or recur upon revocation.

¹² In the first reviews, Commissioner Pearson did not cumulate subject imports from Belgium with other subject imports, as he found that subject imports from Belgium would likely have no discernible adverse impact upon revocation.

¹³ Cumulated U.S. shipments of subject imports from Belgium, Korea, South Africa, and Taiwan increased from *** short tons in 1995 to *** short tons in 1997. Cumulated subject imports increased from *** percent in 1995 to a peak level of *** percent of apparent U.S. consumption in 1997. CR/PR at Table I-1.

¹⁴ CR/PR at Table IV-17. Stainless steel hot-rolled flat products apparent consumption totaled *** short tons in the United States and *** short tons in Asia, in 2010. Apparent consumption is forecast to be *** short tons in the United States and *** short tons in Asia, in 2011 and 2012. CR/PR at Tables IV-17 & IV-18.

¹⁵ CR/PR at Table I-1.

¹⁶ CR/PR at Table I-1. Cumulated subject market share was *** percent in 2005, *** percent in 2006, *** percent in 2007, *** percent in 2008, *** percent in 2009, and *** percent in 2010, a level *** percentage points lower than in 2005.

¹⁷ CR/PR at Table I-1.

percent of the cumulated volume of subject imports in each year since 2005.¹⁸ Belgian imports have increasingly been in widths greater than 60 inches,¹⁹ a dimension not currently produced by domestic mills.²⁰ In contrast, subject imports from Korea have been ***,²¹ and neither subject imports from *** nor *** accounted for more than *** percent of U.S. market share during this six-year review period.²²

We recognize that, based on the information on the record in these reviews, subject producers had excess capacity to produce SSPC in 2010.^{23 24} However, capacity to produce SSPC in the subject countries appears to be stable, or even possibly declining. The Belgian producer Aperam's capacity allocated to commercial production of hot-rolled steel, of which SSPC is a subset, decreased by *** short tons from 2007 to 2008.²⁵ Korean producer POSCO's allocated production capacity decreased throughout the period for which data were collected, by *** short tons.²⁶ Neither Aperam nor POSCO ***.²⁷ Based on *** data, cumulated subject country stainless steel hot-rolled annealing and pickling capacity (a broader measure than SSPC capacity²⁸) *** and will remain *** for every subject source except *** which is projected to have a small *** percent increase.²⁹

¹⁸ CR/PR at Table I-1. Subject imports from Belgium constituted the largest share of total cumulated subject imports in each year and were *** percent of cumulated subject imports in 2005, *** percent in 2006, *** percent in 2007, *** percent in 2008, *** percent in 2009, and *** percent in 2010.

¹⁹ Aperam explained that its “***.” Aperam's foreign producer questionnaire response, section II-12. In 1997, *** percent of subject imports from Belgium were sold in widths greater than 60 inches. CR at II-16, PR at II-13. In 2010 that portion had increased to *** percent. CR at IV-10, PR at IV-7.

²⁰ During the period of review, no U.S. manufacturer produced SSPC in widths more than 60 inches. Domestic Interested Parties' Posthearing Brief at Exhibit 1, p. 7. In the first reviews, domestic producers' shipments of plate greater than 60 inches in width were extremely limited and were *** short tons in 2004. INV-CC-058, April 27, 2005. CR/PR at Table I-5.

²¹ CR/PR at Table I-1.

²² CR/PR at Table I-1. NAS, the largest domestic producer, ***, CR/PR at Table I-12. A major importer of subject merchandise from South Africa, ***, had imported SSPC from South Africa during the period of review, but the company has since gone out of business. CR at IV-1 n.2, PR at IV-1 n.2.

²³ Based on information from foreign producer questionnaires submitted in these reviews, the Belgian SSPC producer had production of *** short tons. CR/PR at Table IV-4. Aperam's overall hot-rolled steel capacity, which includes subject capacity, was *** percent in 2010. CR/PR at Table IV-5. The Korean SSPC producer had: capacity of *** short tons, production of *** short tons, and capacity utilization of *** percent in 2010. CR/PR at Table IV-8. The Commission did not receive questionnaire responses from the producers in South Africa and Taiwan.

²⁴ Based on information from foreign producer questionnaires submitted in the original investigations, the South African producer had capacity of *** short tons, and capacity utilization of *** percent in 1997. The Taiwan SSPC producer had capacity of *** short tons, and capacity utilization of *** percent in 1997. INV-W-064, April 9, 1999, CR/PR at Tables VII-11 & VII-12.

²⁵ CR/PR at Table IV-5. The company reported that since January 1, 2005 it had “***.” Aperam's foreign producer questionnaire response, section II-2.

²⁶ CR/PR at Table IV-8.

²⁷ CR at IV-11, n.15, PR at IV-8, n.15. POSCO's foreign producer questionnaire response, section II-3.

²⁸ This stainless steel hot-rolled annealing and pickling capacity includes capacity to produce hot-rolled coiled product outside of the scope of the subject orders, e.g., capacity to produce hot-rolled sheet and strip. CR/PR at Table IV-14.

²⁹ CR/PR at Table IV-14.

We also recognize that the record indicates that the industries in Belgium, Korea, South Africa, and Taiwan are export-oriented. Nevertheless, exports from the subject countries exhibited a strong regional focus. While the Belgian producer reported export shipments, ranging from *** percent of its total shipments, the vast majority of such exports were to the European Union.³⁰ The Korean producer's exports as a share of its total shipments decreased overall, from *** percent of shipments in 2005 to *** percent of shipments in 2010. The Asian region typically absorbed a *** of Korean SSPC exports.³¹ The producers in Taiwan also appear to have a regional focus. Based on Global Trade Atlas data, the Asian markets have been the primary destination for SSPC exports from Taiwan since at least 2005.³² The South African producer may export the bulk of its production³³ but it has established export markets in Asia (China and Malaysia) and Europe (Belgium, Italy, Turkey and the United Kingdom).³⁴

While subject producers in Korea, South Africa, and Taiwan may face some third-country barriers to their exports of subject merchandise, the evidence does not suggest a likely significant diversion of SSPC to the U.S. market. In late 2010, Russia imposed antidumping duties on certain flat-rolled steel (including subject merchandise) from Korea, South Africa, and Taiwan.³⁵ Russia was not a top-ten export market for any of these producers from 2005 through 2010.³⁶ Korean exports are ***;³⁷ however, any prediction of the outcome of the *** proceeding would be speculative. We note also that there are no known barriers to exports from Belgium.³⁸

Given that conditions of competition worldwide for stainless steel plate have changed significantly since the original investigations, we conclude that while imports may increase some upon revocation, the volume of cumulated subject imports likely would not be significant. The worldwide demand characteristics for stainless steel are different than they were at the time of the original investigations. The increase in subject imports during the late 1990s was caused in part by the Asian financial crisis which led some subject producers to seek alternative export markets and the U.S. market was attractive for its strong demand and pricing. Since then, Asia, and China in particular, has become a major stainless steel consumer and global pricing differentials have narrowed, such that the United States is no longer the more attractive export market.

These trends, evident in the first five-year reviews, continued in this review period, and global stainless steel hot-rolled flat product apparent consumption increased globally by *** percent during 2005-10.³⁹ Apparent consumption in Asia increased by *** percent from 2005-10.⁴⁰ Apparent consumption is projected to continue to grow annually from 2011 to 2015, with most regions experiencing increases in consumption. The country with the largest increase from 2011 to 2015 is ***,

³⁰ CR/PR at Table IV-4.

³¹ CR/PR at Table IV-8. We note that a substantial share of Korean shipments were to the Korean home market, which is, of course, in Asia.

³² Domestic Interested Parties' Posthearing Brief at Exhibit 7.

³³ According to its website, home market shipments comprise 25 percent of the company's total sales. CR at IV-29, PR at IV-12.

³⁴ Domestic Interested Parties' Posthearing Brief at Exhibit 7.

³⁵ CR at IV-23 n.25, PR at IV-11 n.25.

³⁶ Domestic Interested Parties' Posthearing Brief, Exhibit 7 (Global Trade Atlas data for exports of stainless steel coiled plate).

³⁷ CR at IV-23 n.25, PR at IV-11 n.25.

³⁸ Aperam's foreign producer questionnaire response, section II-11.

³⁹ CR/PR at Table IV-17.

⁴⁰ CR/PR at Table IV-17.

*** percent, but consumption is also projected to grow in North America and Western Europe by *** percent and *** percent, respectively.⁴¹ *** projects strong demand growth in Korea and Taiwan, and some demand growth in South Africa, through 2015.⁴²

Domestic interested parties contend that China, a large market for subject SSPC producers, has added significant production capacity and shifted from being a net importer of SSPC to becoming a net exporter of SSPC, thereby displacing subject exports to China.⁴³ While the stainless steel industry in China has expanded, and exports have increased, these developments do not mean that it no longer imports. China remains an importer of significant volumes of SSPC and remains a top export market for most of the subject countries.⁴⁴

Relatively high global stainless steel plate prices provide little incentive for subject producers in Belgium, Korea, South Africa, and Taiwan to shift their exports significantly to the United States after revocation. Global stainless steel plate hot-rolled coil prices reached record high levels during 2007, pushed upward by high demand and high raw material costs. Prices declined from these levels but remain higher than at the beginning of the period.⁴⁵ Moreover, prices in the European Union were comparable to, or higher than, prices in the United States towards the end of the period of review.⁴⁶ Exchange rate volatility may also make shipments to the United States less attractive.⁴⁷

Our conclusion that subject imports from Belgium, Korea, South Africa, and Taiwan are not likely to reach significant volumes after revocation is supported by a number of additional considerations. Reported inventory levels of subject imports and subject producers are low as stainless steel plate is generally produced to order.⁴⁸ Subject stainless steel plate accounts for a relatively small share of total sales for the subject producers.⁴⁹ Finally, U.S. customer's demand for shorter lead times will favor domestically produced SSPC over imports. Lead times in the U.S. market have reportedly declined from

⁴¹ CR/PR at Table IV-18.

⁴² CR/PR at Table IV-18.

⁴³ Domestic Interested Parties' Prehearing Brief at 50-52.

⁴⁴ Domestic Interested Parties' Posthearing Brief at Exhibit 7.

⁴⁵ CR/PR at Figure IV-1.

⁴⁶ See CR/PR at Tables IV-20 & IV-21.

⁴⁷ From January 2005 through March 2011, the real value of the U.S. dollar versus the Euro fell by 3.9 percent, and the real value of the U.S. dollar compared to the Korean won fell by 14.2 percent. CR at V-7 and n.14, PR at V-7 and n.14.

⁴⁸ CR at II-15, PR at II-12-13. The Belgian and Korean producers' U.S. importers' end-of-period inventories of cumulated subject imports from Belgium, Korea, South Africa and Taiwan were *** short tons in 2010. CR/PR at Table IV-3. The responding subject producer in Belgium reported end-of-period inventories of *** short tons, equivalent to *** percent of their total shipments in 2010. Aperam's foreign producer questionnaire response, section II-10. (The Commission requested importers to indicate whether they had imported or arranged for the importation of SSPC from subject countries. Only one company, *** responded that it had imported or arranged for the importation of SSPC from subject countries for delivery after December 31, 2010. *** arranged for the importation of *** short tons of stainless steel coiled plate from *** in 2011. CR at IV-7, PR at IV-5.) The responding subject producer in Korea reported end-of-period inventories of *** short tons, equivalent to *** percent of its total shipments that year. POSCO's foreign producer questionnaire response, section II-10. CR/PR at Tables IV-4 & IV-8.

⁴⁹ In the most recent fiscal year, subject merchandise represented *** percent of Aperam's total sales and *** percent of POSCO's total sales. CR at IV-12 n.16, PR at IV-9 n.16. CR at IV-24 n.27, PR at IV-11 n.27. During the original investigations, SSPC represented *** percent of the South African producer's (Columbus Stainless) overall sales in 1997 *** percent of the Taiwan producer's (Yieh) overall sales. INV-W-064, April 9, 1999, at VII-18, VII-20-VII-21.

6 to 8 weeks to 4 to 6 weeks⁵⁰ and the domestic producers have a geographic advantage over the subject countries. In addition, a preference among purchasers for domestically produced stainless steel plate will serve to restrain the likely volume of cumulated subject imports.⁵¹

We are unpersuaded by the domestic interested parties' argument that the subject producers would likely shift production from other hot-rolled products to subject SSPC in order to increase their exports of SSPC to the U.S. market after revocation.⁵² Because nonsubject flat rolled products are value-added products that command a premium over subject SSPC, subject foreign producers would have no economic incentive to shift production to subject SSPC after revocation.⁵³ This remains especially true since the size of the market of other hot-rolled products is considerably larger than the SSPC market.⁵⁴

Overall, given the worldwide changes in demand and the other factors described above, we find that the likely volume of cumulated subject imports from Belgium, Korea, South Africa, and Taiwan would not be significant in the reasonably foreseeable future if the orders were revoked.

B. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the orders are 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.⁵⁵

In performing our analysis, we have taken into account the Commission's price findings in the original investigations. The Commission found price to be an important factor in purchasing decisions and that stainless steel plate, once certified to required specifications, is a commodity product. The Commission also observed parallel declines in domestic and subject import prices that began as subject import volumes gained market share at the expense of nonsubject imports. Moreover, based on the mixed evidence of underselling and lost sales and revenues, the perceived role of subject imports as downward price leaders, and the price depressive effect of the steady build-up in U.S. inventories of subject

⁵⁰ Hearing Transcript, 143-44 (Iller); Respondent Interested Parties' Posthearing Brief at 4, Exhibit 3; see also CR at II-18, PR at II-13; Domestic Interested Parties' Posthearing Brief, Responses to Commissioner Questions at 13 ("U.S. producers are being increasingly required to inventory product for their customers and respond more quickly to customers in supplying product under shorter lead times."). CR at II-1, PR at II-1. Domestic producers have a lead time advantage. Reported lead times for U.S. producers' sales made to order were *** days, while lead times for sales from inventories were *** days. Importers reported lead times of 90 days for made-to-order product and 2 to 5 days from importers' U.S. inventories. CR at II-15, PR at II-12-13.

⁵¹ Most purchasers (9 of 10) reported that purchasing U.S.-produced product was an important factor in their purchasing decisions. Six purchasers reported that domestic product was required by law (for 1 to 25 percent of their purchases), six reported that it was required by their customers (for 5 to 80 percent of their purchases), and three reported other preferences for domestic product (for 50 to 75 percent of purchases). Reasons cited for preferring domestic product included: shorter lead times/higher inventory turns, competitive costs/price, stocking programs, and service. CR at II-17-18, PR at II-14.

⁵² Domestic Interested Parties' Prehearing Brief at 56-59.

⁵³ Aperam noted that "***." Aperam's foreign producer questionnaire response, section II-6.

⁵⁴ Respondent Interested Parties' Posthearing Brief at Appendix pp. 30-31.

⁵⁵ 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.

merchandise, the Commission determined that subject imports depressed domestic prices for stainless steel plate.⁵⁶ In the original investigations, imports from Canada showed the greatest amount of underselling; the sole Canadian producer is no longer in operation and the antidumping duty order on imports from Canada was revoked in 2005.⁵⁷

In the first reviews, we found that domestic producers had been able to pass along raw material costs through the increasing use of surcharges. The domestic industry was able to continue to raise prices even with an increase in nonsubject imports in 2003 and 2004. We noted that while subject imports demonstrated greater amounts of underselling of the U.S. product early in the period of review, there had been only five instances of underselling out of a possible 41 comparisons since the third quarter of 2000 (*i.e.*, underselling occurred in only 12.2 percent of possible comparisons).⁵⁸ World-wide demand for stainless steel plate had grown substantially since 2000. Prices of stainless steel plate from Belgium, which constituted the bulk of subject imports, generally had been higher than domestic prices.

We find that subject imports from Belgium, Korea, South Africa, and Taiwan are not likely to undersell the domestic like product or depress or suppress domestic like product prices to a significant degree after revocation of the orders. As an initial matter, we again observe that there is a moderate to high degree of interchangeability between subject imports from each of these sources and the domestic like product, and that price is an important factor in the U.S. stainless steel plate market, as discussed in section III.C of the Commission majority opinion.

The limited pricing data on the record of these reviews indicates that subject imports generally oversold the domestic like product during the period of review. The Commission collected pricing data on sales of four products and two U.S. producers and one subject product importer provided usable pricing data, accounting for approximately *** percent of U.S. producers shipments, and *** percent of subject imports from Belgium.⁵⁹ These data indicate that subject imports from Belgium oversold the domestic like product in 8 of 13 quarterly comparisons, or two-thirds of the time, during the period of review.⁶⁰

Sixteen purchasers reported that prices from subject countries increased or were unchanged in relation to U.S. prices, while none reported that prices had decreased.⁶¹ The prices for all four domestic products increased significantly between the first quarter for which data is available and the last quarter for which data is available.⁶² This pricing trend was mirrored by global prices. Average world prices for stainless steel hot-rolled coil rose from the beginning of 2006 and peaked in mid-2007, they declined in 2008 and 2009 but increased from mid-2009 through the first quarter of 2011 and were higher overall

⁵⁶ USITC Pub. 3188 at 25-30.

⁵⁷ CR at I-2, PR at I-2.

⁵⁸ This includes pricing data for imports from Italy. Subject imports from Belgium oversold the domestic like product in 58 of 74 quarterly comparisons, and subject imports from Korea oversold the domestic like product in 5 of 20 quarterly comparisons, during the first period of review. There were no reported sales of imports of SSPC from Canada, South Africa, and Taiwan. INV-CC-058, April 27, 2005. CR at V-10, V-28.

⁵⁹ CR at V-9, PR at V-8. As stated above, *** percent of Belgian subject imports were of wide-width products not covered by the pricing products used in these investigations.

⁶⁰ CR/PR at Table V-7.

⁶¹ CR at V-18, PR at V-10, CR/PR at Table V-8.

⁶² CR/PR at Tables V-3, V-4, & V-5.

than their levels in January 2005.⁶³ Prices in the European Union for stainless steel hot-rolled coil often exceeded those in the United States from mid-2010 through the end of 2011.⁶⁴

The domestic interested parties argue that raw material pricing volatility renders them vulnerable.⁶⁵ We recognize that raw material costs (iron scrap and alloying elements) experienced large fluctuations during the period of review.⁶⁶ Nevertheless, the domestic industry continues to display significant ability to pass through raw material prices, and the use of surcharges as hedges against other input-cost swings showed no signs of diminishing over this second period of review.⁶⁷

The domestic interested parties claimed that recently announced price increases have been rescinded. The information that they provided was limited, however, and made clear that all surcharges remain in effect.⁶⁸ We would note that this is a highly concentrated industry and the dominant domestic producer is a recognized price leader.⁶⁹

As discussed above, we find that the likely volume of subject imports would not be significant in the event of revocation. We do not expect these imports to place significant downward pressure on U.S. prices. We therefore find that subject imports are not likely to undersell the domestic like product or to enter the U.S. market at prices that otherwise would have a depressing or suppressing effect on the price of the domestic like product after revocation of the orders.

C. Likely Impact of Subject Imports⁷⁰

In evaluating the likely impact of imports of subject merchandise if the countervailing duty and antidumping duty 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

⁶³ CR/PR at Figure IV-1.

⁶⁴ CR/PR at Tables IV-20 & IV-21.

⁶⁵ Domestic Interested Parties' Final Comments at 2.

⁶⁶ CR/PR at Figures V-1 and V-2.

⁶⁷ CR at V-5-6, PR at V-5-6. The use of surcharges has been expanded to cover increased energy costs by some producers. *Id.* Respondents allege that these surcharges can even be a source of profit in some circumstances. CR at V-5, PR at V-5, Respondent Interested Parties' Final Comments at 13.

⁶⁸ Hearing Transcript, at 26 (Feely), 57 (Hartford), and Domestic Interested Parties' posthearing brief, p. 12, Exhibit 9. The article cited in the brief does not identify the domestic producer involved and refers only to an April price increase. We have no further information on price increases that were announced by Allegheny Ludlum in February and by AK Steel in May. *Id.*

⁶⁹ The largest producer, NAS, accounted for *** percent of 2010 production. CR/PR at Table 1-12. All 10 responding purchasers reported that NAS was a price leader. CR at V-8, PR at V-8.

⁷⁰ Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce calculated likely antidumping duty margins of 8.54 percent for exporters in Belgium, 6.08 percent for exporters in Korea, 41.63 percent for exporters in South Africa, and 8.02 percent for YUSCO in Taiwan, 10.20 percent for YUSCO/Ta Chen and 7.39 percent for "all others" in Taiwan. CR/PR at Table I-7.

derivative or more advanced version of the domestic like product.⁷¹ 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.⁷² 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.

In the original investigations, the Commission found that the cumulated subject imports (including Canada and Italy) significantly increased their market share, but primarily at the expense of non-subject imports.⁷³ The Commission found increasing U.S. producer shipments, production, and employment, but observed that domestic prices and profitability declined.⁷⁴ The ratio of operating income to sales during the original period fell, from 19.0 percent in 1995; to 3.6 percent in 1996; and to negative 0.6 percent in 1997.⁷⁵ The Commission also found that the domestic industry's deteriorating financial performance negatively affected the industry's ability to make necessary capital improvements.⁷⁶

In the first five-year reviews, we found that despite issuance of the orders on the subject countries and a decline in subject import levels, the industry still posted operating losses in 2001 and 2003.⁷⁷ These losses stemmed from the industry's restructuring efforts (e.g., the write-offs of underperforming assets and increased intra-industry competition brought on by capacity expansions), and to the U.S. economic recession. As a result of these consolidations, however, the number of industry firms was cut in half and the industry emerged stronger and fundamentally changed. The benefits of these changes could first be seen in 2004 and continued in the following years.

In the current review we find that the domestic industry is not vulnerable to material injury if the orders are revoked. The domestic industry has undergone significant consolidation since the original investigation, reducing the number of domestic producers from six then to three producers now, making the industry far more productive and profitable, under normal market conditions, than during any period we have examined. As further discussed below, the domestic industry's current condition is strong despite the effects of the 2008-2009 economic downturn, as demonstrated by the continued recovery in demand and the domestic industry's substantial investments in new capacity and equipment during the period of review.

The domestic industry's capacity increased more than its production during the period of review, resulting in a reduced rate of capacity utilization. Domestic industry capacity increased by *** percent⁷⁸ and production increased by *** percent but U.S. shipments declined by *** percent, overall.⁷⁹ The domestic industry's capacity utilization rate began the period at *** percent in 2005 and in 2010, when the domestic industry's production exceeded the 2005 level, its rate of capacity utilization was ***

⁷¹ 19 U.S.C. § 1675a(a)(4).

⁷² 19 U.S.C. § 1675a(a)(4).

⁷³ USITC Pub. 3188 at 21.

⁷⁴ USITC Pub. 3188 at 22.

⁷⁵ USITC Pub. 3188 at 22.

⁷⁶ USITC Pub. 3188 at 22.

⁷⁷ USITC Pub. 3788 at Table C-1.

⁷⁸ Domestic industry capacity increased irregularly from *** short tons in 2005 to *** short tons in 2010. CR/PR at Table C-1.

⁷⁹ Domestic industry production increased from *** short tons in 2005 to *** short tons in 2006, a period high, but then declined in 2007 (*** short tons) and 2008 (*** short tons). In 2009 and 2010, production increased to *** short tons in 2009 and to *** short tons in 2010. CR/PR at Table C-1.

percent, due largely to the domestic industry's increased capacity.^{80 81} Domestic hot-rolled steel capacity, a broader measure, was greater than SSPC capacity in each year and ranged from a high of *** percent in 2006 to a low of *** percent in 2009 and was *** percent in 2010.⁸² The domestic industry's U.S. shipments increased from *** short tons in 2005 to *** short tons in 2006, declined to *** short tons in 2007, *** short tons in 2008, and increased over the next two years from *** short tons in 2009 to *** short tons in 2010, a level *** percent lower than in 2005.⁸³ We recognize that the domestic industry's export shipments followed a divergent trend, initially *** from 2005 to 2006, then *** from 2007 to 2009 and declining in 2010 to a level *** percent lower than in 2005.⁸⁴ The domestic industry's share of apparent U.S. consumption was above *** percent in every year, ranging from the lowest level of *** percent in 2005 to the highest in *** at *** percent, and was *** percent in 2010.⁸⁵

Domestic industry employment, hours worked, and wages paid generally tracked production during the period of review, while productivity increased. Domestic industry employment began the period with *** production and related workers ("PRWs") in 2005, initially increased as production expanded, but ended the period with *** PRWs, a level *** percent lower than in 2005.⁸⁶ Domestic industry hours worked decreased overall from *** hours in 2005 to *** hours in 2010, a level *** percent lower than in 2005.⁸⁷ Domestic industry wages paid fluctuated but increased overall from *** in 2005 to *** in 2010, a level *** percent higher than in 2005.⁸⁸ The increase in wages paid over the period of review even as employment and hours worked declined reflects the *** percent increase in hourly wages during the period.⁸⁹ Unit labor costs decreased by *** percent over the period of review, however, as domestic industry productivity increased *** percent over the period, from *** short tons per 1,000 hours in 2005 to *** short tons per 1,000 hours in 2010.⁹⁰

The domestic industry's robust financial performance over the period of review, when U.S. SSPC demand was alternatively strong and weak, reflects the fundamental competitiveness of the industry. Over the period of review, as levels fluctuated between years, the domestic industry's net sales value increased *** percent, from *** in 2005 to *** in 2010, its operating income increased *** percent, from *** in 2005 to *** in 2010, and its operating income as a share of net sales increased from *** percent in

⁸⁰ The domestic industry's capacity utilization rate increased from *** percent in 2005 to *** percent in 2006 before declining to *** percent in 2007, *** percent in 2008, and *** percent in 2009, a period low, due to both the economic downturn and the domestic industry's increased capacity that year. CR/PR at Table C-1.

⁸¹ CR/PR at Table C-1. We note that the domestic industry's capacity utilization rate declined from *** percent in 2006 to *** percent in 2007, *id.* at Table C-1, even as the industry's operating income as a share of net sales increased from *** percent to *** percent. *Id.* at Table C-1. Thus, the domestic industry has demonstrated the ability to increase its profitability to a high level despite a declining and objectively low rate of capacity utilization.

⁸² CR/PR at Table III-5.

⁸³ CR/PR at Table III-9.

⁸⁴ CR/PR at Table III-9.

⁸⁵ CR/PR at Table C-1.

⁸⁶ There were *** PRWs employed in SSPC production in 2005, *** PRWs in 2006, *** PRWs in 2007, *** PRWs in 2008, *** PRWs in 2009, and *** PRWs in 2010. CR/PR at Table III-8.

⁸⁷ Domestic industry hours worked increased from *** hours in 2005 to *** hours in 2006, declined steadily to *** hours in 2008, and increased to *** hours in 2010, a level *** percent lower than in 2005. CR/PR at Table III-8.

⁸⁸ Domestic industry wages paid increased from *** in 2005 to *** in 2006, declined to *** in 2008, increased to *** in 2009, and then declined to *** in 2010, a level *** percent higher than in 2005. CR/PR at Table III-8.

⁸⁹ CR/PR at Table III-8.

⁹⁰ CR/PR at Table III-8.

2005 to *** percent in 2010 even as the effects of the global economic downturn lingered.⁹¹ Although the domestic industry's financial performance was *** due to the economic downturn during 2008-2009, the domestic industry's performance rebounded strongly with the nascent economic recovery in 2010. The domestic industry's net sales value improved by *** percent (between 2009 and 2010), the domestic industry's operating income reversed from a *** in 2009 to a *** in 2010.⁹² The domestic industry's operating income recovered from a *** percent of net sales in 2009 to *** percent of net sales in 2010.⁹³ The domestic industry's return on investment was strong in every year except 2009 (when it was *** percent), ranging from a low of *** percent in 2010 to a high of *** percent in 2007.⁹⁴ The domestic industry's return on investment improved from *** percent in 2009 to *** percent in 2010.⁹⁵

We find it likely that the domestic industry's financial performance will remain healthy in the reasonably foreseeable future for a number of reasons. The domestic industry's strong performance in 2010 reflects the health of the domestic industry particularly in light of the fact that apparent U.S. consumption that year remains below 2005, 2006 and 2007 levels.⁹⁶ *** projects continued demand growth in the U.S. market through 2015,⁹⁷ and the domestic industry is well positioned to be the primary beneficiary of such growth given its commanding share of the U.S. market, high productivity, and lead time advantage over subject and nonsubject imports.⁹⁸ The prices for the domestic like product increased significantly during the period of review,⁹⁹ and the domestic industry's extensive use of surcharges should ensure that most of any increases in raw material and energy costs are passed through to purchasers.¹⁰⁰ The domestic industry should also benefit from the strong demand growth projected for third-country markets,¹⁰¹ given the demonstrated global competitiveness of its exports.¹⁰²

⁹¹ CR/PR at Table III-9.

⁹² CR/PR at Table III-9.

⁹³ CR/PR at Table III-9. The domestic interested parties stress that *** in 2010. Domestic Interested Parties' Prehearing Brief, at 72. There is some evidence that its SSPC business is improving. In its announcement of first quarter 2011 results, Allegheny Ludlum described a base price increase for standard stainless products and reported that compared to the fourth quarter 2010, demand increased 20 percent for standard stainless products. Respondent Interested Parties' Posthearing Brief, Exhibit 9. Moreover, the statute directs the Commission to base its analysis of the likely impact of the subject imports on the domestic industry "as a whole." See WSK Corp. v. United States, Slip Op. 10-38 at 11, n.13 (CIT April 12, 2010).

⁹⁴ The domestic industry's return on investment increased from *** percent in 2005 to *** percent in 2006 and was *** percent in 2007, it became *** percent in 2008, *** percent in 2009 and *** percent in 2010. CR/PR at Table III-13.

⁹⁵ CR/PR at Table III-13.

⁹⁶ CR/PR at Table I-15.

⁹⁷ CR/PR at Table IV-18.

⁹⁸ CR at II-15, PR at II-12, CR/PR at Tables I-15 & III-8.

⁹⁹ CR/PR at Tables V-3, V-4, & V-5.

¹⁰⁰ CR at V-5-6, PR at V-5-6.

¹⁰¹ CR/PR at Table IV-18.

¹⁰² CR/PR at Table III-6. We note that the average unit value of the domestic industry's export shipments exceeded the average unit value of the domestic industry's U.S. shipments in *** during the period of review. Id.

Indeed, the domestic industry's substantial investments in new and improved capacity reflect the domestic industry's optimism over its future prospects.¹⁰³ During the period of review, NAS significantly increased its capacity,¹⁰⁴ and Allegheny Ludlum ***.¹⁰⁵ Reflecting these investments, domestic industry capital expenditures increased steadily from *** in 2005 to *** in 2008, before declining to *** in 2009 and *** in 2010.¹⁰⁶ Also during the period of review, a new entrant, ThyssenKrupp, began construction of a \$1.4 billion greenfield, integrated stainless steel production facility.¹⁰⁷ In sum, we find that the domestic industry is not vulnerable to material injury if the orders are revoked.

In light of our finding that the domestic industry is not vulnerable, and given that we do not find likely cumulated subject imports from Belgium, Korea, South Africa, and Taiwan would be significant or have significant adverse price effects, we find that revocation of the orders would not likely lead to a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we conclude that revocation of the countervailing duty order on SSPC from South Africa, and revocation of the antidumping duty orders on SSPC from Belgium, Korea, South Africa, and Taiwan would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

¹⁰³ Domestic producers NAS and Allegheny Ludlum achieved net income gains in the first quarter of 2011 and expressed optimism about the market in the second quarter. Respondent Interested Parties' Posthearing Brief, Exhibit 6-9.

¹⁰⁴ CR/PR at Table III-1.

¹⁰⁵ CR at III-17, n.9, PR at III-7, n.9, CR/PR at Tables I-12 & III-1.

¹⁰⁶ CR/PR at Table III-12. Domestic industry R&D expenditures increased from *** in 2005 to *** in 2006 and *** in 2007. Such expenditures declined to *** in 2008, *** in 2009 and *** in 2010. Id.

¹⁰⁷ CR at III-17, n.9, PR at III-7, n.9, CR/PR at Tables I-12 & III-1.

ADDITIONAL VIEWS OF COMMISSIONER DANIEL R. PEARSON REGARDING CUMULATION

Section 751(d)(2) of the Tariff Act of 1930, as amended (“the Act”), requires that the U.S. Department of Commerce (“Commerce”) revoke a countervailing duty or antidumping duty order in a five-year review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission (“Commission”) determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.¹ I concur with Chairman Okun in determining that, based on the record in these five-year reviews, material injury is not likely to continue or recur within a reasonably foreseeable time if the antidumping orders on certain stainless steel plate (“SSPC”) from Belgium, Korea, South Africa, and Taiwan and the countervailing duty order on South Africa is revoked. I write separately in regard to cumulation because I do not exercise my discretion to cumulate subject imports from Belgium with subject imports from Korea, South Africa, and Taiwan. I conclude that conditions of competition with respect to imports of SSPC from Belgium are sufficiently different from those that apply to the other countries.

A. Legal Framework

While I also determined not to cumulate subject imports from Belgium in the first five-year reviews, the statutory authority on which I am basing my current decision is distinct from that which I relied upon in 2005.² In the first five-year reviews, I based my decision not to cumulate on my finding that, were the antidumping duty and countervailing duty orders on subject imports from Belgium to be revoked, imports from Belgium were likely to have no discernible adverse impact on the domestic industry producing SSPC. Since those first five-year reviews were completed, my approach to cumulation has been revised and my analytical framework now begins with whether imports from the subject countries are likely to face similar conditions of competition.³ If this initial step shows that conditions of competition are sufficiently different between the subject country in question and other subject countries, the cumulation inquiry ends there. Only if the discretion to cumulate subject countries is exercised are the questions of a likelihood of a reasonable overlap of competition and a likelihood of no discernible adverse impact reached.

B. Analysis of Conditions of Competition

The following factors indicate significant differences in the conditions of competition facing the Belgian producer of SSPC relative to producers in the other subject countries.

As I noted in my Additional Views in the first five-year reviews, *** percent of subject imports from Belgium in 2004 (***) were in widths greater than 60 inches, while only *** percent of domestic shipments by U.S. producers (***) were in widths greater than 60 inches. I therefore concluded in those

¹ 19 U.S.C. § 1675(d)(2).

² See Additional Views of Commissioner Daniel R. Pearson Regarding Cumulation, Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376, 377, & 379 and 731-TA-788-793 (Review), Pub. 3784, June 2005, at 57-59 (“Additional Views”).

³ Majority Views at 12 n.41 (reciting approach of Chairman Okun and Commissioner Pearson to questions of cumulation, as first formulated in 2007).

reviews that “there would be little, if any, competition between imports from Belgium and the domestic like product if the orders were revoked.”⁴

I also found that, despite petitioners’ arguments to the contrary, should the orders on Belgium be revoked, SSPC imports from Belgium in widths of 60 inches or less would not increase substantially because even during the period of the original investigation, “only roughly *** percent of what was a small volume of imports” from Belgium were in the narrower range of widths.⁵

In these second five-year reviews, the data collected show that subject imports from Belgium have become even more concentrated in the widths greater than 60 inches. The *** importer of subject imports from Belgium, ***,⁶ reported that *** percent of its subject imports from Belgium in 2010 were of plate in widths over 60 inches.⁷ Further, domestic interested parties admit that “no U.S. manufacturer produced SSPC in widths more than 60 inches.”⁸ Based on the new data from these reviews, and on the trend they reveal showing increasing specialization by Belgian imports in the wider-width coiled plate, I again conclude that there would be little, if any, competition between imports from Belgium and the domestic like product if the orders were revoked.

Domestic interested parties argue, however, that ***⁹ A second domestic producer of coiled plate in widths greater than 60 inches is expected in late 2013, which is when TKSL-USA’s Calvert, Alabama plant will begin selling locally produced SSPC in the merchant market,¹⁰ using its capacity to produce widths of up to 72 inches.¹¹ I am unpersuaded that potential competition between imports from Belgium and a domestic like product that may arise more than two years in the future is enough to constitute significant competition within the legal framework of five-year reviews.

For these reasons, I find that the conditions of competition with respect to subject imports from Belgium are sufficiently different that I do not exercise my discretion to cumulate them with those from Korea, South Africa, and Taiwan.

CONCLUSION

Accordingly, I conclude that, if the antidumping duty order on imports of SSPC from Belgium were to be revoked, that there would be little, if any, competition between imports of SSPC from Belgium and the domestic like product. Because I join Chairman Okun in concluding that, even if imports from Belgium are cumulated with other subject imports, material injury to the U.S. SSPC industry would not continue or recur if the orders on Belgium, Korea, South Africa, and Taiwan are revoked, it is unnecessary for me to address the issue of whether, when imports from Belgium are viewed in isolation, material injury to the U.S. SSPC industry would continue or recur if the antidumping duty order on imports from Belgium were revoked.

⁴ Additional Views at 58.

⁵ Additional Views at 59.

⁶ CR/PR at Table I-13 (showing that *** was responsible for *** percent of Belgian imports).

⁷ CR at IV-10; PR at IV-7.

⁸ Domestic Interested Parties’ Posthearing Brief at Exhibit 1, p. 7 (responding to question from Commissioner Pearson).

⁹ CR at IV-10 n.10; PR at IV-7 n.10; Domestic Interested Parties’ Posthearing Brief at Exhibit 1, p. 7 (responding to question from Commissioner Pearson).

¹⁰ Posthearing Brief of ThyssenKrupp Acciai Speciali Terni S.p.A. and ThyssenKrupp AST USA, Inc., at 11 (SSPC produced in the Alabama plant prior to this time is intended only for captive consumption).

¹¹ CR at IV-10 n.10; PR at IV-7 n.10 (citing hearing testimony).

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On June 1, 2010, 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 countervailing duty orders on stainless steel plate from Belgium² and South Africa and the antidumping duty orders on stainless steel plate (“stainless steel coiled plate”) from Belgium, Italy, Korea, South Africa, and Taiwan would likely lead to the continuation or recurrence of material injury to a domestic industry.^{3 4} On September 7, 2010, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.⁵ Selected information relating to the background and scheduling of this proceeding appears in the following tabulation:⁶

¹ 19 U.S.C. 1675(c).

² In its second five-year review, Commerce determined that revocation of the countervailing duty order would not likely lead to continuation or recurrence of a countervailable subsidy. Consequently, Commerce revoked the countervailing duty order with respect to Belgium. *Stainless Steel Plate in Coils from Belgium: Final Results of Full Sunset Review and Revocation of the Countervailing Duty Order*, 76 FR 25666, May 5, 2011. Subsequently, the Commission terminated its review of the order. *Stainless Steel Plate from Belgium; Termination of Five-Year Review*, 76 FR 28809, May 18, 2011.

³ *Stainless Steel Plate From Belgium, Italy, Korea, South Africa, and Taiwan*, 75 FR 30434, June 1, 2010. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

⁴ 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 and countervailing duty orders. *Initiation of Five-Year (“Sunset”) Review*, 75 FR 30777, June 2, 2010.

⁵ *Stainless Steel Plate From Belgium, Italy, Korea, South Africa, and Taiwan*, 75 FR 59744, September 28, 2010. The Commission found that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response with respect to Italy was adequate and decided to conduct a full review with respect to the antidumping duty order concerning stainless steel coiled plate from Italy. The Commission found that the respondent interested party group responses with respect to Belgium, Korea, South Africa, and Taiwan were inadequate. However, the Commission determined to conduct full reviews concerning the antidumping duty orders on stainless steel coiled plate from Belgium, Korea, South Africa, and Taiwan to promote administrative efficiency in light of its decision to conduct a full review with respect to the antidumping duty order concerning stainless steel coiled plate from Italy.

⁶ 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. A list of witnesses appearing at the Commission’s hearing appears in Appendix B.

Effective date	Action
May 11, 1999	Commerce's countervailing duty orders on stainless steel coiled plate from Belgium, Italy, and South Africa (64 FR 25288)
May 21, 1999	Commerce's antidumping duty orders on stainless steel coiled plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan (64 FR 27756)
February 20, 2003	Commission publishes notice of final court decision affirming remand determinations. ¹ (68 FR 8925, February 26, 2003)
March 11, 2003	Commerce's notice of amended antidumping and countervailing duty orders pursuant to court decision affirming remand determinations ¹ (68 FR 20114 and 68 FR 20115, April 24, 2003)
April 1, 2004	Commission's institution and Commerce's initiation of first five-year reviews (69 FR 17235, 17129)
July 18, 2005	Commerce's continuation of the antidumping and countervailing duty orders on stainless steel coiled plate from Belgium, Italy, Korea, South Africa, and Taiwan and revocation of the antidumping duty order on stainless steel coiled plate from Canada (70 FR 41202, 41207)
March 28, 2006	Commerce revokes the countervailing duty order on stainless steel coiled plate from Italy pursuant to a changed circumstances review (71 FR 15380)
June 1, 2010	Commission's institution of second five-year reviews (75 FR 30434)
	Commerce's initiation of second five-year reviews (75 FR 30777, June 2, 2010)
September 7, 2010	Commission's determination to conduct full five-year reviews (75 FR 59744, September 28, 2010)
October 6, 2010	Commerce's final results of expedited five-year reviews of the antidumping duty orders on stainless steel coiled plate from all subject countries (75 FR 61699)
October 7, 2010	Commerce's final results of expedited five-year review of the countervailing duty order on stainless steel coiled plate from South Africa (75 FR 62103)
December 20, 2010	Commission's scheduling of the reviews (75 FR 81309, December 27, 2010)
May 5, 2011	Commerce's final results of full five-year review and revocation of the countervailing duty order on stainless steel coiled plate from Belgium (76 FR 25666).
	Commission terminates its review of the countervailing duty order on stainless steel coiled plate from Belgium (76 FR 28809, May 18, 2011)
May 26, 2011	Commission's hearing
July 20, 2011	Commission's vote
August 9, 2011	Commission's determinations transmitted to Commerce
¹ Scope of the orders amended to remove the original language that excluded cold-rolled stainless steel coiled plate.	

The Original Investigations and Subsequent Five-Year Reviews

On March 31, 1998, petitions were filed with Commerce and the Commission alleging that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value (“LTFV”) imports of stainless steel coiled plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan and by reason of subsidized imports of such merchandise from Belgium, Italy, Korea, and South Africa.⁷ On March 31, 1999, Commerce published final affirmative dumping determinations with respect to Belgium, Canada, Italy, Korea, South Africa, and Taiwan and affirmative subsidy determinations for Belgium, Italy, and South Africa.⁸ The Commission issued final affirmative injury determinations on May 3, 1999, for stainless steel coiled plate excluding cold-rolled stainless steel coiled plate.⁹ Accordingly, Commerce published antidumping duty orders for Belgium, Canada, Italy,

⁷ The petitions were filed by Armco, Inc. (“Armco”), Pittsburgh, PA; J&L Specialty Steel, Inc. (“J&L”), Pittsburgh, PA; Lukens, Inc. (“Lukens”), Coatesville, PA; North American Stainless (“NAS”), Ghent, KY; and the United Steelworkers of America, AFL-CIO/CLC (“USWA”). J&L, however, was not a petitioner in either of the investigations involving Belgium; NAS was not a petitioner in the antidumping investigation involving Italy or in any of the subsidy investigations; and the United Steelworkers was not a petitioner in the antidumping investigation involving Canada. Allegheny Ludlum Corporation (“Allegheny Ludlum”), Brackenridge, PA, and Washington Steel, Washington, PA, joined as petitioners on August 20, 1998.

⁸ Commerce published a negative final countervailing duty determination with respect to stainless steel coiled plate from Korea. *Final Negative Countervailing Duty Determination: Stainless Steel Plate in Coils From the Republic of Korea*, 64 FR 15530, March 31, 1999.

⁹ The Commission, by majority vote, found two domestic like products during its original investigations, i.e., hot-rolled stainless steel coiled plate and cold-rolled stainless steel coiled plate. The Commission issued affirmative determinations with respect to dumped imports of hot-rolled stainless steel coiled plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan and with respect to subsidized imports of such merchandise from Belgium, Italy, and South Africa. It issued negative determinations with respect to dumped imports of cold-rolled stainless steel coiled plate from Belgium and Canada and with respect to subsidized imports of such merchandise from Belgium. It further found imports of dumped and subsidized cold-rolled stainless steel coiled plate from Italy, Korea, South Africa, and Taiwan to be negligible and terminated those investigations. *Investigation Nos. 701-TA-376, 377, and 379 and 731-TA-788-793 (Final); Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan*, 64 FR 25515, May 12, 1999.

Respondents appealed the Commission majority's affirmative determinations as to hot-rolled stainless steel coiled plate on the basis that the domestic like product definition should have been expanded to include stainless steel sheet and strip. The U.S. Court of International Trade (“CIT”) rejected the challenge and affirmed the Commission's like product determination. *Acciai Speciali Terni v. United States*, 118 F. Supp.2d 1298 (Ct. Int'l Trade 2000).

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

(continued...)

Korea, South Africa, and Taiwan and countervailing duty orders for Belgium, Italy, and South Africa on May 21, 1999 and May 11, 1999, respectively, that excluded the cold-rolled product.^{10 11} On February 26, 2003, the Commission gave notice of a final court decision affirming its final affirmative material injury determinations, made pursuant to court remand, in the antidumping and countervailing duty investigations of stainless steel coiled plate from the subject countries¹² and, on March 11, 2003, Commerce published notices amending the scope of its antidumping and countervailing duty orders to remove the original language that excluded cold-rolled stainless steel coiled plate.¹³

In June 2005, the Commission completed full five-year reviews of the subject orders and determined that revocation of the countervailing duty orders on stainless steel coiled plate from Belgium, Italy, and South Africa and that revocation of the antidumping duty orders on stainless steel coiled plate from Belgium, Italy, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission also determined that revocation of the antidumping duty order on stainless steel coiled plate from Canada would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁴ Following affirmative determinations in the first five-year reviews by Commerce and the Commission,¹⁵ Commerce issued a continuation of the antidumping duty orders on stainless steel coiled plate from Belgium, Italy, Korea, South Africa, and Taiwan, and the countervailing duty orders on stainless steel coiled plate from Italy,¹⁶ South Africa, and

⁹ (...continued)

Scheduling of Remand Proceedings, 67 FR 50897, August 6, 2002.

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

¹⁰ The excluded cold-rolled product was defined as merchandise that meets the physical characteristics for stainless steel coiled plate but that has undergone a cold-reduction process reducing the thickness of the steel by 25 percent or more, and has been annealed and pickled following cold reduction.

¹¹ *See* the section of this report entitled *Commerce's Reviews* for a listing of the antidumping and countervailing duty margins, by source and company, calculated by Commerce.

¹² *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan; Notice of Final Court Decision Affirming Remand Determinations*, 68 FR 8925, February 26, 2003.

¹³ *Notice of Amended Antidumping Duty Orders; Certain Stainless Steel Plate in Coils From Belgium, Canada, Italy, the Republic of Korea, South Africa, and Taiwan*, 68 FR 11520, March 11, 2003; *Notice of Amended Countervailing Duty Orders; Certain Stainless Steel Plate in Coils From Belgium, Italy, and South Africa*, 68 FR 11524, March 11, 2003.

¹⁴ *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376, 377, and 379 and 731-TA-788-793 (Review)*, USITC Publication 3784, June 2005, p. 1.

¹⁵ *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan*, 70 FR 38710, July 5, 2005.

¹⁶ In 2006, Commerce revoked the countervailing duty order with respect to Italy pursuant to a changed circumstances review. Allegheny Ludlum Corporation and AK Steel Corporation requested the changed circumstances review on the basis that they were no longer interested in maintaining the CVD order or in the imposition of CVD duties on the subject merchandise. *Stainless Steel Plate in Coils from Italy: Final Results of Countervailing Duty Changed Circumstances Review and Revocation of Countervailing Duty Order, in Whole*, 71 FR 15380, March 28, 2006.

Belgium, effective July 18, 2005.¹⁷ Following the Commission's negative determination, Commerce revoked the antidumping duty order with respect to Canada.¹⁸

Summary Data

Table I-1 presents a summary of data from the original investigations, first reviews, and the current full five-year reviews.^{19 20} Data for both the original investigations and the reviews are believed to be generally comparable.

¹⁷ *Continuation of Antidumping Duty Orders on Certain Stainless Steel Plate in Coils From Belgium, Italy, South Korea, South Africa, and Taiwan, and the Countervailing Duty Orders on Certain Stainless Steel Plate in Coils From Belgium, Italy, and South Africa*, 70 FR 41202, July 18, 2005.

¹⁸ *Revocation of Antidumping Duty Order; Certain Stainless Steel Plate in Coils From Canada*, 70 FR 41207, July 18, 2005.

¹⁹ See the section entitled "Organization of the Report" for a discussion of the data collected during these reviews. All references to "tons" within this report should be understood to be to "short tons," unless otherwise noted.

²⁰ The data series presented in table I-1 includes data before, during, and after the sequence of events known as the "Asian financial crisis." The initial crisis spread from Thailand in mid-1997 through Asia, and then more broadly by 1998. According to Commerce, reduced Asian steel demand, declining Asian currency values, and increased U.S. steel demand contributed to an increase in U.S. steel imports. See *Global Steel Trade: Structural Problems and Future Solutions*, International Trade Administration, U.S. Department of Commerce, July 2000, pp. 17-30. See also "Stainless Steel - A Global View," presented by Peter Kaumanns, ISSF, at the May 2004 International Industry Outlook Meeting in Basle, Switzerland; "Global Stainless Steel Demand Index" by ISSF (October 2010 update); and "Steel, Alloys and Stainless" by Marcel Genet (Laplace Conseil) and Cedric Orban (COMC), *Stainless Steel World*, Beaune, October 2010.

Table I-1
Stainless steel coiled plate: Comparative data from the original investigations and the first and second reviews, 1995-2010
(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)

Item	1995	1996	1997	1998	1999	2000	2001
U.S. consumption quantity:							
Amount	127,569	119,654	142,405	123,209	120,328	109,457	101,037
U.S. producers' share ¹	81.2	74.8	80.8	80.5	89.0	88.9	93.3
U.S. importers' share: ¹							
Belgium	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
South Africa	***	***	***	***	0.3	0.0	0.0
Taiwan	***	***	***	4.1	0.3	0.1	0.2
Subtotal	***	***	***	15.7	7.7	6.1	3.0
Canada	***	***	***	1.7	0.3	0.5	***
All other sources	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***
Total imports	18.8	25.2	19.2	19.5	11.0	11.1	6.7
U.S. shipments of imports from:²							
Belgium:							
Quantity	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Italy:							
Quantity	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Korea:							
Quantity	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	***
South Africa:							
Quantity	***	***	***	***	341	22	46
Value	***	***	***	***	354	32	84
Unit value	\$***	\$***	\$***	\$***	\$1,038	\$1,484	\$1,816

Table I-1--Continued

2002	2003	2004	2005	2006	2007	2008	2009	2010
118,633	***	***	122,928	188,868	143,887	84,758	85,046	107,512
89.3	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
0.0	***	***	0.3	0.7	0.8	0.0	0.0	0.1
0.1	***	***	0.3	0.1	0.1	0.0	0.0	0.0
***	***	***	***	***	***	***	***	***
***	***	***	(³)	(³)	(³)	(³)	(³)	(³)
***	***	***	***	***	***	***	***	***
***	***	***	(³)	(³)	(³)	(³)	(³)	(³)
10.7	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
31	***	***	341	1,320	1,176	34	2	69
30	***	***	922	2,357	2,783	102	14	125
\$976	***	\$***	\$2,707	\$1,786	\$2,367	\$2,986	\$6,544	\$1,812

Table I-1--Continued

Stainless steel coiled plate: Comparative data from the original investigations and the first and second reviews, 1995-2010

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

Item	1995	1996	1997	1998	1999	2000	2001
Taiwan:							
Quantity	***	***	***	5,004	307	84	210
Value	***	***	***	6,292	413	135	274
Unit value	\$***	\$***	\$***	\$1,257	\$1,345	\$1,597	\$1,304
Subtotal:							
Quantity	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Canada:							
Quantity	***	***	***	2,123	374	595	***
Value	***	***	***	3,049	522	1,271	***
Unit value	\$***	\$***	\$***	\$1,437	\$1,397	\$2,137	\$***
All other sources:							
Quantity	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Subtotal:							
Quantity	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Total:							
Quantity	24,041	30,121	27,402	24,035	13,268	12,134	6,818
Value	53,142	63,442	47,196	35,628	18,142	24,145	10,987
Unit value	\$2,210	\$2,106	\$1,722	\$1,482	\$1,367	\$1,990	\$1,611

Table I-1--Continued

2002	2003	2004	2005	2006	2007	2008	2009	2010
103	***	***	373	96	101	18	0	3
152	***	***	967	269	454	87	0	11
\$1,471	***	\$***	\$2,595	\$2,804	\$4,520	\$4,756	(³)	\$4,015
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	(³)	(³)	(³)	(³)	(³)	(³)
***	***	***	(³)	(³)	(³)	(³)	(³)	(³)
\$***	\$***	\$***	(³)	(³)	(³)	(³)	(³)	(³)
***	***	***	(³)	(³)	(³)	(³)	(³)	(³)
***	***	***	(³)	(³)	(³)	(³)	(³)	(³)
\$***	\$***	\$***	(³)	(³)	(³)	(³)	(³)	(³)
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
12,686	***	***	***	***	***	***	***	***
20,301	***	***	***	***	***	***	***	***
\$1,600	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***

Table I-1--Continued

Stainless steel coiled plate: Comparative data from the original investigations and the first and second reviews, 1995-2010

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

Item	1995	1996	1997	1998	1999	2000	2001
U.S. producers':							
Capacity quantity	183,637	204,851	237,704	223,917	213,000	213,222	277,609
Production quantity	107,922	91,879	129,526	83,208	110,406	98,229	96,316
Capacity utilization ¹	58.8	44.9	54.5	37.2	51.8	46.1	34.7
U.S. shipments:							
Quantity	103,528	89,533	115,003	99,174	107,060	97,323	94,219
Value	246,543	176,449	199,474	149,244	152,867	185,409	131,828
Unit value	\$2,383	\$1,971	\$1,735	\$1,505	\$1,428	\$1,905	\$1,399
Export shipments:							
Quantity	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***
Unit value	\$2,269	\$1,840	\$1,694	\$***	\$***	\$***	\$***
Ending inventory quantity	25,813	30,082	38,411	***	***	***	***
Inventory/total shipments ¹	***	***	***	***	***	***	***
Production workers	218	198	236	211	227	258	229
Hours worked (1,000)	450	406	490	417	490	541	470
Wages paid	8,986	8,260	10,142	10,219	12,835	14,390	12,777
Hourly wages	\$19.97	\$20.34	\$20.70	\$24.53	\$26.19	\$26.59	\$27.20
Productivity (tons per 1,000 hours)	239.8	226.3	264.3	199.7	225.3	181.5	205.0
Net sales:							
Quantity	104,831	94,591	117,509	89,954	110,083	99,247	96,289
Value	249,726	185,684	203,203	133,149	156,868	188,749	134,518
Unit Value	\$2,382	\$1,963	\$1,729	\$1,480	\$1,425	\$1,902	\$1,397
Cost of goods sold	193,460	171,087	194,843	127,291	141,825	158,585	***
Gross profit or (loss)	56,266	14,597	8,360	5,858	15,043	30,164	(2,367)
Operating income or (loss)	47,383	6,633	(1,114)	(1,417)	6,054	21,464	(10,664)
Unit cost of goods sold	\$1,845	\$1,809	\$1,658	\$1,415	\$1,288	\$1,598	\$***
Unit operating income or (loss)	\$452	\$70	\$(10)	\$(16)	\$55	\$216	\$(111)
Cost of goods sold/sales (%) ¹	77.5	92.1	95.9	95.6	90.4	84.0	***
Operating income or (loss)/sales ¹	19.0	3.6	(0.6)	(1.1)	3.9	11.4	(7.9)

¹ Reported data are in percent.

² Official Commerce statistics used for South Africa and Taiwan 2005-10.

³ Not applicable.

Source: Compiled from data submitted in response to Commission questionnaires and from official import statistics from Commerce (South Africa and Taiwan, 2005-10). Data for 1995-2004 are compiled from *Staff Report on Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigations Nos. 701-TA-376, 377 & 379 and 731-TA-788-793 (Review)*, Memorandum INV-CC-058, April 27, 2005, Appendix C, table C-1.

Table I-1--Continued

2002	2003	2004	2005	2006	2007	2008	2009	2010
270,404	***	***	***	***	***	***	***	***
115,707	***	***	***	***	***	***	***	***
42.8	***	***	***	***	***	***	***	***
105,947	***	***	***	***	***	***	***	***
145,979	***	***	***	***	***	***	***	***
\$1,378	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
221	***	***	***	***	***	***	***	***
463	***	***	***	***	***	***	***	***
12,876	***	***	***	***	***	***	***	***
\$27.82	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
250.0	***	***	***	***	***	***	***	***
113,050	***	***	***	***	***	***	***	***
154,313	***	***	***	***	***	***	***	***
\$1,365	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	***	***
(28,205)	***	***	***	***	***	***	***	***
(34,955)	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
\$(309)	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	***	***
(22.7)	***	***	***	***	***	***	***	***

PREVIOUS AND RELATED INVESTIGATIONS

In May 1973, the Commission determined that an industry in the United States was being injured by reason of imports of stainless steel plate (including but not limited to hot-rolled and cold-rolled plate in coils) from Sweden sold at less than fair value. On June 8, 1973, the U.S. Department of the Treasury issued an antidumping finding on stainless steel plate from Sweden. Following several requests for a changed circumstance review,²¹ in August 1998, the Commission instituted a five-year review concerning the antidumping duty finding on stainless steel plate from Sweden. Following a full review, in July 1999 the Commission determined that revocation of the order would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.²²

In June 1983, the Commission determined that an industry in the United States was being materially injured by reason of imports of stainless steel plate (including but not limited to stainless steel coiled plate) from the United Kingdom found by Commerce to be subsidized by the Government of the United Kingdom.²³ On June 23, 1983, Commerce issued a countervailing duty order on stainless steel plate from the United Kingdom. On August 14, 1986, however, Commerce revoked the countervailing duty order, having determined that domestic interested parties were no longer interested in continuation of the order.²⁴

The Commission has also conducted two safeguard investigations with respect to stainless steel and alloy tool steel, as follows: Inv. No. TA-201-5 in 1976 (USITC Publication 756) and Inv. No. TA-201-48 in 1983 (USITC Publication 1377).²⁵

²¹ The Commission denied two requests, then instituted, but subsequently suspended, a changed circumstance review. 50 FR 43613, October 28, 1995; 52 FR 24541, July 1, 1987; and 58 FR 35044, June 30, 1993.

²² *Stainless Steel Plate from Sweden, Inv. No. AA1921-114 (Review)*, USITC Publication 3204, July 1999.

²³ *Stainless Steel Sheet and Strip from the Federal Republic of Germany and France and Stainless Steel Sheet and Strip and Plate from the United Kingdom, Inv. Nos. 701-TA-195-196 and 731-TA-92 and 95*, USITC Publication 1391, June 1983.

²⁴ 48 FR 28690, June 23, 1983; and 51 FR 29144, August 14, 1986.

²⁵ The 1976 investigation resulted in a 3-year voluntary restraint agreement (6/14/76-6/13/79) and the 1983 investigation resulted in a 4-year relief period of quotas and tariffs. In addition, the Commission conducted a probable economic effects study in 1977 with respect to stainless steel and alloy tool steel (Inv. No. TA-203-3; USITC Publication 838).

STATUTORY CRITERIA 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 products.

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

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

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

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

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

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

Organization of the Report

Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for stainless steel coiled plate as collected in the reviews is presented in appendix C. U.S. industry data are based on the questionnaire responses of three U.S. producers of stainless steel coiled plate (AK Steel, Allegheny Ludlum, and NAS) that are believed to have accounted for all of domestic production of stainless steel coiled plate in 2010. U.S. import data and related information are based on the questionnaire responses of seven U.S. importers of stainless steel coiled plate (for Belgium, Italy, Korea, and nonsubject sources)²⁶ and Commerce's official import statistics (for South Africa and Taiwan). Foreign industry data and related information are based on the questionnaire responses of three producers of stainless steel coiled plate. Producers from Belgium, Italy, and Korea accounted for virtually all of subject production in their respective countries. Producers from South Africa and Taiwan did not respond to the Commission's questionnaire. Responses by U.S. producers, importers, purchasers, and foreign producers of stainless steel coiled plate to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation of such orders are presented in appendix D. Appendix E presents information regarding the exchange rates between the U.S. dollar and the currencies of the countries subject to these reviews.

²⁶ Importers' questionnaire responses accounted for virtually all imports of stainless steel coiled plate from Belgium, Italy, and Korea during the period for which data were collected (i.e., 2005-10).

COMMERCE'S REVIEWS

Administrative Reviews²⁷

The following tables present information on Commerce's administrative reviews of the subject orders.²⁸

Belgium

Commerce has completed six antidumping duty administrative reviews with regard to subject imports of stainless steel coiled plate from Belgium. The results of the administrative reviews are shown in table I-2.

Table I-2
Stainless steel coiled plate: Administrative reviews of the antidumping duty order for Belgium

Date results published	Period of review	Producer or exporter	Margin (percent)
November 7, 2001 (66 FR 56272)	11/04/1998-04/30/2000	ALZ Belgium	24.43
		All others	9.86
October 18, 2002 (67 FR 64352)	05/01/2000-04/30/2001	ALZ Belgium	3.84
		All others	9.86
January 19, 2005 (70 FR 2999) ¹	05/01/2002-04/30/2003	U&A Belgium ²	2.71
		All others	9.86
December 7, 2005 (70 FR 72789)	05/01/2003-04/30/2004	U&A Belgium	2.96
		All others	9.86
December 11, 2008 (73 FR 75398)	05/01/2006-04/30/2007	U&A Belgium	7.53
		All others	9.86
October 19, 2009 (74 FR 53468)	05/01/2007-04/30/2008	AMS Belgium ³	6.57
		All others ⁴	8.54

¹ Amended.

² ALZ Belgium's parent company, Arbed, was acquired by Arcelor. As a result of the merger, the Arcelor Group created a new unit that combined Ugine S.A., N.V., a French stainless steel producer, and ALZ Belgium. The former company ALZ Belgium changed its name to U&A Belgium on December 31, 2001. Furthermore, effective February 2002, Arcelor also merged with Usinor S.A. and Aceralia Corporacion Siderurgica S.A.

³ ArcelorMittal Stainless Belgium N.V.

⁴ Corrected. *Stainless Steel Plate in Coils From Belgium: Correction to Notice of Final Results of Antidumping Duty Administrative Review*, 75 FR 45605, August 3, 2010. The "all others" rate should have been listed as 8.54 percent pursuant to the implementation of the findings of the World Trade Organization ("WTO") Panel in US--Zeroing (EC).

Source: Cited *Federal Register* notices.

²⁷ Commerce has not issued any duty absorption findings with respect to stainless steel coiled plate from the subject countries.

²⁸ For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

Italy

Commerce has completed one antidumping duty administrative review with regard to subject imports of stainless steel coiled plate from Italy. The results of the administrative review are shown in table I-3.

Table I-3
Stainless steel coiled plate: Administrative review of the antidumping duty order for Italy

Date results published	Period of review	Producer or exporter	Margin (percent)
October 15, 2002 (67 FR 63618)	05/01/2000-04/30/2001	TKAST	0.00
		All others	39.69 ¹
¹ Corrected. <i>Amended Final Results of Antidumping Duty Administrative Review: Stainless Steel Plate in Coils from Italy</i> , 67 FR 76381, December 12, 2002.			
Source: Cited <i>Federal Register</i> notice.			

Korea

Commerce has completed one antidumping duty administrative review with regard to subject imports of stainless steel coiled plate from Korea. The results of the administrative review are shown in table I-4.

Table I-4
Stainless steel coiled plate: Administrative review of the antidumping duty order for Korea

Date results published	Period of review	Producer or exporter	Margin (percent)
December 11, 2001 (66 FR 64017)	11/04/1998-04/30/2000	POSCO	1.19
		All others	6.08 ¹
¹ Corrected. <i>Notice of Amended Final Antidumping Duty Administrative Review: Stainless Steel Plate in Coils from the Republic of Korea</i> , 67 FR 19734, April 23, 2002.			
Source: Cited <i>Federal Register</i> notice.			

South Africa

Commerce has not conducted any administrative reviews with regard to subject imports of stainless steel coiled plate from South Africa.

Taiwan

Commerce has completed one administrative review with regard to subject imports of stainless steel coiled plate from Taiwan. The results of the administrative review are shown in table I-5.

Table I-5
Stainless steel coiled plate: Administrative review of the antidumping duty order for Taiwan

Date results published	Period of review	Producer or exporter	Margin (percent)
June 14, 2002 (67 FR 40914)	05/01/2000-04/30/2001	YUSCO	8.02
		All others	7.39
Source: Cited <i>Federal Register</i> notice.			

Five-Year Reviews

Commerce has issued the final results of its expedited reviews of the countervailing duty order with respect to South Africa and of the antidumping duty orders with respect to all subject countries. In addition, as noted previously, Commerce has published the final results of its full review of the countervailing duty order with respect to Belgium, and determined that revocation of the countervailing duty order would not likely lead to continuation or recurrence of a countervailable subsidy. Consequently, Commerce has revoked the countervailing duty order with respect to Belgium. Table I-6 presents the countervailable subsidy margins and table I-7 presents the dumping margins calculated by Commerce in its original investigations, first reviews, and second reviews.²⁹

Table I-6
Stainless steel coiled plate: Commerce’s original, first, and second five-year countervailable subsidy margins for producers/exporters, by subject country

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)
South Africa¹			
Columbus Stainless	3.95	3.95	3.95
All others	3.95	3.95	3.95
<p>¹ Amended countervailing duty order, 68 FR 11524, March 11, 2003; final results of Commerce’s first review, 69 FR 47418, August 5, 2004; final results of Commerce’s second review, 75 FR 62103, October 7, 2010.</p> <p>Note.—The countervailing duty orders were amended to remove the original scope language which excluded cold-rolled stainless steel coiled plate.</p> <p>Source: Cited <i>Federal Register</i> notices.</p>			

²⁹ With respect to countervailable subsidies, Commerce identified the following government programs potentially present in South Africa (Commerce’s *Issues and Decision Memorandum*, September 30, 2010):

- Low Interest Rate Finance for the Promotion of Exports
- Export Assistance Under the Export Marketing Assistance and the Export Marketing and Investment Assistance Programs
- Benefits Under Section 37E of the Income Tax Act (Section 37E Tax Allowance)
- Import Financing Through Impofin, Ltd., and the IDC (Loan Guarantees Provided by the IDC)
- Competitiveness Fund
- Regional Industrial Development Program (RIDP).

Table I-7
Stainless steel coiled plate: Commerce's original, first, and second five-year dumping margins for producers/exporters, by subject country

Producer/exporter	Original margins ¹ (percent)	First five-year review margin (percent)	Second five-year review margin (percent)
Belgium²			
AMS Belgium	9.86	9.86	8.54
All others	9.86	9.86	8.54
Italy²			
TKAST	45.09	45.09	45.09
All others	39.69	39.69	39.69
Korea³			
POSCO	6.08	6.08	6.08
All others	6.08	6.08	6.08
South Africa⁴			
Columbus Stainless	37.77	41.63	41.63
All others	37.77	41.63	41.63
Taiwan⁴			
YUSCO	8.02	8.02	8.02
YUSCO/Ta Chen ⁵	10.20	10.20	10.20
All others	7.39	7.39	7.39
<p>¹ Scope of antidumping duty orders amended to remove the original language that excluded cold-rolled stainless steel coiled plate. Commerce assigned producers the rate established in the original final determination or the most recently completed final results of an administrative review to reflect the margins in effect at the time. Company-specific rates which differed from the original margins are as follows (in percent): AMS Belgium (3.84); TKAST (0.00 <i>de minimis</i>); and POSCO (1.19). 68 FR 11520, April 24, 2003.</p> <p>² Original antidumping duty order, 64 FR 27756, May 21, 1999; Amended antidumping duty order, 68 FR 11520, March 11, 2003; final results of Commerce's first review, 69 FR 61798, October 21, 2004; final results of Commerce's second review, 75 FR 61699, October 6, 2010.</p> <p>³ Amended final determination, 66 FR 45279, August 28, 2001 (Margins with respect to Korea were amended to comply with WTO panel findings); Amended antidumping duty order, 68 FR 11520, March 11, 2003; final results of Commerce's first review, 69 FR 61798, October 21, 2004; amended final results of Commerce's second review, 75 FR 67346, November 2, 2010.</p> <p>⁴ Original antidumping duty order, 64 FR 27756, May 21, 1999; Amended antidumping duty order, 68 FR 11520, March 11, 2003; final results of Commerce's first review, 69 FR 47416, August 5, 2004; final results of Commerce's second review, 75 FR 61699, October 6, 2010.</p> <p>⁵ This reflects YUSCO's margin on U.S. sales to Ta Chen as well as the middleman dumping by Ta Chen.</p>			
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.³⁰ During the review period, qualified U.S. producers of stainless steel coiled plate were 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 2005.³¹ Table I-8 presents CDSOA disbursements for Federal fiscal years 2005-10, by source.³²

Table I-8
Stainless steel coiled plate: CDSOA disbursements, by source, Federal fiscal years 2005-10

Item	Federal fiscal year					
	2005	2006	2007	2008	2009	2010
Disbursements (dollars)						
Belgium	\$323,132	\$1,012,729	\$284,792	(¹)	\$7,340	\$1,992
Italy	(¹)	\$792	\$143,597	\$19,958	\$797	\$1,017
Korea	(¹)	\$18	\$705	\$3,715	(¹)	(¹)
South Africa	(¹)	\$46,899	\$72,656	(¹)	\$264,581	(¹)
Taiwan	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Total	\$323,132	\$1,060,439	\$501,750	\$23,673	\$272,719	\$3,009
¹ No disbursement for this period. Note.--Because of rounding, figures may not add to the totals shown. Source: U.S. Customs and Border Protection’s CDSOA <i>Annual Reports</i> . Retrieved from http://www.cbp.gov/xp/cgov/trade/priority_trade/add_cvd/cont_dump/						

³⁰ 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).

³¹ 19 CFR 159.64 (g).

³² The Federal fiscal year begins on October 1 and ends on September 30 of the next calendar year.

THE SUBJECT MERCHANDISE

Commerce's Scope

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

Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (e.g., cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of the orders are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars.³³

Tariff Treatment

Stainless steel coiled plate is classifiable in the Harmonized Tariff Schedule of the United States ("HTS") under subheadings 7219.11.00, 7219.12.00, 7219.31.00, 7219.90.00, 7220.11.00, 7220.20.10, 7220.20.60, and 7220.90.00.³⁴ U.S. normal trade relations tariffs on stainless steel coiled plate ranged as high as 11.6 percent *ad valorem* in 1994. Tariffs were eliminated in annual stages following the Uruguay Round of multilateral tariff negotiations, beginning in 1995, and general duty rates ranged between 4.0 percent and 8.1 percent in 1997, the last year for which data were collected during the original investigations. The general duty rates on these provisions have been free since 2004.

³³ *Stainless Steel Plate in Coils From Belgium, Italy, South Africa, South Korea, and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 75 FR 61699, October 6, 2010. This scope language reflects the March 11, 2003, amendment of the antidumping and countervailing duty orders and suspension of liquidation which Commerce implemented in accordance with the Court of International Trade decision in *Allegheny Ludlum v. United States*, Slip Op. 02-147 (Dec. 12, 2002). *See also* *Notice of Amended Antidumping Duty Orders; Certain Stainless Steel Plate in Coils from Belgium, Canada, Italy, the Republic of Korea, South Africa, and Taiwan*, 68 FR 11520, March 11, 2003; and *Notice of Amended Countervailing Duty Orders; Certain Stainless Steel Plate in Coils from Belgium, Italy, and South Africa*, 68 FR 11524, March 11, 2003.

³⁴ Stainless steel coiled plate is imported under the following statistical reporting numbers of the HTSUS: 7219.11.00.30, 7219.11.00.60, 7219.12.00.06, 7219.12.00.21, 7219.12.00.26, 7219.12.00.51, 7219.12.00.56, 7219.12.00.66, 7219.12.00.71, 7219.12.00.81, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise under order is dispositive.

THE PRODUCT

Description and Applications

Description

The stainless steel plate subject to these reviews is a flat-rolled stainless steel product, 254 mm (10 inches) or greater in width, 4.75 mm (0.1875 inch) or greater in thickness, that is annealed or otherwise heat-treated and pickled (subjected to an acid rinse to remove surface scale) or otherwise descaled, and rolled into a coil. The subject plate may also be further processed (e.g., cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of the reviews are the following: (1) plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled,³⁵ (3) sheet and strip,³⁶ and (4) flat bars.³⁷

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

Stainless steel is a low carbon steel which contains 10.5 percent or more chromium by weight. The addition of chromium gives the steel its corrosion resisting properties. Other alloying elements can be added to impart various characteristics, but all stainless steels contain chromium at a minimum.³⁸

There are over 100 different stainless steel alloys, each with its own characteristics. Moreover, there are several stainless steel classification systems. These include broad groupings by metallurgical structure, more specific alloy numbering systems such as the American Iron and Steel Institute (“AISI”) classification system using the 200, 300, and 400 series numbers which correspond to metallurgical structure, as well as the Universal Numbering System used for all commercial metals and alloys. The broad metallurgical groupings are austenitic, ferritic, martensitic, precipitation-hardening, and duplex (table I-9).³⁹ The precipitation-hardening and duplex types are less widely used than the others. Each alloying element imparts certain characteristics to the steel (table I-10).

³⁵ Hot-rolled black band (“HRB”), the intermediate stainless flat-rolled product produced after stainless steel slab is rolled but before the rolled material is annealed and pickled, is not within the product scope. *See* “Hot rolling the slabs” section later in this report.

³⁶ Sheet and strip are flat-rolled products that are produced by similar methods as plate and share many of the characteristics of plate. Sheet is product that is under 4.75 mm in thickness and 600 mm (24 inches) and greater in width. Strip is product that is under 4.75 mm in thickness and under 600 mm in width.

³⁷ Flat bars are 4.75 mm (0.1875 inch) or greater in thickness and may equal or exceed 254 mm (10 inches) in width. Flat bars are rolled with grooved rolls on a bar mill with, accordingly, edges that do not need trimming.

³⁸ Other alloying elements can include nickel, molybdenum, manganese, among others.

³⁹ The terms austenitic, ferritic, martensitic, and duplex refer to the crystallographic structure of the alloy while precipitation-hardenable refers to a particular type of annealing. ASM International, *ASM Specialty Handbook: Stainless Steels*, pp. 5-8, 1994.

Table I-9
Stainless steel coiled plate: Characteristics by type of steel

Type	Qualities	Typical applications
AISI grade 200 series	<ul style="list-style-type: none"> ● Austenitic metallurgical structure ● Primary alloying elements are chromium, nickel, and manganese ● Non-magnetic ● Cannot be heat treated ● Excellent formability <p>AISI grades 201, 202, 203, 204, and 205</p>	- Structural applications
AISI grade 300 series	<ul style="list-style-type: none"> ● Austenitic metallurgical structure ● Primary alloying elements are chromium (15-30 percent) and nickel (6-20 percent) ● Excellent corrosion resistance ● Cannot be heat treated but can be hardened by "cold working" ● Non-magnetic ● Good high and low temperature mechanical properties ● Can be polished to a bright mirror finish <p>AISI grades 304 and 316 are the major grades</p>	- Chemical processing equipment - Food processing equipment - Oil refining equipment - Paper industry digesters, evaporators & handling equipment
AISI grade 400 series ("Non-hardenable")	<ul style="list-style-type: none"> ● Ferritic metallurgical structure ● Primary alloying element is chromium ● Does not contain nickel ● Good corrosion resistance ● Magnetic ● Limited temperature use ● Can be polished <p>AISI grades 409 and 430 are the most common</p>	- Bank vaults - Combustion chambers - Tanks
AISI grade 400 series ("Hardenable")	<ul style="list-style-type: none"> ● Martensitic metallurgical structure ● Chromium as the principal alloying element ● Carbon content of about 0.15 percent ● Adequate corrosion resistance ● Hardenable by heat treatment ● Magnetic ● Somewhat limited temperature use <p>AISI grades 410, 420, and 440 are the most common</p>	- Press plates - Coal chutes - Oil burner parts
Precipitation-hardening metallurgical structure	<ul style="list-style-type: none"> ● Primary alloying elements are chromium and nickel ● Hardened by special heat treatment to great strength 	-Petro-chemical equipment
Duplex metallurgical structure	<ul style="list-style-type: none"> ● When heat-treated, metallurgical structure is about half austenitic and half ferritic ● Superior to the austenitic steels in resistance to chloride stress corrosion cracking, excellent pitting and crevice corrosion resistance 	-Pipelines -Pressure shafting
Source: Specialty Steel Industry of North America, "Stainless Steel Overview: Applications," http://www.ssina.com/overview/learn.html , retrieved June 15, 2011, and "Stainless Steel Overview: Alloy Classifications," http://www.ssina.com/overview/alloy.html , retrieved June 15, 2011.		

Table I-10**Stainless steel coiled plate: Properties imparted by common alloying elements**

Alloying element	Properties imparted
Chromium	- Resists rust
Nickel	- Increases ductility - Increases toughness - Increases corrosion resistance to acids - Creates non-magnetic structure
Molybdenum	- Increases pitting and crevice corrosion resistance - Increase resistance to chlorides
Manganese	- Substitutes for nickel in the AISI 200 grade series
Source: Specialty Steel Industry of North America, "Stainless Steel Overview: Alloying Elements Summary," http://www.ssina.com/overview/alloyelements_summary.html , retrieved April 19, 2011.	

Applications

Stainless steel plate is used for the fabrication of storage tanks, process vessels, and equipment in the chemical, dairy, restaurant, pulp and paper, pharmaceutical, and other industries where the corrosion resistance, heat resistance, or ease of maintenance of stainless steel is needed. Another major market for the product is for the production of stainless steel tubing for use in the same industries mentioned above. Tubing manufacturers would normally have the ability to feed the material directly into a tube-making machine where it would be formed into a round tube, welded, and cut to length as a tube. For smaller diameter tubes, the subject product would first be slit into a number of individual coils of the required width. This slitting might be done by the tubing manufacturer or by a warehouse or service center.⁴⁰

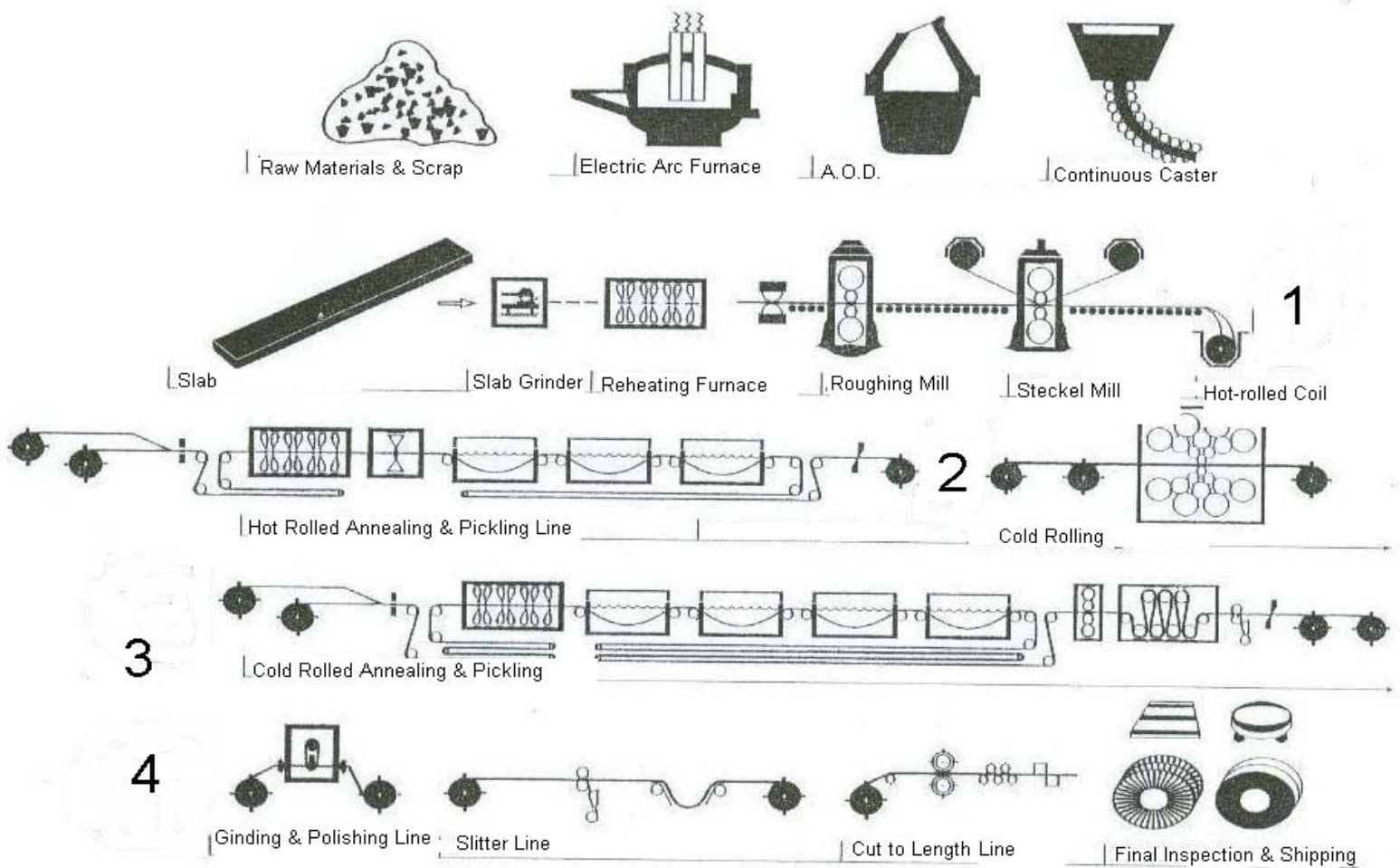
Manufacturing Process⁴¹

The basic steps in stainless steel plate production are: (1) stainless steel production; (2) the casting of slabs, a semifinished flat-rolled product; (3) hot-rolling the slabs; and, if specified, (4) cold-rolling the hot-rolled products; and, if specified, (5) finishing (figure I-1).

⁴⁰ Specialty Steel Industry of North America, "Stainless Steel Overview: Applications, Mill Forms>Plate," <http://www.ssina.com/overview/plate.html>, retrieved June 15, 2011, and "Stainless Steel Overview: Applications, Mill Forms>Tubing," <http://www.ssina.com/overview/tubing.html>, retrieved June 15, 2011.

⁴¹ The information in this section of the report is derived from the original investigations. *See Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, pp. I-5 and I-6.

Figure I-1
Stainless steel coiled plate: Production process



- 1 Stainless steel coil at this point is not yet annealed and pickled. The coil at this point is hot-rolled black band and is not within the product scope.
- 2 After the stainless steel is hot-rolled annealed and pickled it is within the product scope. The product at this stage is also known as white band. Stainless steel coiled plate can be sold at this point, be moved to finishing operations such as slitting, cut to length, or continue in the process to cold rolling. The production process, up to this point, is similar for stainless steel coiled plate and stainless steel sheet and strip in coil form. The only difference between the two products is the thickness of the steel on the coil. Typically, processing for stainless steel coiled plate ends here.
- 3 If bright annealing is required, it takes place at this stage instead of the usual pickling and annealing. With bright annealing the pickling step is eliminated.
- 4 If desired, the coil can undergo finishing operations. Note that if the coil is cut to length, it is no longer within the product scope.

Source: NAS, *Flat Products Brochure*, p. 14,
http://www.northamericanstainless.com/wp-content/themes/northamericanstainless/pdf/NAS_Flat_Products_Brochure.pdf, retrieved June 15, 2011, used by permission and modified by Commission staff.

Stainless Steel Production

Mills produce stainless steel by melting raw material—usually selected stainless (or other types of) steel scrap and various ferroalloys (of chromium, nickel, and molybdenum) in an electric arc furnace. The resultant liquid steel is tapped into a furnace ladle and transferred to an argon-oxygen decarburization (“AOD”) vessel for further refinement (also known as secondary steelmaking) in which oxygen, gradually replaced by argon, is blown through the molten steel, to eliminate impurities.⁴² An alternate method of removing impurities from molten stainless steel is to use vacuum oxygen decarburization (“VOD”), in which the molten metal is placed in a vacuum while oxygen is bubbled through it. The molten metal’s chemistry is tested frequently at this stage with the results used to calculate the exact amount of ferroalloys to be added in order to produce steel with specific properties according to end-use applications. Care is taken at this stage to assure that only the least costly raw materials are used, and in the minimum quantity necessary to meet the specification. This is particularly important in the production of stainless steel because the alloying elements nickel, molybdenum, and chromium, as well as the steel scrap, account for most of the total cost.⁴³ Once the desired chemical composition is achieved, the molten stainless steel is transferred in a preheated transfer ladle to the continuous slab caster for solidification into slabs, the wide semifinished products from which flat-rolled products are rolled.

Slab Casting

The molten stainless steel is poured into a tundish (reservoir dam) which controls the flow into the top of the mold of the continuous casting machine. Solid surfaces form as the molten stainless steel passes through and out the bottom of the mold, and the slab solidifies as it slowly descends through the caster. The resulting slabs are 5 to 8 inches thick and up to 100 inches wide, depending on mill capability and the flat-rolled product that will be produced from the slab. The continuous slab is cut into lengths of up to about 35 feet for further processing. The length is limited by the mill’s reheating and/or rolling capability. The slab is then inspected and conditioned by grinding the surface to remove scale and defects, in preparation for rolling in coil form on the hot-strip mill. Before it enters the rolling mill, the slab is charged in a gas-fired reheating furnace to a rolling temperature of 2,250-2,300 degrees Fahrenheit. After reaching the appropriate temperature, the slab exits the furnace and enters the hot-strip mill.

Hot Rolling the Slabs

For a mill designed primarily to produce stainless steel, the roughing mill is generally a reversing mill in which the slabs are rolled to a thickness of about one inch in a succession of rolling passes. The finishing mill is either a reversing mill of the Steckel type, which is equipped to coil the stainless steel bands after each pass in order to conserve space and temperature, or a continuous mill made up of a series of individual rolling stands that may be hundreds of yards long and with the bands passing continuously through the stands in one direction only. Finally, the bands continue on to a coiler, where they are

⁴² AK Steel claims to have the largest AOD unit in the world, with a capacity of 175 tons, at its Butler, PA facility. AK Steel, “Facilities, Butler Works,” http://www.aksteel.com/production_facilities/butler.aspx, retrieved June 15, 2011.

⁴³ ***.

wrapped into coils.⁴⁴ At this point the product is called hot-rolled black (HRB) band due to the layer of dark-colored oxide that forms on the steel's surface when it is exposed to oxygen at high temperatures.

Annealing

Rolling the steel creates internal stresses and makes the steel harder. Annealing, a form of heat treatment, relieves the stresses and softens the steel. After cooling down from the hot-rolling process, the black band passes through a continuous furnace in which it is heated to annealing temperatures, about 2,000 degrees Fahrenheit depending on the stainless steel grade, and then quickly cooled. The heat treatment creates a dark colored oxide scale on the surface of the steel. The band next passes through a grit-blasting machine in which the scale from the hot mill and the annealing furnace is broken up by using small particles of steel grit thrown at high speed by centrifugal wheels.

Pickling

The next process the band undergoes is pickling, an acid wash which removes the dark oxide scale and surface defects, and imparts corrosion resistance. The band passes through pickling tanks which contain acid to descale the steel, followed by a water rinse. Annealing and pickling are usually performed on a continuous process line, although they can be performed in separate units. The product at this point is considered white coil or white band, or hot-rolled annealed and pickled ("HRAP") coil or HRAP band. Most stainless steel coiled plate is sold at this stage.⁴⁵

Cold Rolling

A small proportion of stainless steel plate is produced and sold as cold-rolled.⁴⁶ Cold-rolled stainless steel coiled plate is manufactured by transferring HRAP coil to a cold-rolling mill to reduce the product's thickness. Cold rolling involves a further reduction in thickness. Depending on the desired thickness of the end product, various numbers of cold-rolling passes through the mill may be required to achieve the necessary reduction. As in hot-rolling, the material hardens after a certain amount of cold-rolling. Further cold-rolling becomes difficult at this point so annealing (to soften the material) and pickling, several times may be necessary to achieve the desired final thickness. The final product is considered cold-rolled, annealed, and pickled coil.⁴⁷ If specified, after cold rolling the coil can be bright

⁴⁴ Because the slabs are fed into the mill at an elevated temperature, the mill is known as a "hot-strip mill."

⁴⁵ The production process for stainless steel plate is the same as that of stainless steel sheet and strip through the hot rolling process. Stainless steel plate is typically not cold rolled.

⁴⁶ No U.S. producer reported production of cold-rolled stainless steel coiled plate during 2005-10. Of reporting foreign producers, cold-rolled plate accounted for *** percent of annual production of stainless steel coiled plate in Belgium; *** percent of annual stainless steel plate production in Italy; and *** percent of annual production in Korea. U.S. and foreign producers' questionnaire responses, section II-8b for U.S. producers and II-8 for foreign producers.

⁴⁷ Either HRAP plate or cold-rolled annealed and pickled plate may be further finished in a temper mill or cold-rolling mill with a very light cold-rolling pass, known as a temper pass or skin pass. The purpose of the temper or skin pass is to provide a required surface finish and/or to improve the flatness of the coiled product. Such a temper or skin pass does not create the need for another annealing step and does not change the classification of hot-rolled plate to cold-rolled plate.

annealed.⁴⁸ In bright annealing, the coil is placed in a special furnace that heats the coil in an oxygen-free reducing atmosphere. Bright annealing does not create the dark oxide scale on the coil and so the pickling step is unnecessary. This type of annealing produces a mirror-like appearance and is often used when a highly reflective surface is desired.⁴⁹ Cold-rolled stainless steel plate has a smoother finish with greater freedom from surface imperfections than hot-rolled plate and is used for a limited number of specialized applications such as containers and tanks for food processing, beer brewing, and dairies where smooth surfaces that can be easily cleaned are essential.

Finishing

Stainless steel coiled plate may undergo additional finishing operations. For example, once the hot-rolled anneal and pickle (and, if required, cold-rolled anneal and pickle) step is complete, the steel may undergo a temper roll (skin pass) to improve surface condition. However, this step does not involve any further thickness reduction in the material. A finish may also be applied to the product. As shown in table I-11, stainless steel coiled plate is available in a number of standard finishes. Special finishes, including “rolled-on” embossing, etching, special surface mechanical treatment to provide, for example, perforations, electromechanical coloring and plating can also be performed.⁵⁰ Although not a “standard industry finish,” some producers offer a bright annealed finish; *see* discussion of bright annealing in the previous cold rolling section.

⁴⁸ Bright annealing is performed by U.S. producers (domestic interested parties' posthearing brief, p.7 note 2) such as AK Steel and Allegheny Ludlum. AK Steel, *Stainless Steel Comparator*, http://www.aksteel.com/pdf/markets_products/stainless/Stainless_Steel_Comparator.pdf, and Allegheny Ludlum, “Process and Plant Capabilities,” <http://www.alleghenytechnologies.com/ludlum/pages/facilities/Louisville.asp?qdirections=>, retrieved June 15, 2011.

⁴⁹ Specialty Steel Industry of North America, “Standard Finishes: Which products are you planning to use?” <http://www.ssina.com/finishes/whichproducts.html>, retrieved June 15, 2011.

⁵⁰ Specialty Steel Industry of North America, *Designer Handbook: Stainless Steel Primer*, p. 2, http://www.ssina.com/download_a_file/primerupdatebroc.pdf, retrieved June 15, 2011.

Table I-11
Stainless steel coiled plate: Production stages/finishes

Production stage and finish	Description
Hot rolled (HRB)	Scale not removed. Not heat treated. Plates not recommended for final use in this condition.
Hot rolled and annealed	Scale not removed. Use of plates in this condition is generally confined to heat resisting applications. Scale impairs corrosion resistance.
Hot rolled, annealed, pickled (HRAP)	Condition and finish commonly preferred for corrosion resisting and most heat resisting applications.
Hot rolled, annealed, pickled and temper passed	Smoother finish for specialized applications.
Hot rolled annealed, pickled, cold rolled, annealed pickled, optionally temper passed	Smooth finish with greater freedom from surface imperfections than the above.
Hot rolled, annealed, pickled, polished	<p>Polished finishes such as:</p> <p>Polished bright surface with reasonable reflectivity, although it contains visible "grit lines" which prevent mirror reflection</p> <p>Dull satin finish with less reflectivity than the above-mentioned finish</p> <p>Highly reflective surface finish but still maintains some light "grit" lines.</p> <p>Reflective finish with a mirror-like reflectivity.</p>
<p>Source: Specialty Steel Industry of North America, "Why Stainless Steel," http://www.ssina.com/download_a_file/why.pdf, retrieved June 15, 2011.</p>	

Stainless steel coiled plate may also be cut-to-length. Cut-to-length plate produced from coiled plate is made by putting the coil into a cut-to-length line which unrolls the coil, levels and then cuts it to desired length. Cut-to-length plate is not within the product scope of these reviews. The primary purchasers of stainless steel coiled plate are the major distributors, pipe producers, and tank manufacturers. The major distributors reportedly prefer to inventory coiled plate because they have the equipment to cut the coil into any desired length by the end user. Pipe and tank manufacturers reportedly prefer coiled plate that they can cut to length and weld.⁵¹

⁵¹ Hearing transcript, May 26, p. 31 (Blot).

DOMESTIC LIKE PRODUCT ISSUES

In its original determinations after remand and its full first five-year review determinations, the Commission ultimately defined a single domestic like product consisting of hot-rolled and cold-rolled stainless steel coiled plate, coextensive with Commerce's scope,⁵² and a single domestic industry comprised of U.S. producers of the domestic like product.⁵³ While the Commission majority in the original determinations defined two separate domestic like products (i.e., hot-rolled stainless steel coiled plate and cold-rolled stainless steel coiled plate) and two separate domestic industries comprised of U.S. producers of the corresponding domestic like products, two Commissioners dissented, finding instead one domestic like product and one domestic industry.⁵⁴ On remand, after a change in the Commission's composition, the Commission majority found a single domestic like product containing both hot- and cold-rolled stainless steel coiled plate and a single domestic industry comprised of U.S. producers of the domestic like product.

In its notice of institution in these current five-year reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry.⁵⁵ The domestic producers indicated in their response to the Commission's notice of institution that they agree with the Commission's like product definition in its remand determinations and assert that there has been no material change in the market that would alter the Commission's analysis.⁵⁶ The respondent interested parties took no position on the Commission's like product definition. No party requested that the Commission collect data concerning other possible domestic like products in their comments on the Commission's draft questionnaires. No other interested party provided further comment on the domestic like product. In their prehearing brief, domestic interested parties reiterated their support for the Commission's like product definition.⁵⁷

U.S. MARKET PARTICIPANTS

U.S. Producers

At the time of the original investigations, there were six domestic producers in the United States: Allegheny Ludlum; Armco (now AK Steel); Avesta Sheffield NAD, Inc. (later known as Avesta Polarit) ("Avesta"); J&L; NAS; and Washington Steel. All but one of the six firms (i.e., Avesta) were petitioners. The five petitioning firms accounted for *** percent of U.S. stainless steel coiled plate production in 1997.

The industry was in the midst of restructuring and consolidation during the original investigations and first reviews. At the time of the Commission's determinations in the first reviews of the orders in

⁵² The subject stainless steel coiled plate are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness.

⁵³ *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377 and 379 (Final) and 731-TA-788-793 (Final) (Remand)*, USITC Publication 3541, September 2002; and *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376, 377 and 379 and 731-TA-788-793 (Review)*, USITC Publication 3784, June 2005, pp. 4-6.

⁵⁴ *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377 and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, p. 7.

⁵⁵ *Stainless Steel Plate From Belgium, Italy, Korea, South Africa, and Taiwan*, 75 FR 30434, June 1, 2010.

⁵⁶ *Substantive Response* of domestic interested parties, pp. 16-18.

⁵⁷ Prehearing brief of domestic interested parties, p. 4.

June 2005, three domestic producers of stainless steel coiled plate were in operation – AK Steel, Allegheny Ludlum, and NAS. The interested parties participating in these second reviews of the orders identified the same three currently operating domestic producers in their responses to the Commission’s notice of institution.⁵⁸ The Commission received questionnaire data from the three companies, which are believed to represent all active stainless steel coiled plate production in the United States. Presented in table I-12 is a list of current domestic producers of stainless steel coiled plate and each company’s position on continuation of the orders, production location(s), related and/or affiliated firms, and share of reported production of stainless steel coiled plate in 2010.

Table I-12
Stainless steel coiled plate: U.S. producers, positions on the orders, U.S. production locations, related and/or affiliated firms, and shares of 2010 reported U.S. production

Firm	Mill location(s)	Parent company	Position on orders	Share of production (percent)
AK Steel	West Chester, OH Butler, PA Middletown, OH	AK Steel (U.S.)	***	***
Allegheny Ludlum	Brackenridge, PA	Allegheny Technologies Incorporated ¹	***	***
NAS	Ghent, KY	Acerinox, S.A. (Spain) ²	***	***

¹ Allegheny Technologies Incorporated is traded on the New York Stock Exchange under the ticker symbol “ATI.”

² Acerinox, S.A. holds a 76 percent share in Columbus Stainless (Pty) Inc. (“Columbus Stainless”) (South Africa), a foreign producer of the subject merchandise.

Note.—ThyssenKrupp Stainless USA plans to begin production of stainless steel coiled plate from an intermediate product (black band) in late 2011 for captive consumption, and will sell the product in the merchant market in late 2013. ThyssenKrupp Stainless USA is related to foreign producer ThyssenKrupp Acciai Speciali Terni S.p.A. (“TKAST”) and U.S. importer ThyssenKrupp Acciai Speciali Terni USA, Inc. (“TKAST USA”).

Note.—Because of rounding, shares may not total to 100.0 percent.

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

⁵⁸ In addition, ThyssenKrupp Stainless USA plans to begin production of stainless steel coiled plate from an intermediate product (black band) in late 2011. The company currently imports stainless steel coiled plate from Germany (white band) for feedstock in its cold-rolling operations. Once its hot-rolling annealing and pickling line is operational in the third quarter of 2011, ThyssenKrupp Stainless USA will stop importing white band and begin importing nonsubject black band. The company will produce stainless steel coiled plate to be captively consumed in the third quarter of 2011, and will be sold in the merchant market in late 2013. ThyssenKrupp Stainless USA expects to produce over *** short tons of stainless steel coiled plate in 2011, *** short tons in 2012, approximately *** short tons in 2013, and increasing to more than *** shorts tons in 2014. ThyssenKrupp Respondent Interested Parties’ posthearing brief, pp. 10-11.

As indicated in the table above, U.S. producer NAS is related to foreign producers of stainless steel coiled plate. NAS is owned by Acerinox, S.A., a Spanish specialty steel producer, which holds a 76 percent share in Columbus Stainless, a South African producer of the subject merchandise.⁵⁹ Although NAS and Columbus Stainless have common ownership, ***. Moreover, “***.”⁶⁰ ⁶¹ In addition, as discussed in greater detail in Part III, no U.S. producers directly import or purchase the subject merchandise from U.S. importers.

U.S. Importers

During the original investigations, 14 firms reported that they imported the subject merchandise and provided usable data to the Commission. In addition, two domestic producers also imported subject stainless steel coiled plate. These 16 firms were believed to have accounted for the vast majority of U.S. imports from the six countries (including Canada) subject to the original investigations. The Commission calculated U.S. imports based on questionnaire data from these firms during both the original and remand investigations.⁶²

In the first five-year reviews, six U.S. importers provided usable data to the Commission. However, importer questionnaire data for some of the subject sources (Canada, South Africa, and Taiwan) were incomplete. Consequently, import data for these sources were derived from official Commerce statistics using the so-called primary HTS statistical reporting numbers.⁶³

⁵⁹ *Substantive Response* of domestic interested parties, July 1, 2010, p. 9; and <http://www.columbus.co.za/aboutus/aboutusmain.htm>, retrieved April 1, 2011.

⁶⁰ Domestic Interested Parties’ posthearing brief, exh. 1 and exh. 2.

⁶¹ In addition, ThyssenKrupp Stainless USA is related to Italian producer TKASt and U.S. importer TKASt-USA. Respondents indicate that once ThyssenKrupp Stainless USA is fully operational, it will be unlikely that stainless steel coiled plate from Italy will be imported, as the ThyssenKrupp entities will not compete with each other for sales in the U.S. market. *Substantive Response* of TK interested parties, July 1, 2010, p. 3. Respondents also indicate that the Vice President of Sales of ThyssenKrupp Stainless USA, Stephen Lacor, is responsible for preventing any “detrimental actions” by affiliated companies to the U.S. market and to ThyssenKrupp Stainless USA, and for ensuring the company’s local supply strategy. Mr. Lacor is responsible for taking action against harmful imports from any of the ThyssenKrupp affiliated companies. ThyssenKrupp Respondent Interested Parties’ posthearing brief, exh. 11.

⁶² *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377 and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, p. IV-1; and *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377 and 379 (Final) and 731-TA-788-793 (Final) (Remand)*, USITC Publication 3541, September 2002, p. II-1; and *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376, 377 and 379 and 731-TA-788-793 (Review)*, USITC Publication 3784, June 2005, pp. 4-6.

⁶³ Official Commerce statistics for the period examined in the original and remand investigations contained nonsubject plate and other products along with the subject imports. This situation still exists although subsequent modifications to the HTS, particularly in 2001, have resulted in a closer concordance between the HTS and the definition of the subject merchandise. During the first five-year reviews, the Commission used “primary” HTS statistical reporting numbers, identified by the domestic interested parties, to calculate U.S. imports. The primary HTS statistical reporting numbers (those that contain only subject merchandise or, for most but not all sources, relatively small amounts of plate that is not annealed or otherwise heat-treated) that were identified by the domestic interested parties are as follows: 7219.11.0030, 7219.11.0060, 7219.12.0006, 7219.12.0021, 7219.12.0026, 7219.12.0051, 7219.12.0056, 7219.12.0066, 7219.12.0071, 7219.12.0081, and 7219.31.0010. The remaining, or “secondary,” HTS statistical reporting numbers refer primarily to stainless steel sheet and strip products, and contain
(continued...)

In these current proceedings, the Commission issued importers' questionnaires to 70 firms believed to be importers of subject stainless steel coiled plate, as well as to all U.S. producers of stainless steel coiled plate. Usable questionnaire responses were received by seven companies, representing virtually all of total imports from Belgium, Italy, Korea, and nonsubject sources.⁶⁴ Importer questionnaire data for South Africa and Taiwan are incomplete. Consequently, as in the first five-year reviews, import data for these sources are derived from official Commerce statistics using the primary HTS statistical reporting numbers. Table I-13 lists all responding U.S. importers of stainless steel coiled plate from the five subject sources and other sources, their locations, and their shares of U.S. imports in 2010.

Table I-13
Stainless steel coiled plate: U.S. importers, source(s) of imports, U.S. headquarters, and shares of imports in 2010

Firm	Headquarters	Parent Company	Share of imports (percent)						
			Belgium	Italy	Korea	South Africa	Taiwan	Other	Total
Arcelor-Mittal	New Providence, NJ	Arcelor USA Holding LLC	***	***	***	***	***	***	***
Baosteel	Montvale, NJ	Baoshan Iron & Steel Co. (China)	***	***	***	***	***	***	***
Olbert Metal Sales	University Park, FL	Olbert Metal Sales (Canada)	***	***	***	***	***	***	***
Outokumpu	Schaumburg, IL	Outokumpu (U.S.)	***	***	***	***	***	***	***
Ryerson	Chicaco, IL	Platinum Equity LLC (U.S.)	***	***	***	***	***	***	***
Sumitomo ¹	Los Angeles, CA	Sumitomo Corporation (Japan)	***	***	***	***	***	***	***
TKNNA	Bannockburn, IL	ThyssenKrupp USA, Inc. (U.S.)	***	***	***	***	***	***	***
Total			***	***	***	***	***	***	***
¹ ***.									
Note.—Because of rounding, figures may not add to the totals shown.									
Source: Compiled from data submitted in response to Commission questionnaires.									

⁶³ (...continued)
 minimal, if any, imports of subject merchandise.

⁶⁴ Twenty-eight firms reported that they have not imported stainless steel coiled plate since 2005.

U.S. Purchasers

The Commission received 10 useable purchaser questionnaire responses from firms that bought stainless steel coiled plate during 2005-10.⁶⁵ These firms reported purchases totaling 102,434 short tons in 2010. The largest purchasers were ***. Six purchasers indicated that they were distributors, 5 processors/service centers, and 2 tubular products producers.⁶⁶

APPARENT U.S. CONSUMPTION

Data concerning apparent U.S. consumption of stainless steel coiled plate during the period for which data were collected in this proceeding are shown in table I-14.

⁶⁵ Of the 10 responding purchasers, 10 reported purchase data for domestic product, 4 for imports from Belgium, 0 for Italy, 0 for Korea, 3 for South Africa, 0 for Taiwan, and 7 for other sources.

⁶⁶ Some purchasers selected more than one category.

Table I-14

Stainless steel coiled plate: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, 2005-10

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
Quantity (short tons)						
U.S. producers' U.S. shipments	***	***	***	***	***	***
U.S. shipments of imports from ¹ – Belgium	***	***	***	***	***	***
Italy	***	***	***	***	***	***
Korea	***	***	***	***	***	***
South Africa	341	1,320	1,176	34	2	69
Taiwan	373	96	101	18	0	3
Subtotal, subject	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***
Total	***	***	***	***	***	***
Apparent U.S. consumption	122,928	188,868	143,887	84,758	85,046	107,512
Value (1,000 dollars)						
U.S. producers' U.S. shipments	***	***	***	***	***	***
U.S. shipments of imports from ¹ – Belgium	***	***	***	***	***	***
Italy	***	***	***	***	***	***
Korea	***	***	***	***	***	***
South Africa	922	2,357	2,783	102	14	125
Taiwan	967	269	454	87	0	11
Subtotal, subject	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***
Total	***	***	***	***	***	***
Apparent U.S. consumption	321,113	584,026	688,479	353,285	187,337	346,755
¹ Official Commerce statistics used for U.S. imports from Taiwan and South Africa. Note.—Because of rounding, figures may not add to the totals shown. Source: Compiled from data submitted in response to Commission questionnaires and official Commerce statistics.						

U.S. MARKET SHARES

U.S. market share data are presented in table I-15.

Table I-15
Stainless steel coiled plate: U.S. consumption and market shares, 2005-10

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
Quantity (short tons)						
Apparent U.S. consumption	122,928	188,868	143,887	84,758	85,046	107,512
Value (1,000 dollars)						
Apparent U.S. consumption	321,113	584,026	688,479	353,285	187,337	346,755
Share of quantity (percent)						
U.S. producers' U.S. shipments	***	***	***	***	***	***
U.S. shipments of imports from ¹ -- Belgium	***	***	***	***	***	***
Italy	***	***	***	***	***	***
Korea	***	***	***	***	***	***
South Africa	0.3	0.7	0.8	0.0	0.0	0.1
Taiwan	0.3	0.1	0.1	0.0	0.0	0.0
Subtotal, subject	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***
All countries	***	***	***	***	***	***
Share of value (percent)						
U.S. producers' U.S. shipments	***	***	***	***	***	***
U.S. shipments of imports from ¹ -- Belgium	***	***	***	***	***	***
Italy	***	***	***	***	***	***
Korea	***	***	***	***	***	***
South Africa	0.3	0.4	0.4	0.0	0.0	0.0
Taiwan	0.3	0.0	0.1	0.0	0.0	0.0
Subtotal, subject	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***
All countries	***	***	***	***	***	***

¹ Official Commerce statistics used for U.S. imports from Taiwan and South Africa.

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

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

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

Stainless steel coiled plate is an input used in industrial applications (storage tanks and process vessels, tubing, and transportation equipment). End uses include pipe and fittings, fabrication, storage tanks/process vessels, automotive and railcar uses, appliance/food service/kitchen equipment, petrochemical industry, construction, agriculture, and energy markets. The major purchasers of stainless steel coil plate are distributors, pipe producers, and tank manufacturers.¹ Since 2005, the growth of China as a producer and consumer of stainless steel coiled plate, the economic downturn in the United States and abroad, and fluctuating pricing of raw material inputs have had an effect on the stainless steel coiled plate market.

CHANNELS OF DISTRIBUTION

Stainless steel coiled plate is sold mainly to service centers, although it is also sold directly to end users. Service centers may further process the stainless steel coiled plate to customer specifications. Service centers often uncoil, level, and cut stainless steel coiled plate to length; they may also slit and re-edge the product before selling to end users such as fabricators.

During 2005-10, more than two-thirds of U.S. producers' sales were to distributors/processors/service centers and almost one-third were to end users (table II-1). Sales of imports from Belgium were *** to distributors, as was the large majority of imports from nonsubject countries; extremely limited data were available for other subject countries.

¹ Hearing transcript, May 26, p. 31 (Blot).

Table II-1

Stainless steel coiled plate: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2005-10

Item	Period					
	2005	2006	2007	2008	2009	2010
Share of reported shipments (<i>percent</i>)						
Domestic producers' U.S. shipments:						
Distributors/processors/service centers	***	***	***	***	***	***
End users	***	***	***	***	***	***
U.S. importers' U.S. shipments of product from Belgium:						
Distributors/processors/service centers	***	***	***	***	***	***
End users	***	***	***	***	***	***
U.S. importers' U.S. shipments of product from nonsubject countries:						
Distributors/processors/service centers	***	***	***	***	***	***
End users	***	***	***	***	***	***
Note.—Data for domestic producers include only U.S. commercial shipments. Data for Belgium is substantially complete. ***. No data were available for Italy, Korea, or Taiwan.						
Source: Compiled from data submitted in response to Commission questionnaires.						

GEOGRAPHIC DISTRIBUTION

U.S. producers reported selling stainless steel coiled plate to all regions in the contiguous United States (table II-2). The sole importer of product from Belgium reported selling to ***. For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. For Belgium, the only responding importer sold *** percent within 100 miles of its U.S. point of shipment and *** percent between 101 and 1,000 miles. TKUSA reported that its Alabama mill will replace imports, particularly on the West Coast, with product to be shipped by rail.²

² Hearing transcript, May 25, pp. 188-189 and 195-196 (Malashevich, Lacor, and Salas).

Table II-2
Stainless steel coiled plate: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	Importers	
		Belgium	Nonsubject countries
Number of firms			
Northeast	2	***	4
Midwest	2	***	3
Southeast	2	***	4
Central Southwest	2	***	4
Mountains	2	***	3
Pacific Coast	2	***	4
Other	0	***	0

Note.—No data were reported for Italy, Korea, South Africa, or Taiwan.
Note.— Producer, *** did not respond to the questions in this part of the questionnaire.
Source: Compiled from data submitted in response to Commission questionnaires.

U.S. SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on available information, U.S. stainless steel coiled plate producers have the capability to respond to changes in demand with large changes in shipments to the U.S. market. The main contributing factors to the high degree of responsiveness of supply are the availability of unused capacity and increasing overall industry capacity.

Industry capacity

Domestic capacity increased from *** short tons in 2005 to *** short tons in 2010, while capacity utilization decreased irregularly from *** percent in 2005 to *** percent in 2010. This low level of capacity utilization suggests that U.S. producers may have large amounts of available capacity to increase production of stainless steel coiled plate in response to an increase in prices.

Export markets

U.S. producers' exports, as a percentage of total shipments, fluctuated during the review period, but were *** percent in both 2005 and 2010. This level of exports indicates that U.S. producers may have some capability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

U.S. producers' inventories increased irregularly from *** percent of total shipments in 2005 to *** percent in 2010. These inventory levels suggest that U.S. producers may have some capability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

All three responding producers stated that they could switch production from stainless steel coiled plate to other products. Other products produced on the same equipment as stainless steel coiled plate are nickel alloys and grain-oriented electrical steels (***), sheet and strip, cut-to-length products, and long-product billets (***), and carbon steel, electrical steel, and sheet and strip (***).

Subject Imports

Based on available information, producers in Belgium, Italy, and Korea producers likely have the capability to respond to demand changes with moderate changes in the quantity of stainless steel coiled plate shipped to the U.S. market. Producers in Taiwan and South Africa did not provide data, and published data specific to stainless steel coiled plate is extremely limited. Country specific factors contributing to supply responsiveness are outlined in table II-3.

Table II-3

Stainless steel coiled plate: Capacity, capacity utilization, inventories, sales to various markets, and overall capability to shift sales to the United States

* * * * *

Factors that affect firms' capability to increase sales to the U.S. market include capacity and capacity utilization rates, internal consumption, inventories, and shipments to various markets.³ Production capacity in Italy and Korea decreased from 2005-10. Capacity utilization rates in Italy and Korea decreased from 2005-10, and while such rates fell more in Italy than Korea, Korea's overall capacity was *** higher. The ratio of inventories to shipments was low for Belgium, Italy, and Korea.

Two of three foreign producers reported changes in factors effecting their supply to the U.S. market. Specifically, *** reported that growing demand in Asia and other non-U.S. markets would likely reduce their U.S. shipments. In addition, *** reported that energy costs, and thus shipping costs to the United States, have increased. ThyssenKrupp also reported that the construction of SL-USA ... replaces the need to import from Europe and that it is not in TKAST's economic interest to ship subject merchandise to the United States.⁴

³ According to domestic interested parties, the capacity utilization rates reported above do not fully reflect foreign producers' ability to increase production, and that TKAST's overall ability to produce stainless steel coiled plate with unused hot rolling capacity is the true measure of its capacity to ship this product to the United States. TKAST's unused hot-rolled capacity in 2010 was at least ***. Domestic interested parties' posthearing brief, p. 3.

⁴ ThyssenKrupp Respondent Interested Parties' posthearing brief, p. 8.

Nonsubject Imports

The largest sources of nonsubject imports during 2005-10 were Germany and Sweden. Combined, these countries accounted for *** percent of nonsubject imports in 2010.

Supply Limitations

*** reported allocations for four months in 2007 with hot-rolled products due to a surge in the ethanol business while *** reported no supply limitations. Two of six responding importers reported limiting supply. Specifically, *** reported that it did not import from countries covered by the antidumping orders even if requested by customers and *** reported that since 2005, it has only sold product from *** to historic customers, and that from 2005-07 it sold only on a controlled order basis. No purchaser reported that any suppliers refused, declined, or were unable to supply stainless steel coiled plate.

U.S. Demand

Based on available information, purchasers have the capability to respond to changes in the price of stainless steel coiled plate with small to moderate changes in their purchases of the product. The main contributing factors to the low to moderate responsiveness of demand are the lack of commercially viable substitute products and the moderate cost share of stainless steel coiled plate in the final products in which it is used.

End Uses

U.S. demand for stainless steel coiled plate depends on the demand for U.S.-produced downstream products. Reported end uses include: pipe and fittings, fabrication, storage tanks/process vessels, automotive and railcar uses, appliance/food service/kitchen equipment industries, petrochemical industry, construction, agriculture, and energy markets. Both responding producers, all six responding importers, and all six responding purchasers reported no changes in end uses, and none of these companies anticipated any changes in end uses.

Business Cycles

Neither of the responding producers but three of six importers indicated that the market was subject to business cycles or conditions of competition other than changes in the overall economy. Specifically, *** indicated that historically there have been three-four year cycles but that the cycles appear to have shortened, *** reported that business cycles have shortened from seven years to three years, and *** stated that the market tends to be slower in summer due to vacations and during November-December due to closing inventory tax.

Two of the ten responding purchasers reported that the stainless steel coiled plate market is subject to business cycles. Specifically, one reported increased imports during economic downturns and the other reported that raw material surcharges affect demand. Five of ten responding purchasers reported changes in conditions of competition. Of these, two reported that demand has declined, one reported a change in the number of distributors, and one reported that China has entered the market.⁵

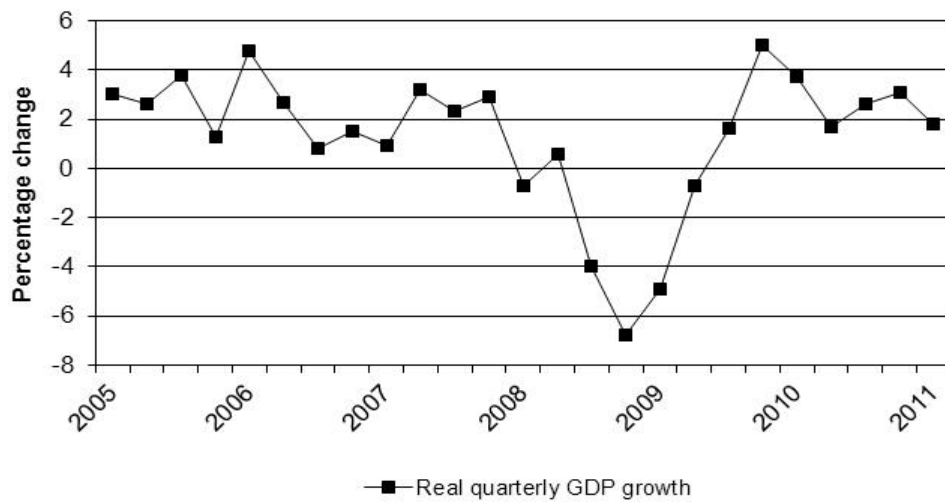
⁵ One did not specify what conditions had changed since 2005.

Apparent Consumption

Apparent U.S. consumption of stainless steel coiled plate fluctuated during 2005-10, increasing from 122,928 short tons in 2005 to 188,868 short tons in 2006, declining to 84,758 short tons in 2008, and then increasing to 107,512 short tons in 2010. Overall, apparent U.S. consumption in 2010 was 12.5 percent lower than in 2005.

Firms indicated that demand for stainless steel coiled plate generally tracks overall economic conditions. Quarterly real growth in U.S. GDP is presented in figure II-1. Average forecasts for U.S. real GDP growth are 2.6 percent in 2011 and 3.1 percent in 2012.⁶ Real industrial production is projected to increase by 4.5 percent in 2011 and 4.1 percent in 2012.⁷

Figure II-1
Real U.S. GDP growth: Percentage change, quarterly, January 2005-March 2011



Source: Bureau of Economic Analysis.

Industry publication MEPS reports that ***.⁸ Data on industrial production for overall manufacturing, transportation equipment, and industrial machinery are shown in figure II-2.

⁶ *Blue Chip Economic Indicators*, Vol. 36, No. 5, June 10, 2011. This average or consensus rate is derived from monthly interviews of leading business economists and is one of the best known organizations for consensus macroeconomic forecasts. See http://www.aeaweb.org/RFE/showRes.php?rfe_id=35&cat_id=, retrieved March 15, 2011.

⁷ Ibid.

⁸ MEPS, May 2011 p. 3. ***. ***.

Figure II-2
Indices of industrial production (manufacturing, transportation equipment, and industrial machinery), January 2005-April 2011



Source: Board of Governors of the Federal Reserve System, Industrial Production and Capacity Utilization, May 17, 2011, <http://www.federalreserve.gov/econresdata/releases/statisticsdata.htm>.

Demand Perceptions

Firms' perceptions of changes in U.S. demand during 2005-10 were mixed, with most firms reporting that it fluctuated or decreased (table II-4).⁹ Firms cited the recession in 2008-09 as the major reason for decreased demand. Most firms expect U.S. demand to increase in 2011 and 2012. Producers *** reported that they expect gradual or modest growth in demand while importer *** expects 10 percent growth in the next two years. Purchaser *** expects increased demand due to the increased need for maintenance that has not been done during the recession and more industrial projects being quoted in 2011.

⁹ Those firms reporting demand increased typically were reporting changes from the depth of the recession rather than from 2005.

**Table II-4
Stainless steel coiled plate: Firms' perceptions regarding U.S. demand**

Item	Number of firms reporting			
	Increase	Decrease	Fluctuate	No change
Demand since 2005				
U.S. producers	0	1	1	0
Importers	0	1	4	1
Purchasers	2	6	1	1
Foreign producers	0	1	2	0
Demand for purchasers' final products since 2005				
U.S. purchasers	0	1	1	0
Demand in 2011 and 2012				
U.S. producers	1	0	0	1
Importers	4	0	1	1
Purchasers	7	1	2	0
Foreign producers	3	0	0	0
Note.— Producer, *** did not respond to the questions in this part of the questionnaire.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Domestic interested parties expect a very modest increase in demand over the next three years,¹⁰ while ThyssenKrupp respondents expect strong market growth over the reasonably foreseeable future.¹¹ Domestic interested parties testified that the apparent growth in consumption in 2010 was caused by (1) the end of the recession and purchasing for products that had been on hold due to lack of financing, (2) inventory rebuilding, and (3) and customers placing additional orders as raw material prices began increasing.¹² Allegheny Ludlum reported an increase in demand in the first three quarters of 2010, a collapse in demand in the fourth quarter, and reported seeing some recovery in certain end-use markets but that second quarter 2011 demand appears to be lagging when compared to the first quarter.¹³

Substitute Products

Substitutes for stainless steel coiled plate are very limited. No U.S. producers, importers, or purchasers reported that there were substitutes nor anticipated any future changes in substitutes. One of the three responding foreign producers reported that painted carbon steel was a substitute in construction equipment.

¹⁰ Hearing transcript, May 26, p. 32-33 (Blot).

¹¹ ThyssenKrupp Respondent Interested Parties' posthearing brief, p. 5.

¹² Hearing transcript, May 26, p. 32-33 (Blot).

¹³ Hearing transcript, May 26, p. 16-17, 88-89 (Hartford).

Cost Share

Stainless steel coiled plate accounts for a moderate to large share of the cost of the intermediate products in which it is used, but a smaller share of final end-use products. Reported cost shares for some end uses were as follows:

- automotive (2 percent)
- pipe/fittings (65-90 percent)
- fabrication (42 percent)
- storage tanks/process vessels (60 percent)
- food service applications/appliances/kitchen equipment (5 percent)
- petroleum and chemical industry (30 percent)
- transportation/railcars (40 percent)
- rerollers (75 percent)

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported stainless steel coiled plate depends on factors such as product specifications, quality, consistency, and conditions of sale (such as reliability of supply, delivery lead times, and payment terms). Based on available data, staff believes there is a moderate to high degree of substitutability between U.S.-produced stainless steel coiled plate and that imported from subject countries. Product from Belgium is likely to be slightly less substitutable since product from Belgium is reportedly available in wide-widths that are not currently produced domestically.

Knowledge of Country Sources

Purchasers were asked to indicate the countries of origin for which they have actual stainless steel coiled plate marketing/pricing knowledge. Ten purchasers were familiar with U.S.-produced product, 5 were familiar with product from Belgium and nonsubject countries, and none were familiar with product from the other subject countries.

As shown in the tabulation below, half of purchasers always or usually make purchases based on the producer and 3 of 10 based on country of origin. Reasons cited for purchasing based on the producer include: partnership with mill on widths, stocking programs, lead times, need to know the name of producing mill, reliability of supply, price and consistency of pricing, availability, and customer service. All purchasers' customers, in contrast, were reported to only sometimes or never make purchasing decisions based on the producer or country of origin.

<u>Purchaser / Customer Decision</u>	<u>Always</u>	<u>Usually</u>	<u>Sometimes</u>	<u>Never</u>
Purchaser makes decision based on producer	2	3	3	2
Purchaser's customer makes decision based on producer	0	0	7	2
Purchaser makes decision based on country	2	1	3	4
Purchaser's customer makes decision based on country	0	0	7	2

Purchases by Grade

Purchasers were asked to report, by country, the grades of stainless steel coiled plate that they purchased (table II-5). Purchasers reported purchasing four of the specified grades, and other grades from U.S. producers, purchasing only 304/304L and 316/316L from Belgium, and purchasing 304/304L and other grades from South Africa.

Table II-5
Stainless steel coiled plate: Number of purchasers reporting purchasing various grades produced in the United States and in subject countries

Producing country	Grades						
	304/304L	316/316L	403/410	409	430	434/436	Other
United States	10	9	1	3	0	0	3
Belgium	5	3	0	0	0	0	0
South Africa	2	0	0	0	0	0	1

Note.— Only countries from which purchasers reported purchasing these products are included in the table.
Source: Compiled from data submitted in response to Commission questionnaires.

Factors Affecting Purchasing Decisions

Major Factors in Purchasing

When asked to identify the three major factors considered by their firm in their purchasing decisions for stainless steel coiled plate, the most often cited factors were price (10 firms), quality (8 firms), delivery (7 firms), and availability (4 firms), as shown in table II-6. Price was the most frequently cited first most important factor (cited by 4 firms), while three firms cited quality as the most important factor. Delivery was the most frequently reported second most important factor (4 firms each), and quality was the most frequently reported third most important factor (4 firms).

Table II-6
Stainless steel coiled plate: Ranking of factors used in purchasing decisions as reported by U.S. purchasers

Factor	Number of firms reporting			
	First	Second	Third	Total
Price	4	3	3	10
Quality	3	1	4	8
Delivery (timeliness and lead time)	1	4	2	7
Availability	1	2	1	4
Range of product line	1	0	0	1

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

The majority of purchasers reported that they always or usually purchase the lowest-priced product for their spot purchases (7 of 10) and contract purchases (6 of 10), as shown below.

<u>Purchaser response</u>	<u>Always</u>	<u>Usually</u>	<u>Sometimes</u>	<u>Never</u>
Purchase lowest priced product (spot)	3	4	2	1
Purchase lowest priced product (contract)	4	2	1	3

When asked if they purchased stainless steel coiled plate from one source although a comparable product was available at a lower price from another source, six purchasers reported that they had, for reasons including lead times, quality, reliability of delivery, alloy/grade choice, and to combine purchases with other steel products from the same supplier (since stainless steel coiled-plate is a low-volume product). Four of 10 responding purchasers reported that certain types of stainless steel coiled plate were only available from a single source.¹⁴

Importance of Specified Purchase Factors

Purchasers were asked to rate the importance of 18 factors in their purchasing decisions (table II-7). The factors rated as very important by more than half of purchasers were quality meets industry standards (10 firms), availability (9), price (8), reliability of supply (8), delivery time (8), product consistency (8), discounts offered (7), and product range (7).

Factors Determining Quality

When asked to identify factors that determine the quality of stainless steel coiled plate, purchasers reported numerous factors including: meeting standards including industry, ASTM, and ASME specifications; performance including yield, mechanical qualities, and claims occurrence; shape of product, consistency in gauge, thickness/gauge control, no shape issues, surface flatness, and surface quality; and chemistry.

Supplier Certification

All 10 responding purchasers require that all of the stainless steel coiled plate they purchase be certified to meet standards set by ASTM or by a similar body.¹⁵ In addition, four purchasers reported other supplier qualifications including ISO certification, PED, quality, delivery, and performance. Purchasers reported that the time to qualify a new supplier ranged from 1 to 60 days, with four firms reporting 14 days or less, and four reporting 30 or 60 days. All 10 purchasers reported that no domestic or foreign supplier had failed in its attempt to qualify product, or had lost its approved status since 2005.

¹⁴ Purchasers reported a number of distinctive products including: 440, 440C, ATI50, ATI219, Nitronic 30, 314LMN, (no source reported); 3CR12 from South Africa; 72-inch produced only in Belgium, Sweden, and China; and, more generally, Europe only makes over 60-inch wide plate mill coil.

¹⁵ All firms listed ASTM and five also reported other certification including ASME, MILS, and AMS.

Table II-7
Stainless steel coiled plate: Importance of purchase factors, as reported by purchasers

Factor	Very important	Somewhat important	Not important
	<i>Number of firms responding</i>		
Availability	9	1	0
Availability of cold-rolled product	4	3	3
Availability of extra wide or long rolls	3	7	0
Availability of metric widths	0	4	6
Delivery terms	5	5	0
Delivery time	8	2	0
Discounts offered	7	2	1
Extension of credit	2	6	2
Price	8	2	0
Minimum quantity requirements	3	6	1
Packaging	4	4	2
Product consistency	8	2	0
Quality meets industry standard	10	0	0
Quality exceeds industry standard	5	4	1
Product range	7	2	1
Reliability of supply	8	2	0
Technical support/service	4	5	1
U.S. transportation costs	4	6	0

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

Lead Times

For U.S. producers, *** percent of sales were of product made-to-order. One of the two responding importers reported selling solely from U.S. inventories while the other sold 95 percent of its product made-to-order. Reported lead times for U.S. producers' sales made to order were *** days, while lead times for sales from inventories were *** days. Importers reported lead times of 90 days for made-to-order product and 2 to 5 days from importers' U.S. inventories.

U.S. producers report that they traditionally sold stainless steel coiled plate produced to order, with distributors carrying inventories, but that the market now requires that producers hold more

inventory.¹⁶ Lead times in the U.S. market have declined from 6 to 8 weeks to 4 to 6 weeks.¹⁷ According to ThyssenKrupp, in order to meet customers' shorter lead time requirements, importers would have to hold inventories in the United States which is risky given the major fluctuations in surcharges in the last five years.¹⁸

Wide-Width Products

Stainless steel plate in widths greater than 60 inches is used by fabricators of industrial pipe tanks used in milk trucks or railroad tank cars; wider-width product is less costly to use in these applications, as it requires less welding than narrower product.¹⁹ Allegheny Ludlum estimates that less than 5 percent of the U.S. stainless steel coiled plate market uses product wider than 60 inches.²⁰

U.S. producers currently produce stainless steel coiled plate up to 60 inches wide.²¹ ThyssenKrupp reports that its Alabama mill will have the capability of producing up to 72-inch wide stainless steel coiled plate.²² ***.²³ In 1997, during the period examined in the original investigations, *** percent of subject imports from Belgium were sold in widths greater than 60 inches.²⁴

Changes in Purchasing Patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2005 (table II-8). Reasons reported for changes included product demand, pricing, availability, customer specifications, preference for U.S. product, lead times, availability of wide coil, and economic fluctuations. Five of 10 responding purchasers reported that they had changed suppliers since 2005. Specifically, purchasers reporting dropped or reduced purchases from Allegheny Ludlum, TKN, and Outokumpu because of price and supply issues, and increased purchases from NAS because of price. Firms also reported changes because of mill/vendor consolidation; and one firm reported dropping an unspecified vendor with poor deliveries and replacing it with a vendor with a wider product line. Five of 10 responding purchasers reported new suppliers, including ThyssenKrupp's new U.S. facility.²⁵

¹⁶ Hearing transcript, May 25, pp. 125-127 (Hartford and Schmitt). Producers' inventories of stainless steel coiled plate relative to total shipments increased irregularly from *** percent in 2005 to *** percent in 2010.

¹⁷ Hearing transcript, May 25, pp. 123 (Feeley).

¹⁸ Hearing transcript, May 26, p. 150 (Lacor).

¹⁹ Hearing transcript, May 26, p. 162-163 (Salas, Lacor, Leibowitz, and Malashevich).

²⁰ Hearing transcript, May 26, p. 78 (Hartford).

²¹ NAS manufactures stainless steel coiled plate in widths up to 60 inches, that is suitable from most customer needs. Domestic interested parties' prehearing brief, p. 39.

²² Hearing transcript, May 26, p. 161-162 (Salas).

²³ Domestic interested parties' posthearing brief, exh. 1, p. 7.

²⁴ Confidential staff report for the original investigations (memorandum INV-W-064, April 9, 1999), Table IV-3, p. IV-8.

²⁵ ThyssenKrupp's U.S. facility has not yet begun production of stainless steel coiled plate. It reportedly will begin producing stainless steel coiled plate in 2011. ThyssenKrupp Respondent Interested Parties' posthearing brief, p. 10. Purchasers also listed Arcelor (Brazil), Tisco (China), Lisco (China), and Chinese mills as new suppliers.

Table II-8
Stainless steel coiled plate: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchase	Increased	Constant	Decreased	Fluctuated	Did not purchase
U.S.	3	3	1	3	0
Belgium	0	1	1	3	4
Italy	0	0	0	0	9
Korea	0	0	0	0	9
South Africa	0	1	2	1	6
Taiwan	0	0	0	0	8
Other	0	3	2	3	3

Note.— Not all purchasers responded for all countries.

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

Importance of Purchasing Domestic Product

Most purchasers (9 of 10) reported that purchasing U.S.-produced product was an important factor in their purchasing decisions. Six reported that domestic product was required by law (for 1 to 25 percent of their purchases), six reported it was required by their customers (for 5 to 80 percent of their purchases), and three reported other preferences for domestic product (for 50 to 75 percent of purchases).²⁶ Reasons cited for preferring domestic product included: shorter lead times/higher inventory turns, competitive costs/price, stocking programs, and service.

Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports

Purchasers were asked a number of questions comparing stainless steel coiled plate produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 18 factors (table II-9) for which they were asked to rate the importance. Purchasers only provided comparisons between U.S. product, imports from Belgium, and imports from nonsubject countries.

In comparing domestic product to that from Belgium, the majority of responding purchasers reported that U.S. product was superior for availability, availability of cold-rolled product, delivery terms, delivery times, reliability of supply, and U.S. transportation costs; that the products were comparable for discounts offered, extension of credit, minimum quantity requirements, product consistency, quality meets industry standards, and quality exceeds industry standards; and that product from Belgium was superior for availability of extra wide or long rolls and availability of metric widths. For price, packaging, and technical support, two firms reported that U.S. product was superior and two reported that the products were comparable; and for product range, two firms reported that the domestic product was inferior and two firms reported that the products were comparable.

²⁶ One firm reported all 3 reasons for purchasing domestic product.

In comparing domestic and nonsubject products, half or more of purchasers reported that they were comparable for 11 factors; the majority reported that U.S. product was superior for availability, availability of cold-rolled product, delivery times, reliability of supply, and technical support/service; and a plurality reported that nonsubject product was superior for availability of extra wide or long rolls and availability of metric widths.

Table II-9
Stainless steel coiled plate: Comparisons of product by source country, as reported by purchasers

Factor	U.S. vs Belgium			U.S. vs Nonsubject			Belgium vs Nonsubject		
	S	C	I	S	C	I	S	C	I
	<i>Number of firms responding</i>								
Availability	4	0	0	12	0	0	0	1	2
Availability of cold-rolled product ¹	3	1	0	9	3	0	0	1	2
Availability of extra wide or long rolls	0	0	4	3	4	5	1	2	0
Availability of metric widths	0	0	4	1	5	6	0	3	0
Delivery terms	3	1	0	6	6	0	0	1	2
Delivery time	4	0	0	11	0	1	0	1	1
Discounts offered	1	3	0	1	11	0	1	2	0
Extension of credit	0	4	0	3	9	0	1	2	0
Price ²	2	2	0	3	7	2	0	1	1
Minimum quantity requirements	1	3	0	0	12	0	0	3	0
Packaging	2	2	0	3	9	0	0	3	0
Product consistency	0	4	0	1	11	0	1	2	0
Quality meets industry standard	0	4	0	2	9	1	1	2	0
Quality exceeds industry standard	0	4	0	3	8	1	1	2	0
Product range	0	2	2	2	6	4	1	2	0
Reliability of supply	3	1	0	9	3	0	0	1	2
Technical support/service	2	2	0	9	3	0	0	3	0
U.S. transportation costs ²	3	1	0	6	6	0	0	1	2
<p>¹ See parts III and IV for additional details regarding actual and anticipated production and importation of cold-rolled stainless steel coiled plate.</p> <p>² 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 U.S. product was generally priced lower than the imported product.</p> <p>Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>									

Only one purchaser compared subject imports and nonsubject imports, specifically product from Belgium compared to that from China, Germany, and Sweden. It reported that product from China was comparable to that from Belgium on nine factors, superior on three factors (availability, availability of cold-rolled product, and price), and inferior on five factors (discounts offered, extension of credit, product consistency, quality meets industry standards and quality exceeds industry standards). In comparing product from Germany to that from Belgium, it rated them comparable on 12 factors, Germany superior on 3 factors (delivery terms, reliability of supply, and U.S. transportation costs) and inferior on 2 factors (availability of extra wide or long rolls and product range). Finally, it rated product from Sweden as comparable to that from Belgium on 12 factors, and superior on 6 factors (availability, availability of cold-rolled product, delivery terms, delivery time, reliability of supply, and U.S. transportation costs).

Firms were also asked how frequently stainless steel coiled plate from different countries were interchangeable (table II-10). All responding U.S. producers reported product from all country pairs were always interchangeable. Importers reported that for all country pairs imported product was either frequently or sometimes interchangeable. The majority of purchasers reported that product from all country pairs was always interchangeable.

Firms that indicated that product from country pairs were not interchangeable cited the following reasons: chemical and alloy content; that most imports from Belgium are for 72-inch width material that is not produced domestically; limited product/alloy programs in South Africa and Taiwan; and that while commodity products with standard grades, dimension and surface finishes are typically frequently interchangeable, non-commodity products are only sometimes interchangeable.

Firms' assessments of how often differences other than price were significant are shown in table II-11. Differences other than price cited by importers (other than those previously listed regarding interchangeability) included: that products must meet customer requirements and delivery time; product quality; performance characteristics; on-time delivery record; reject experience; product range; product consistency; quality; and technical differences (between products that meet the same basic ASTM specifications).

Purchasers reported that both domestic and subject imported product always or usually met their minimum quality standards (table II-12). Most responding purchasers reported that U.S. and Belgium product always met minimum quality standards, one-half reported that South African product always or usually met minimum quality specifications, and all responding purchasers reported that product from Italy, Korea, and Taiwan rarely or never met minimum quality standards.

Table II-10

Stainless steel coiled plate: Perceived interchangeability between stainless steel coiled plate 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. other countries:												
U.S. vs. Belgium	2	0	0	0	0	1	0	1	6	1	0	0
U.S. vs. Italy	2	0	0	0	0	3	0	0	5	1	0	0
U.S. vs. Korea	2	0	0	0	0	3	0	0	5	1	0	0
U.S. vs. South Africa	2	0	0	0	0	1	1	0	4	2	0	0
U.S. vs. Taiwan	2	0	0	0	0	2	1	0	5	1	0	0
U.S. vs. Nonsubject	2	0	0	0	0	3	1	0	5	2	1	0
Subject country comparisons:												
Belgium vs. Italy	1	0	0	0	0	2	0	0	5	1	0	0
Belgium vs. Korea	1	0	0	0	0	2	0	0	5	1	0	0
Belgium vs. South Africa	1	0	0	0	0	1	1	0	4	0	0	0
Belgium vs. Taiwan	1	0	0	0	0	1	1	0	5	1	0	0
Italy vs. Korea	1	0	0	0	0	2	0	0	5	1	0	0
Italy vs. South Africa	1	0	0	0	0	2	1	0	4	0	0	0
Italy vs. Taiwan	1	0	0	0	0	2	0	0	5	1	0	0
Korea vs. South Africa	1	0	0	0	0	2	1	0	4	0	0	0
Korea vs. Taiwan	1	0	0	0	0	2	0	0	5	1	0	0
South Africa vs. Taiwan	1	0	0	0	0	1	0	0	3	0	0	0
Subject vs. nonsubject country comparisons:												
Belgium vs. Nonsubject	1	0	0	0	0	2	0	0	5	1	1	0
Italy vs. Nonsubject	1	0	0	0	0	2	0	0	4	1	1	0
Korea vs. Nonsubject	1	0	0	0	0	1	1	0	4	1	1	0
South Africa vs. Nonsubject	1	0	0	0	0	1	1	0	3	0	1	0
Taiwan vs. Nonsubject	1	0	0	0	0	1	1	0	3	1	1	0
Note.--A = Always, F = Frequently, S = Sometimes, N = Never.												
Note.-- Producer, *** did not respond to the questions in this part of the questionnaire.												
Source: Compiled from data submitted in response to Commission questionnaires.												

Table II-11

Stainless steel coiled plate: Perceived differences other than prices between stainless steel coiled plate 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. other countries:												
U.S. vs. Belgium	0	0	0	2	2	0	1	0	1	0	4	1
U.S. vs. Italy	0	0	0	2	1	2	0	0	0	0	4	0
U.S. vs. Korea	0	0	0	2	1	2	0	0	1	0	4	0
U.S. vs. South Africa	0	0	0	2	2	1	0	0	1	0	4	0
U.S. vs. Taiwan	0	0	0	2	1	2	0	0	1	0	4	0
U.S. vs. Nonsubject	0	0	0	2	1	2	2	0	1	0	5	1
Subject country comparisons:												
Belgium vs. Italy	0	0	0	1	0	1	1	0	0	0	2	1
Belgium vs. Korea	0	0	0	1	0	1	1	0	0	0	2	1
Belgium vs. South Africa	0	0	0	1	0	1	1	0	0	0	2	1
Belgium vs. Taiwan	0	0	0	1	0	1	1	0	0	0	3	1
Italy vs. Korea	0	0	0	1	1	1	0	0	0	1	2	1
Italy vs. South Africa	0	0	0	1	0	1	0	1	0	0	2	1
Italy vs. Taiwan	0	0	0	1	0	2	0	0	0	0	3	1
Korea vs. South Africa	0	0	0	1	0	1	0	1	0	0	2	1
Korea vs. Taiwan	0	0	0	1	1	1	0	0	0	0	3	1
South Africa vs. Taiwan	0	0	0	1	0	1	0	1	0	0	3	0
Subject vs. nonsubject country comparisons:												
Belgium vs. Nonsubject	0	0	0	1	0	2	0	0	0	0	3	2
Italy vs. Nonsubject	0	0	0	1	0	1	1	0	0	0	3	1
Korea vs. Nonsubject	0	0	0	1	0	1	1	0	0	0	3	1
South Africa vs. Nonsubject	0	0	0	1	0	1	1	0	0	0	3	0
Taiwan vs. Nonsubject	0	0	0	1	0	1	1	0	0	0	3	1
Note.--A = Always, F = Frequently, S = Sometimes, N = Never. Note.-- Producer, *** did not respond to the questions in this part of the questionnaire.												
Source: Compiled from data submitted in response to Commission questionnaires.												

Table II-12
Stainless steel coiled plate: Purchasers' responses regarding minimum quality specifications

Source of purchase	Always	Usually	Sometimes	Rarely or never
U.S.	10	0	0	0
Belgium	5	0	0	2
Italy	0	0	0	3
Korea	0	0	0	3
South Africa	1	1	0	2
Taiwan	0	0	0	3

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

ELASTICITY ESTIMATES

This section discusses the elasticity estimates; party comments are noted below.

U.S. Supply Elasticity²⁷

The domestic supply elasticity measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of stainless steel coiled plate. The elasticity of domestic supply depends on factors such as the level of excess capacity, the existence of inventories, and the availability of alternate markets. Analysis of these factors indicates that the U.S. industry has the capacity to increase domestic shipments in response to price increases. An estimate in the range of 5 to 10 is suggested.

U.S. Demand Elasticity

The U.S. demand elasticity for stainless steel coiled plate measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of stainless steel coiled plate, and depends on the availability and viability of substitute products, as well as the component share of stainless steel coiled plate in the production of downstream products. Based on the available information, the aggregate demand elasticity for the U.S. stainless steel coiled plate market is estimated to be in the range of -0.5 to -1.0.

Substitution Elasticity

The elasticity of substitution depends on the extent of product differentiation between the domestic and imported products. Product differentiation depends on factors such as the range of products produced, quality, availability, and reliability of supply. Based on available information, the elasticity of substitution between domestically produced stainless steel coiled plate and subject imports is estimated to be in the range of 2 to 5, with imports from Belgium at the lower end of the range. Domestic interested parties disagreed with the assessment regarding Belgium, reporting that U.S. producers supply widths up

²⁷ A supply function is not defined in the case of a non-competitive market.

to 60 inches and that these sizes are suitable for the vast majority of customers, and further that if the order on Belgium was revoked, the Belgian producer could increase its supply to the U.S. market of products in widths less than 60 inches.²⁸ While ThyssenKrupp respondents did not specifically address the substitution elasticity estimate, they contend that substitutability between subject imports and domestic products has decreased since the last review as customers increasingly prefer domestic product, particularly because of shorter lead times.²⁹

²⁸ Domestic Interested Parties' prehearing brief, pp. 38-39.

²⁹ ThyssenKrupp Respondent Interested Parties' posthearing brief, appendix p. 32.

PART III: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

The U.S. industry's capacity growth since 2005 was primarily due to NAS. Table III-1 summarizes important industry events that have taken place in the U.S. industry since January 2005.

Table III-1
Stainless steel coiled plate: Survey of industry events since 2005

Year	Company	Description of event
2006	AK	Production slowdown: AK fails to reach an agreement with union workers at its Middletown, OH facility leading to a lockout of union workers beginning March 1.
	NAS	Capacity increase: A second electric arc furnace begins operations and increases melting capacity to 1.1 million from 800,000 metric tons.
2007	AK	Production resumption: AK reaches agreement with union workers at its Middletown, OH facility ending a year-long lockout.
2008	Allegheny Ludlum	Capacity decrease: Melt shop at Midland, PA idled in late 2008.
	NAS	Capacity increase: A new AOD unit, the company's second, begins operations, increasing the company's melt shop capacity to over 1.4 million metric tons per year. A new hot annealing and pickling line, the company's fourth, begins operations with an annual capacity of just over 1 million metric tons.
2009	Allegheny Ludlum	Capacity increase: Idled melt shop at Midland, PA, is re-started.
2010	Allegheny Ludlum	Consolidation: Melt shop in Natrona, PA, is shut down leaving the company with two melts shops - one in Midland, PA and the other in Brackenridge, PA.
2010	ThyssenKrupp Stainless USA	Potential capacity increase: Operations begin at stainless steel greenfield mill in Alabama. Although the company currently produces stainless steel sheet and not stainless steel plate, it plans to install a hot-rolling line in July 2011 and produce stainless steel plate.
2011	ThyssenKrupp AG	Possible reorganization: The stainless operations will be independent. All options, including the sale of the stainless operations to an outside company, are being examined for continuing the operations outside of the ThyssenKrupp group of companies.

Source: American Metal Market (various articles); ThyssenKrupp Stainless USA Press Release, "Stainless steel production starts at ThyssenKrupp Stainless USA in Alabama," http://www.thyssenkrupp-stainless-usa.com/press_detail.html?news=45, October 7, 2010; ThyssenKrupp AG, Press Release , "Supervisory Board approves plans for strategic development of ThyssenKrupp," http://www.thyssenkrupp.com/en/presse/art_detail.html&eid=TKBase_1305277305797_1810061965, May 13, 2011.

Changes Experienced by the Industry

Domestic producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; 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 stainless steel coiled plate since 2005. All domestic producers indicated that they had experienced such changes; their responses are presented in table III-2.

Table III-2
Stainless steel coiled plate: Changes in the character of U.S. producers' operations since January 1, 2005

* * * * *

Anticipated Changes in Operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of stainless steel coiled plate. Their responses appear in table III-3. The majority of producers reported an expected increase in capacity in their individual operations.

Table III-3
Stainless steel coiled plate: Anticipated changes in the character of U.S. producers' operations

* * * * *

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

U.S. producers' capacity, production, and capacity utilization data for stainless steel coiled plate are presented in table III-4. Capacity and production fluctuated but increased overall, recovering in 2009 from their period lows in 2008. NAS accounted for *** of U.S. production during the period for which data were collected, ***. Of the three producers, *** did not report an increase in production in 2010 when compared with 2009. *** accounted for the largest increase in production during the period for which data were collected, increasing its total output by *** percent. In addition, *** in overall production in 2009 and 2010.

During the period for which data were collected, NAS reported ***, and accounted for ***.¹

Table III-4
Stainless steel coiled plate: U.S. capacity, production, and capacity utilization, 2005-10

* * * * *

¹ ***.

Figure III-1
Stainless steel coiled plate: U.S. capacity, production, and capacity utilization, 2005-10

* * * * *

Constraints on Capacity

The Commission asked domestic producers to report constraints on their capacity to produce stainless steel coiled plate. All domestic producers reported that they did not experience capacity constraints.

Alternative and Downstream Products

The Commission asked domestic producers to report production of other products on the same equipment and machinery, and/or using the same production and related workers employed to produce stainless steel coiled plate. All domestic producers indicated that they produce other products on their stainless steel coiled plate equipment and machinery.

Data on domestic producers' capacity, production, and capacity utilization for alternative and downstream steel products are presented in table III-5.

Table III-5
Stainless steel coiled plate: U.S. producers' capacity, production, and capacity utilization for alternative and downstream products, 2005-10

* * * * *

U.S. PRODUCERS' SHIPMENTS

Data on U.S. producers' shipments of stainless steel coiled plate are presented in table III-6. The quantity of U.S. shipments increased between 2005 and 2006, declined in 2007 and more sharply in 2008, before increasing in 2009 and 2010, although U.S. shipments were still below 2005 levels. The value of U.S. shipments was higher at the end of the period compared with 2005, despite declining sharply from period highs in 2006-07. The domestic producers reported *** during the period for which data were collected. Exports as a percentage of total shipments fluctuated throughout the period, ranging from *** percent in 2006 to *** percent in 2009, but ended in 2010 at approximately the same level as in 2005, just over *** percent. Average unit values for export shipments were higher than the unit values for U.S. commercial shipments in each year except in 2006, when export values were \$*** per short ton lower.

Table III-6
Stainless steel coiled plate: U.S. producers' shipments, by types, 2005-10

* * * * *

U.S. PRODUCERS' INVENTORIES

Table III-7, which presents end-of-period inventories for stainless steel coiled plate, shows that inventories increased between 2005 and 2010 in absolute and relative terms. The domestic industry's inventories of stainless steel coiled plate fluctuated between 2005 and 2007, then increased between 2008 and 2010. Throughout the period for which data were collected, ***, with the exception of ***, when ***. In addition, producer inventories experienced the largest overall increase from 2009 to 2010, increasing by *** short tons, of which ***. ***'s reported inventory levels fluctuated the most from year to year, when compared with the other domestic producers.

Table III-7
Stainless steel coiled plate: U.S. producers' end-of-period inventories, 2005-10

* * * * *

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers of stainless steel coiled plate did not import or purchase from any source during the review period.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

The U.S. producers' aggregate employment data for stainless steel coiled plate are presented in table III-8. The number of production and related workers ("PRWs") employed by the domestic stainless steel coiled plate producers fluctuated during the period for which data were collected, reaching lows in 2008 and 2010, and ending the period with lower employment levels but higher compensation and productivity, as well as lower unit labor costs.

Table III-8
Stainless steel coiled plate: U.S. producers' employment-related data, 2005-10

* * * * *

FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

Introduction

Three U.S. firms provided financial data on their operations on stainless steel coiled plate.² These data are believed to account for the vast majority of U.S. operations on stainless steel coiled plate since 2005. No firms reported internal consumption, transfers to related firms, or tolling operations. All firms reported a fiscal year end of December 31.

Operations on Stainless Steel Coiled Plate

Income-and-loss data for U.S. firms on their operations on stainless steel coiled plate are presented in table III-9, while selected financial data, by firm, are presented in table III-10. The domestic industry experienced steadily increasing operating income from 2005 to 2007, followed by generally decreasing operating income thereafter, including an operating loss in 2009. In 2010, the domestic industry returned to a level of operating income similar to the level achieved in 2008; however, operating income was still below the levels achieved during the 2006 to 2007 time frame. While total net sales quantity fluctuated from 2005 to 2007, total net sales value steadily increased during this time. In 2008, both net sales quantity and value declined markedly; however, net sales value declined to a greater degree than net sales quantity. In 2009, net sales quantity increased while net sales value continued to decline. Finally, in 2010 net sales quantity remained essentially unchanged while net sales value increased. Thus, per-unit net sales value increased from 2005 to 2007, declined in 2008 and 2009, then once again increased in 2010.

Table III-9

Stainless steel coiled plate: Results of operations of U.S. producers, 2005-10

* * * * *

Table III-10

Stainless steel coiled plate: Results of operations of U.S. producers, by firm, 2005-10

* * * * *

² The U.S. firms are AK Steel, Allegheny Ludlum, and NAS.

The per-unit cost of goods sold (“COGS”) increased continually from 2005 to 2007 due primarily to increased raw material costs, but overall increased to a lesser degree than per-unit revenue during this time. In 2008 and 2009, per-unit COGS declined (primarily due to raw material costs) to a lesser degree than per-unit revenue. Finally, in 2010 per-unit COGS increased to a lesser degree than per-unit revenue. Thus, per-unit gross and operating income increased from 2005 to 2007, declined in 2008 and 2009, then once again increased in 2010.³

According to AK Steel, the firm’s reported financial performance reflects ***.⁴

According to Allegheny Ludlum, the firm’s reported financial performance since 2008 reflects ***.⁵

According to NAS, ***.⁶

Variance Analysis

A variance analysis for stainless steel coiled plate is presented in table III-11.⁷ The information for the variance analysis is derived from table III-9. The analysis shows that the increase in operating income from 2005 to 2010 is primarily attributable to the favorable price variance that more than offset an unfavorable net cost/expense variance (that is, prices rose to a greater extent than costs/expenses).

Table III-11
Stainless steel coiled plate: Variance analysis on operations of U.S. producers, 2005-10

* * * * * * *

³ ThyssenKrupp Respondent Interested Parties assert that the metal margin (the difference between the price of stainless steel plate and the average cost of raw materials) is a better measure for studying recent price/cost behavior in this industry than operating income as a ratio to sales. ThyssenKrupp Respondent Interested Parties’ prehearing brief, p. 20. During the period for which data were requested, the per short ton metal margins were as follows: ***. The Domestic Interested Parties disagreed that the metal margin is a superior analytical tool, and stated that there are many operating expenses other than raw material costs that must be taken into account when assessing the financial performance of the industry. Domestic Interested Parties’ posthearing brief, p. 12.

⁴ E-mail correspondence from ***, April 7, 2011.

⁵ E-mail correspondence from ***, April 7, 2011.

⁶ Ibid. NAS’ *** financial performance in 2010, and the industry’s overall, presumably is due in part to a reversal of the 2009 scenario. At the May 25 hearing, the Domestic Interested Parties explained that the domestic producers try to achieve good alignment between the price they pay for raw materials and the price they recover through the surcharge on sales prices. While the majority of sales have good alignment in this regard, approximately 40 percent of sales are not aligned. Hearing transcript, May 25, pp. 135-136 (Hartford). See also Domestic Interested Parties’ posthearing brief, p. 11 n. 5.

⁷ 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 variance (in the case of the cost of sales and SG&A expense variance) and a volume variance. The sales or cost variance is calculated as the change in unit price times the new volume, while the volume variance is calculated as the change in volume times the old unit price. 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 variance lines under price and cost/expense variance.

Capital Expenditures and Research and Development Expenses

The responding firms' aggregate data on capital expenditures and research and development ("R&D") expenses are shown in table III-12. Three firms provided capital expenditure data, while two firms provided data on R&D expenses. Capital expenditures for stainless steel coiled plate increased steadily from 2005 to 2008, then declined markedly in 2009 and 2010. NAS accounted for over *** percent of total capital expenditures ***, and Allegheny Ludlum accounted for over *** percent of total capital expenditures in 2010. According to NAS, capital expenditures primarily reflect ***, while Allegheny Ludlum reported that its capital expenditures primarily reflect ***. Allegheny Ludlum also accounted for *** of reported R&D expenses ***, and reported that such expenses primarily reflect ***.^{8 9}

Table III-12

Stainless steel coiled plate: Capital expenditures and research and development expenses of U.S. producers, 2005-10

* * * * *

Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of stainless steel coiled plate to compute return on investment ("ROI"). Data on the U.S. producers' total assets and their ROI are presented in table III-13. From 2005 to 2010, the total assets for stainless steel coiled plate increased irregularly from \$*** in 2005 to \$*** in 2010. The sharp decline in 2008 largely reflects much lower cash and equivalents and net accounts receivable. ROI increased by *** percentage points from 2005 to 2007, but then declined by *** percentage points through 2009 before once again increasing by *** percentage points in 2010.

Table III-13

Stainless steel coiled plate: Asset values and return on investment of U.S. producers, 2005-10

* * * * *

⁸ E-mail correspondence from ***, April 7, 2011. Additional information on capital expenditures/cost reduction projects during the period for which data were requested was provided during the May 25 hearing. Hearing transcript, May 25, pp. 121-123 (Hartford).

⁹ Table III-12 does not include any data from ThyssenKrupp USA. At the May 25 hearing, ThyssenKrupp Respondent Interested Parties stated that \$1.2 billion of the \$1.4 billion investment in stainless operations has already been spent on the new ThyssenKrupp mill in Alabama. Hearing transcript, May 25, p. 190 (Iller).

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

U.S. IMPORTS

Overview

The Commission issued questionnaires to 70 firms believed to have imported stainless steel coiled plate between 2005 and 2010. Seven firms provided data and information in response to the questionnaires, while 28 firms indicated that they had not imported stainless steel coiled plate during the period for which data were collected. Firms responding to the Commission's questionnaire accounted for the following shares of individual subject country subject imports during the review period:

- Virtually all of the stainless steel coiled plate imports from the subject countries other than South Africa and Taiwan; and
- Virtually all of the stainless steel coiled plate imports from all other countries.

In light of the data coverage by the Commission's questionnaires, import data in this report are based on questionnaire responses for stainless steel coiled plate imports from Belgium, Italy, Korea, and nonsubject sources.¹ Due to incomplete questionnaire data, official Commerce statistics are used for stainless steel coiled plate from South Africa and Taiwan.^{2 3}

¹ Staff believes that import coverage from questionnaire responses covers the great majority of imports from these countries during 2005-10. The Commission received a questionnaire response from *** importer of subject merchandise from Belgium. The company's reported import volumes are consistent with the foreign producer questionnaire response of Aperam, the only manufacturer of subject merchandise in Belgium. In addition, the Commission received questionnaire data amounting to *** imports from Italy and Korea. This is consistent with the foreign producer questionnaire responses of TKAST, the dominant manufacturer of subject merchandise in Italy, and POSCO, the only manufacturer of hot-rolled stainless steel coiled plate in Korea. The Commission also received questionnaire responses from ***, which are believed to account for the great majority of stainless steel coiled plate from nonsubject sources. Additional questionnaire responses accounted for virtually all of the remaining imports from nonsubject sources. Staff followed up with all major importers identified in Customs data to ensure that questionnaire responses were the most reliable source of import data.

² Staff did not receive a questionnaire response from ***, a major importer of subject merchandise from South Africa. Staff contacted *** and *** stated that the company had imported stainless steel coiled plate from South Africa during the period of review, but the company has since gone out of business. Staff telephone interview with ***. In addition, the Commission did not receive questionnaire responses from Ta Chen or any other importer of stainless steel coiled plate from Taiwan, despite repeated contacts, and multiple attempted follow-up contacts.

³ Official Commerce statistics are based on the primary HTS statistical reporting numbers. Official Commerce statistics for the period examined in the original and remand investigations contained nonsubject plate and other products along with the subject imports. This situation still exists although subsequent modifications to the HTS, particularly in 2001, have resulted in a closer concordance between the HTS and the definition of the subject merchandise. During the first five-year reviews, the Commission used "primary" HTS statistical reporting numbers, identified by the domestic interested parties, to calculate U.S. imports. The primary HTS statistical reporting numbers (those that contain only subject merchandise or, for most but not all sources, relatively small amounts of plate that is not annealed or otherwise heat-treated) that were identified by the domestic interested parties are as follows: 7219.11.0030, 7219.11.0060, 7219.12.0006, 7219.12.0021, 7219.12.0026, 7219.12.0051, 7219.12.0056, 7219.12.0066, 7219.12.0071, 7219.12.0081, and 7219.31.0010. The remaining, or "secondary," HTS statistical reporting numbers refer primarily to other forms of stainless steel, and contain minimal, if any, imports of subject merchandise.

Imports from Subject and Nonsubject Countries

Table IV-1 presents data for U.S. imports of stainless steel coiled plate from Belgium, Italy, Korea, South Africa, Taiwan, and all other sources. As shown in table IV-1, total subject imports were at their highest level in 2007 before declining to their lowest level in 2009. Belgium was the largest subject source throughout the period. There were *** subject imports from Italy and Korea during 2005-10, while subject imports from South Africa and Taiwan fluctuated, generally at relatively low levels. Total stainless steel coiled plate imports from subject and nonsubject countries fluctuated throughout the period, ending *** percent below 2005 levels. Nonsubject countries continue to have the largest share of imports, in terms of quantity and value.

Unit values of subject imports increased between 2005 and 2008, decreased by *** percent in 2009, then recovered in 2010, ending above 2005 levels. Unit values of imports from subject and nonsubject countries were relatively close except in 2007 and 2008. Unit values of imports from South Africa were generally the lowest except in 2005 and 2009.

Table IV-1
Stainless steel coiled plate: U.S. imports, by sources, 2005-10

Source	Calendar year					
	2005	2006	2007	2008	2009	2010
Quantity (short tons)						
Belgium	***	***	***	***	***	***
Italy	***	***	***	***	***	***
Korea	***	***	***	***	***	***
South Africa	341	1,320	1,176	34	2	69
Taiwan	373	96	101	18	0	3
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total	***	***	***	***	***	***
Value (1,000 dollars)¹						
Belgium	***	***	***	***	***	***
Italy	***	***	***	***	***	***
Korea	***	***	***	***	***	***
South Africa	922	2,357	2,783	102	14	125
Taiwan	967	269	454	87	0	11
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total	***	***	***	***	***	***
Unit value (dollars per short ton)						
Belgium	***	***	***	***	***	***
Italy	***	***	***	***	***	***
Korea	***	***	***	***	***	***
South Africa	2,707	1,786	2,367	2,986	6,544	1,812
Taiwan	2,595	2,804	4,520	4,756	—	4,015
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total	***	***	***	***	***	***

Table continued on next page.

Table IV-1--Continued
Stainless steel coiled plate: U.S. imports, by sources, 2005-10

Source	Calendar year					
	2005	2006	2007	2008	2009	2010
Share of quantity (percent)						
Belgium	***	***	***	***	***	***
Italy	***	***	***	***	***	***
Korea	***	***	***	***	***	***
South Africa	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)						
Belgium	***	***	***	***	***	***
Italy	***	***	***	***	***	***
Korea	***	***	***	***	***	***
South Africa	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0
<p>¹ Landed, duty-paid.</p> <p>Note.—The leading nonsubject sources of imports are Germany and Sweden. Secondary nonsubject sources include China, Spain, Brazil, Finland, and Japan.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires (Belgium, Italy, Korea, and nonsubject) and from official Commerce statistics (South Africa and Taiwan).</p>						

Leading Nonsubject Sources of Imports

During 2005-10, imports of stainless steel coiled plate entered the United States from a variety of sources other than the five subject countries. The leading nonsubject suppliers are shown in table IV-2.⁴ Nonsubject imports reached their highest level in 2007, decreased in 2008-09, then recovered between 2009 and 2010. The presence of U.S. imports of stainless steel coiled plate from China increased in the latter part of the period, which is consistent with trends observed by the domestic interested parties.⁵

Table IV-2
Stainless steel coiled plate: U.S. imports from leading nonsubject sources, 2005-10

* * * * *

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO DECEMBER 31, 2010

The Commission requested importers to indicate whether they had imported or arranged for the importation of stainless steel coiled plate from subject countries for delivery after December 31, 2010. Only one company, ***, responded that it had imported or arranged for the importation of stainless steel coiled plate from subject countries for delivery after December 31, 2010. *** imported or arranged for the importation of stainless steel coiled plate from *** as well as nonsubject sources. Data on *** actual and arranged imports in 2011 are presented in the following tabulation.

* * * * *

U.S. IMPORTERS' INVENTORIES

Table IV-3 presents data for inventories of U.S. imports of stainless steel coiled plate from Belgium, Italy, and Korea, and all other sources held in the United States.⁶ Inventories of subject imports, after peaking in 2006, gradually decreased throughout the period until 2010, when they increased slightly when compared with 2009. Two firms (***) reported the majority of inventories of imports from nonsubject countries during 2005-10. Such inventories decreased noticeably, if irregularly, between 2005 and 2010.

⁴ The leading nonsubject sources of imports are Germany and Sweden. Secondary nonsubject sources include China, Spain, Brazil, Finland, and Japan. Official Commerce statistics and Customs data confirm that the Commission received questionnaire data from the major importers of the leading nonsubject sources as well as secondary sources.

⁵ See hearing transcript, May 26, p. 80 (Hartford).

⁶ Staff notes that data for inventories held by U.S. importers do not include inventories from Taiwan held by Ta Chen. Ta Chen (or TCI) recently announced that it is "expanding our inventory" and "ready to meet your needs." The company's full-page advertisement suggests that it holds inventories of stainless steel coil in a variety of grades (including 304; 304L; 306L; and 430); plate and sheet thicknesses (.500" to 28 gauge); finishes (HRAP #1; 2B; 2D; #4; BA); and widths (36; 48; 60; and 72 inches). The advertisement further indicates that current inventory is held in Atlanta, Baltimore, Chicago, Houston, Los Angeles, and New Jersey. *See Modern Metals*, November 2010, inside front cover.

Table IV-3
Stainless steel coiled plate: U.S. importers' end-of-period inventories of imports, by source, 2005-10

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
Imports from Belgium:						
Inventories (<i>short tons</i>)	***	***	***	***	***	***
Ratio to U.S. imports (<i>percent</i>)	***	***	***	***	***	***
Ratio to total shipments of imports (<i>percent</i>)	***	***	***	***	***	***
Imports from Italy:						
Inventories (<i>short tons</i>)	***	***	***	***	***	***
Ratio to U.S. imports (<i>percent</i>)	***	***	***	***	***	***
Ratio to total shipments of imports (<i>percent</i>)	***	***	***	***	***	***
Imports from Korea:						
Inventories (<i>short tons</i>)	***	***	***	***	***	***
Ratio to U.S. imports (<i>percent</i>)	***	***	***	***	***	***
Ratio to total shipments of imports (<i>percent</i>)	***	***	***	***	***	***
Subtotal:						
Inventories (<i>short tons</i>)	***	***	***	***	***	***
Ratio to U.S. imports (<i>percent</i>)	***	***	***	***	***	***
Ratio to total shipments of imports (<i>percent</i>)	***	***	***	***	***	***
Imports from all other sources:						
Inventories (<i>short tons</i>)	***	***	***	***	***	***
Ratio to U.S. imports (<i>percent</i>)	***	***	***	***	***	***
Ratio to total shipments of imports (<i>percent</i>)	***	***	***	***	***	***
Imports from all sources:						
Inventories (<i>short tons</i>)	6,962	1,862	5,088	5,511	2,234	1,857
Ratio to U.S. imports (<i>percent</i>)	22.9	6.4	13.8	27.9	23.3	10.5
Ratio to total shipments of imports (<i>percent</i>)	23.5	5.5	15.2	29.0	17.6	10.5
Source: Compiled from data submitted in response to Commission questionnaires.						

CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with the 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. 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.^{7 8}

Fungibility

As discussed previously in Parts II and III of this report, certain stainless steel coiled plate products may be available from a limited number of suppliers. With respect to cold-rolled product, data collected by the Commission indicates that the domestic producers did not produce cold-rolled stainless steel coiled plate in 2010, or throughout the period for which data were collected.⁹ Imports of the cold-rolled product were also minimal. Almost all subject imports were of hot-rolled stainless steel coiled plate, with U.S. imports of the cold-rolled product from *** reported by ***. *** reported importing *** short tons of the cold-rolled product in 2010.

With respect to wide-width plate, the domestic producers did not produce stainless steel coiled plate in widths greater than 60 inches in 2010, or throughout the period for which data were collected.¹⁰ *** reported that *** of its stainless steel coiled plate imports from Belgium in 2010 consisted of plate in widths over 60 inches. Overall, stainless steel coiled plate in widths greater than 60 inches is believed to represent a small share of the U.S. market, approximately five percent.¹¹

⁷ The data presented in “Fungibility,” “Geographic Markets” and “Presence in the Market” are based on official Commerce import statistics, and may include nonsubject product. Although questionnaire data was used for three of the five subject countries and all other nonsubject sources, Staff believes that official Commerce import statistics are generally consistent with questionnaire data.

⁸ There were *** reported U.S. imports from Italy and Korea during the period for which data were collected.

⁹ Although the domestic producers did not produce cold-rolled stainless steel coiled plate during the period for which data were collected, the domestic producers assert that they are capable of producing cold-rolled plate. Hearing transcript, May 26, pp. 24-25 (Feely), and pp. 78-79 (Luberda). NAS ***. Domestic Interested Parties' prehearing brief, p. 38. Moreover, the domestic producers have produced cold-rolled stainless steel coiled plate in the past, as demonstrated in the first review. See *Staff Report on Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigations Nos. 701-TA-376, 377 & 379 and 731-TA-788-793 (Review)*, Memorandum INV-CC-058, April 27, 2005, p. I-12 n. 18.

¹⁰ NAS reports that it has the capacity to produce wide-width plate, but reports that it cannot compete with the lower-priced imports. Hearing transcript, May 26, pp. 24-25 (Feely). In addition, ***. Email from ***, June 14, 2011. Once operational, TKSL-USA will have the capacity to produce plate up to 72 inches wide. Hearing transcript, May 26, p. 161 (Salas).

¹¹ Hearing transcript, May 26, p. 78 (Hartford).

Geographic Markets

During 2005-10, the top Customs district for imports from Belgium and South Africa were cities on the Eastern seaboard, Philadelphia, PA and Baltimore, MD, respectively. The top Customs district for imports from Taiwan was Los Angeles, CA. Additional information on geographic markets may be found in Part II of this report.

Presence in the Market

Imports from Belgium were present in every month of the period for which data were collected, except in February 2009. Imports from South Africa were relatively more sporadic and/or in relatively low volumes during the period for which data were collected, with the exception of the second half of 2005 and calendar years 2006 and 2007. Imports from Taiwan were present in less than half of the months in each year between 2005 and 2010.

THE INDUSTRY IN BELGIUM

Overview

Aperam Stainless Belgium (“Aperam”) is the sole producer of subject merchandise in Belgium. The company produces only stainless flat-rolled products and does not manufacture carbon or other non-stainless steel products.¹² During the original investigations it operated as ALZ Belgium. ALZ Belgium began in 1961 as a joint venture with Allegheny Ludlum. ALZ Belgium’s parent company, Arbed, was subsequently acquired by the Arcelor Group, which then created a new unit that combined Ugine S.A., a French stainless steel producer, with ALZ Belgium. The former company ALZ Belgium changed its name to U&A Belgium on December 31, 2001. Arcelor was acquired by Mittal in 2006, forming ArcelorMittal.¹³ In January 2011, ArcelorMittal’s stainless steel business was spun off as Aperam Stainless (“Aperam”), a newly created company.¹⁴ According to its questionnaire response, the stainless steel division was spun off because ***. The spin off will allow the stainless steel business to “***.”¹⁵ The company’s predecessors provided data on its stainless steel coiled plate operations during the original investigations and first reviews. Aperam also provided data on its stainless steel coiled plate operations in the current proceeding.

Stainless Steel Coiled Plate Operations

Table IV-4 presents data provided by Aperam concerning stainless steel coiled plate operations in Belgium during calendar years 2005-10. The company did not report having a business plan or any internal documents that describe, discuss, or analyze expected future market conditions for hot-rolled steel.

¹² *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigation Nos. 701-TA-376, 377, & 379 and 731-TA-788-793 (Review)*, USITC Publication 3784, June 2005, p. IV-7.

¹³ *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigation Nos. 701-TA-376, 377, & 379 and 731-TA-788-793 (Review)*, USITC Publication 3784, June 2005, p. IV-7.

¹⁴ Aperam is headquartered in Luxembourg. <http://www.arcelormittal.com/index.php?lang=en&page=642>, retrieved April 19, 2011.

¹⁵ Aperam ***. Questionnaire response of Aperam.

As presented in table IV-4, production fluctuated during the period, *** in 2009 then increasing in 2010, ending *** percent lower than 2005. The Belgian producer's commercial shipments of stainless steel coiled plate mirrored the production trends. Home market shipments were a small share of total commercial shipments, ranging between *** percent in 2005 and *** percent in 2008, and ending at *** percent. The largest export market for Aperam is the European Union, particularly ***.¹⁶

**Table IV-4
Stainless steel coiled plate: Belgian capacity, production, shipments, and inventories, 2005-10**

* * * * *

Alternative and Downstream Products

As shown in table IV-5, the majority of the Belgian producer's capacity for hot-rolled stainless steel was devoted to ***. The majority of Aperam's capacity for cold-rolled stainless steel was used for ***.

**Table IV-5
Stainless steel coiled plate: Belgian capacity, production, and capacity utilization for alternative and downstream products, 2005-10**

* * * * *

As noted in the preceding table, Aperam did not include its production or capacity to produce hot-rolled stainless steel for rerolling into cold-rolled stainless steel. Aperam's combined hot-rolled and cold-rolled steel capacity and production, accounting for its internal consumption in its downstream operations, from 2005-10, are presented in the following tabulation.

* * * * *

THE INDUSTRY IN ITALY

Overview

The dominant producer of stainless steel coiled plate in Italy is ThyssenKrupp Acciai Speciali Terni, S.p.A ("TKAST").¹⁷ TKAST, which is a division of ThyssenKrupp, operated as AST during the original investigations, was acquired by Krupp Thyssen Stainless in 1998 and then was transferred to its current owner ThyssenKrupp Steel Italia S.p.A in 1999.¹⁸ TKAST provided data on its stainless steel coiled plate operations during the original investigations and first reviews. The company also provided data on its stainless steel coiled plate operations in response to Commission questionnaires in these current reviews.

¹⁶ Questionnaire response of Aperam. Subject merchandise represented *** percent of Aperam's total sales in its most recent fiscal year. Ibid.

¹⁷ According to ***, Marcegaglia accounts for the remaining hot-rolling capacity in Italy, or *** percent.

¹⁸ *Certain Stainless Steel Plate From Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigation Nos. 701-TA-376, 377, & 379 and 731-TA-788-793 (Review)*, USITC Publication 3784, June 2005, p. IV-9.

Stainless Steel Coiled Plate Operations

Table IV-6 presents data provided by TKAST concerning its stainless steel coiled plate operations in Italy during calendar years 2005-10. TKAST has *** hot-rolling lines, as well as annealing and pickling lines for ***.¹⁹

As presented in table IV-6, capacity for stainless steel coiled plate in Italy decreased by *** during the period for which data were collected. The decrease in capacity was a result of the closure of a plant in Turin in 2008 as well as a change in the product mix.^{20 21} Capacity remained stable between 2005 and 2007, decreased by *** in 2008, and remained at 2008 levels through the end of the period. Production fluctuated throughout the period, and reached *** in 2008. Production levels increased *** in 2009 and 2010, ending *** percent lower than 2005.

The Italian producer's commercial shipments of stainless steel coiled plate mirrored the production trends. Home market shipments as a share of total shipments increased over the period, and accounted for more than *** percent of total shipments in 2010. While home market shipments have increased, the overall quantity of exports decreased during the period for which data were collected.²² Average unit values for home market shipments were generally higher when compared with export shipments during the early part of the period, but by 2010 were generally lower.

Table IV-6
Stainless steel coiled plate: Italian capacity, production, shipments, and inventories, 2005-10

* * * * *

Alternative and Downstream Products

As shown in table IV-7, the majority of the Italian producer's capacity for hot-rolled stainless steel was devoted to ***. Stainless steel coiled plate accounted for ***.

Table IV-7
Stainless steel coiled plate: Italian capacity, production, and capacity utilization for alternative and downstream products, 2005-10

* * * * *

¹⁹ Questionnaire response of TKAST.

²⁰ ThyssenKrupp Respondent Interested Parties' posthearing brief, appendix, p. 35.

²¹ ***. Questionnaire response of TKAST. Moreover, the hot annealing and pickling line in Turin is "currently in the custody of Italian authorities and its future is uncertain." TKAST also emphasized that it has made substantial investments in finishing capacity in its Terni facility, and is more focused on value-added products such as cut-to-length plate and other cold-rolled products. ThyssenKrupp Respondent Interested Parties' posthearing brief, appendix, p. 35.

²² Sales of subject merchandise represented *** percent of its total sales in 2010. Questionnaire response of TKAST.

THE INDUSTRY IN KOREA

Overview

During the original investigations, there were two producers of stainless steel flat-rolled products in Korea, POSCO and Sammi Steel Co. Ltd. (“Sammi”).²³ Sammi was reported to produce only cold-rolled products that were not exported to the United States during the original investigations and first reviews.²⁴ POSCO remains the only Korean producer of hot-rolled stainless steel plate; it does not manufacture cold-rolled stainless steel plate. POSCO provided data on its stainless steel coiled plate operations during the original investigations and first reviews. The company also provided data on its stainless steel coiled plate operations in response to Commission questionnaires in these current reviews.

Stainless Steel Coiled Plate Operations^{25 26}

Table IV-8 presents data provided by POSCO concerning its stainless steel coiled plate operations during calendar years 2005-10. The Korean producer’s allocated production capacity decreased throughout the period for which data were collected, ending *** percent lower than 2005. Production increased between 2005 and 2006, then decreased, ending *** percent lower than 2005. The quantity of home market shipments fluctuated throughout the period, ending *** percent lower than 2005. Export shipments also fluctuated throughout the period, ending *** percent lower than 2005. POSCO’s exports are primarily directed toward Asia, particularly ***.²⁷ However, Asia’s share of commercial shipments has declined by *** percentage points from 2005 to 2010.²⁸

²³ *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376, 377, and 379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1999, p. VII-6.

²⁴ Sammi subsequently entered into bankruptcy, was acquired by INI Steel Co. in restructuring proceedings in 2001, and was renamed BNG Steel Co. (“BNG”) in 2002. ***. *Staff Report on Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigations Nos. 701-TA-376, 377 & 379 and 731-TA-788-793 (Review)*, Memorandum INV-CC-058, April 27, 2005, p. IV-23 n. 57.

²⁵ In late 2010, Russia imposed antidumping duties on certain flat-rolled steel from Brazil, China (including Taiwan), Korea, and South Africa. The antidumping duty rate is 62.8 percent for Korean companies, with the exception of POSCO, which has an individual rate of 4.8 percent. “Russia introduces duty on some stainless steel,” <http://af.reuters.com/article/idAFLDE6AN21V20101124>, retrieved on May 2, 2011. POSCO reported that ***. POSCO also reported that ***. Questionnaire response of POSCO.

²⁶ POSCO reported that *** percent of its stainless steel coiled plate production consisted of plate in widths over 60 inches.

²⁷ Questionnaire response of POSCO. In addition, subject merchandise accounted for *** percent of total sales in its most recent fiscal year. Ibid.

²⁸ POSCO reported that ***. Questionnaire response of POSCO. ZPSS, a joint venture company between POSCO and China’s Shagang Group, began production in late 2006 and produces stainless steel and hot-rolled products. “POSCO ZPSS leading stainless steel market in China,” http://www.steelguru.com/stainless_steel_news/POSCO_ZPSS_leading_stainless_steel_market_in_China/172194.html; “Posco Going Global for Takeoff,” http://www.koreatimes.co.kr/www/news/nation/2008/04/234_14692.html, retrieved on April 28, 2011. ZPSS had a hot-rolled coil annealing and pickling capacity of *** short tons in 2010. Hot-rolled coil annealing and pickling capacity is projected to increase further to *** short tons in 2011, *** short tons in 2012, and *** short tons in 2013-2015. Hot-rolled coil annealing and pickling capacity includes capacity to produce hot-rolled coiled product outside of the scope of the subject orders, e.g., capacity to produce hot-rolled sheet
(continued...)

**Table IV-8
Stainless steel coiled plate: Korean capacity, production, shipments, and inventories, 2005-10**

* * * * *

Alternative and Downstream Products

As shown in table IV-9, POSCO has a *** capacity for hot-rolled stainless steel than cold-rolled stainless steel. The majority of POSCO’s hot-rolled and cold-rolled stainless steel capacity is used to produce ***.²⁹

**Table IV-9
Stainless steel coiled plate: Korean capacity, production, and capacity utilization for alternative and downstream products, 2005-10**

* * * * *

THE INDUSTRY IN SOUTH AFRICA

Overview

Columbus Stainless is the only producer of stainless steel coiled plate in South Africa (“Columbus”). As noted earlier, the firm is related to NAS, a domestic manufacturer, through common ownership by the Acerinox Group. During the first reviews, the company reported that since “***.” In the original investigations and first reviews, Columbus provided the Commission with a questionnaire response. In the current proceedings, Columbus did not provide the Commission with a questionnaire response.³⁰

Stainless Steel Coiled Plate Operations³¹

As presented in table IV-10, South Africa’s global shipments of stainless steel coiled (continuous mill) plate increased by *** percent during 2005-06 before declining by *** percent during 2006-10. According to its website, home market shipments comprise 25 percent of the company’s total sales. In addition, the company has a “well-developed” sales network for its exports in Europe, the Americas, the

²⁸ (...continued)

and strip. Original data were published in metric tons which were converted to short tons using a conversion factor of 1.1023. ***.

²⁹ Originally, POSCO reported that ***. Email from ***, June 6, 2011. However, in response to a staff inquiry, POSCO retracted its statement, and confirmed that ***. Email from ***, June 17, 2011.

³⁰ A foreign producer questionnaire was sent via email and fax, the information of which was available in its company website (<http://www.columbus.co.za>). ***. Email from ***, June 3, 2011.

³¹ In late 2010, Russia imposed antidumping duties on certain flat-rolled steel from Brazil, China (including Taiwan), Korea, and South Africa. The antidumping duty rate is 33.3 percent with respect to South Africa. “Russia introduces duty on some stainless steel,” <http://af.reuters.com/article/idAFLDE6AN21V20101124>, retrieved on May 2, 2011.

Middle East and the Far East.³² In addition, the domestic interested parties reported that Columbus produced 705,472 short tons of hot-rolled coil in 2007.³³

Table IV-10

Stainless steel coiled plate: South Africa's hot-rolled annealing and pickling capacity, and global shipments of continuous mill plate, 2005-10

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
Quantity (short tons)						
Capacity	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Global shipments ²	***	***	***	***	***	***
¹ Hot-rolled coil annealing and pickling capacity was *** short tons in 2010. Data include capacity to produce hot-rolled coiled product outside of the scope of the subject orders, e.g., capacity to produce hot-rolled sheet and strip, and are unavailable for 2005-10. ² Global shipment data exclude coils for rerolling. Note.—***. Source: ***.						

Table IV-11 presents South Africa's exports, as reported by the Global Trade Atlas.

Table IV-11

Stainless steel coiled plate: South Africa's exports, 2005-10

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
Quantity (short tons)						
Exports	41,780	69,284	68,145	40,014	75,171	33,190
Note.—Export data, derived from the Global Trade Atlas, may include nonsubject product. Source: Global Trade Atlas, HTS subheadings 7219.11, 7219.12, and 7219.31 (Exports).						

³² Columbus' website, <http://www.columbus.co.za/aboutus/aboutusmain.htm>, retrieved on May 2, 2011.

³³ Prehearing brief of domestic interested parties, p. 28 and exh. 3.

THE INDUSTRY IN TAIWAN

Overview

Petitioners in the original investigations identified several stainless steel plate manufacturers in Taiwan, three of which provided questionnaire responses to the Commission. One firm, YUSCO, was believed to account for the major portion both of Taiwan production and exports of the subject merchandise. YUSCO was founded in December 1988. It is reportedly the largest integrated stainless steel mill in Southeast Asia, with melting capacity of 1 million metric tons; hot-rolling capacity of 900,000 metric tons; and cold-rolling capacity of 650,000 metric tons.³⁴ YUSCO, along with Tang Eng and Tung Mung, provided data during the original investigations. During the first reviews, no producer from Taiwan responded to the Commission's questionnaire. YUSCO, along with several other steel producers and exporters in Taiwan including Ta Chen, YUSCO's ***, received but did not respond to the Commission's questionnaire in the current reviews.

Stainless Steel Coiled Plate Operations³⁵

As presented in table IV-12, Taiwan's global shipments of stainless steel coiled (continuous mill) plate increased irregularly during 2005-10 by *** percent. There are four Taiwan companies with hot-rolled coil annealing and pickling capacity: Chien Shing Stainless Steel Co., Ltd., Tang Eng Iron Works Co., Ltd., Tung Mung Development Co., Ltd., and YUSCO.³⁶ All of these companies were in operation during the first reviews.

³⁴ http://www.yusco.com.tw/English/about_yusco_ch.htm, retrieved on June 19, 2011.

³⁵ In late 2010, Russia imposed antidumping duties on certain flat-rolled steel from Brazil, China (including Taiwan), Korea, and South Africa. The antidumping duty rate is 39.1 percent with respect to Taiwan. "Russia introduces duty on some stainless steel," <http://af.reuters.com/article/idAFLDE6AN21V20101124>, retrieved on May 2, 2011.

³⁶ ***, Chien Shing Stainless Steel Co., Ltd., "Profile," http://www.csssc.com.tw/en/about_us_profile.html and "Products: Available Products, Size and Size Tolerance," http://www.csssc.com.tw/en/products_SST.html; Tang Eng Iron Works Co., Ltd., "Preface," and "Tolerances of Thickness and Width," <http://www.tangeng.com.tw/eindex.asp>; Tung Mung Development Co., Ltd., "Preface," and "Main Products," <http://www.tungmung.com.tw/>; Yieh United Steel Corp., "About YUSCO," http://www.yusco.com.tw/English/about_yusco_ch.htm and "Specifications," http://www.yusco.com.tw/English/specifications_ch.htm. According to Tung Mung's website, the company does not produce stainless steel coiled plate but only cold-rolled sheet and strip. This is consistent with information reported by the company during the original investigations. *Staff Report on Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Investigations Nos. 701-TA-376-379 (Final) and 731-TA-788-793 (Final)*, Memorandum INV-W-064, April 9, 1999, p. VII-20.

Table IV-12**Stainless steel coiled plate: Taiwan's hot-rolled annealing and pickling capacity, and global shipments of continuous mill plate, 2005-10**

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
Quantity (short tons)						
Capacity	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Global shipments ²	***	***	***	***	***	***
<p>¹ Hot-rolled coil annealing and pickling capacity was *** short tons in 2010. Data include capacity to produce hot-rolled coiled product outside of the scope of the subject orders, e.g., capacity to produce hot-rolled sheet and strip and are unavailable for 2005-10. Tung Mung Development Co., Ltd. does not produce stainless steel coiled plate but only cold-rolled sheet and strip. Capacity includes the hot-rolled annealing and pickling capacity of Tung Mung.</p> <p>² Global shipment data exclude coils for rerolling.</p> <p>Note.—***.</p> <p>Source: ***.</p>						

Table IV-13 presents Taiwan's exports, as reported by the Global Trade Atlas.

Table IV-13**Stainless steel coiled plate: Taiwan's exports, 2005-10**

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
Quantity (short tons)						
Exports	72,537	89,200	49,067	31,287	34,312	34,007
<p>Note.—Export data, derived from the Global Trade Atlas, may include nonsubject product.</p> <p>Source: Global Trade Atlas, HTS subheadings 7219.11, 7219.12, and 7219.31.</p>						

THE GLOBAL MARKET

Capacity and Shipments

Global stainless steel hot-rolled coil annealing and pickling capacity is concentrated in three areas (from greatest to smallest): Asia, Western Europe, and North America (table IV-14).

Table IV-14
Global, regional, and individual country stainless steel hot-rolled coil annealing and pickling capacity, 2010-15

* * * * *

Although global shipments of stainless steel hot-rolled products increased by *** percent during 2005-10, shipments did not increase in all regions (table IV-15). Shipments from North America decreased by *** percent which was the largest decrease of any region. Shipments from Belgium and Italy increased by *** and *** percent respectively. Korea's shipments increased by *** percent, shipments from Taiwan increased by *** percent, and shipments from Africa decreased by *** percent. Shipments are predicted to increase during 2011-15 in all regions (table IV-16).

Table IV-15
Stainless steel hot-rolled products: Global, regional, and individual country shipments of continuous mill plate (excluding coils for rerolling), 2005-10

* * * * *

Table IV-16
Stainless steel hot-rolled products: Forecast of global, regional, and individual country shipments of continuous mill plate (excluding coils for rerolling), 2011-15

* * * * *

Consumption

Although global stainless steel hot-rolled flat product consumption increased globally by *** percent during 2005-10, there were wide variations by region (table IV-17). There were consumption declines in the United States and Italy of *** percent and *** percent, respectively, while consumption in Asia increased by *** percent. Consumption is projected to continue to grow during 2011-15 with most regions experiencing consumption growth. The country with the largest increase is China, *** percent, but consumption is projected to grow in North America and Western Europe by *** percent and *** percent, respectively (table IV-18).

Table IV-17
Stainless steel hot-rolled flat products: Global, regional, and individual country apparent consumption, 2005-10

* * * * *

Table IV-18
Stainless steel hot-rolled flat products: Forecast of global, regional, and individual country
apparent consumption, 2011-15

* * * * *

Firms' responses regarding demand outside the United States since 2005, and in 2011 and 2012, are summarized in table IV-19. Firms reported a variety of answers regarding demand trends since 2005.³⁷ Changes in demand since 2005 reported by purchasers, U.S. producers, importers, and foreign producers include the downturn in the global economy and the growth/economic development of China, India, Brazil, and other countries.

Most firms expect an increase in demand outside the United States in 2011 and 2012. Expected changes in demand include continued economic recovery, continued economic growth/economic development, low interest rates increasing investments using stainless steel coiled plate, and new uses increasing future demand.

Table IV-19
Stainless steel coiled plate: Firms' perceptions regarding demand outside the United States

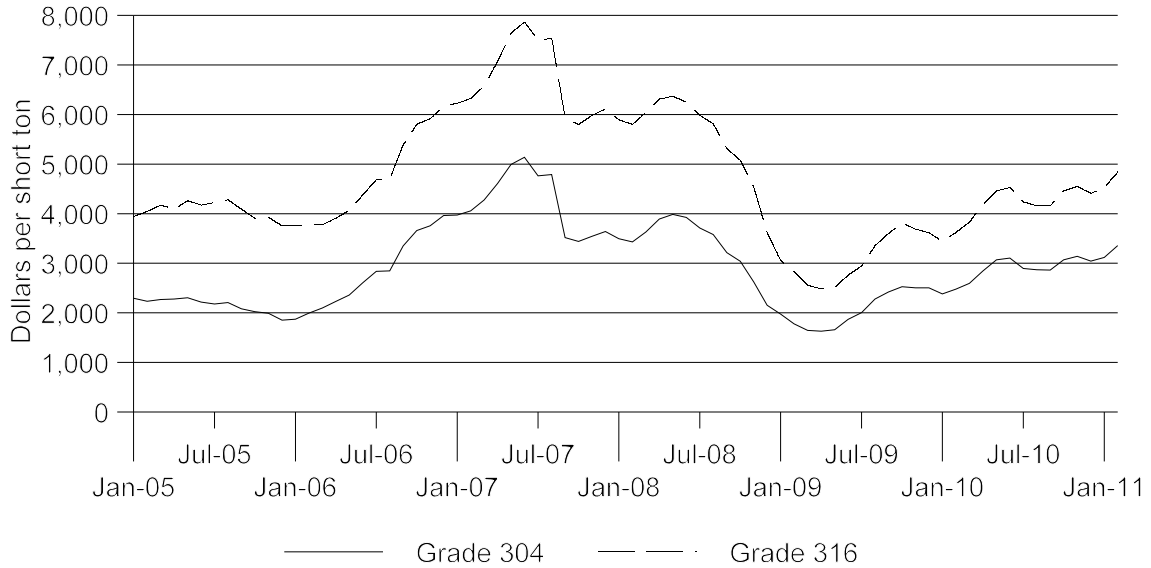
Item	Number of firms reporting			
	Increase	Decrease	Fluctuate	No change
Demand since 2005				
U.S. producers	0	1	0	1
Importers	2	0	3	1
Purchasers	2	4	2	1
Foreign producers	1	0	2	0
Demand in 2011 and 2012				
U.S. producers	1	0	0	1
Importers	4	0	1	1
Purchasers	5	2	2	0
Foreign producers	3	0	0	0
Note.-- Producer, *** did not respond to the questions in this part of the questionnaire. Note.--Foreign producers were asked separately about demand in their home markets and in third country markets; all firms responded the same for both markets.				
Source: Compiled from data submitted in response to Commission questionnaires.				

³⁷ The foreign producer reporting an increase since 2005 was ***.

Prices

One foreign producer reported prices were the same for its products in all markets, the other two responding producers referred to CRU data. The trend of average world prices for stainless steel hot-rolled coil in grades 304 and 316 during January 2005-February 2011 is displayed in figure IV-1.

Figure IV-1
Stainless steel hot-rolled coil: Average world prices for grades 304 and 316, January 2005-February 2011



Note.—Product priced is in standard widths, thickness is 3-12 mm. Therefore, data may include prices for hot-rolled coiled product outside of the scope of the subject orders, e.g., product in sheet gauges.

Source: MEPS International Ltd., "MEPS - World Stainless Steel Prices," for hot-rolled coil.
<http://www.meps.co.uk/Stainless%20Prices.htm>.

Data on prices for stainless steel hot-rolled coil in AISI grades 304 and 316 are presented in the following tables.

Table IV-20
Stainless steel hot-rolled coil: U.S. negotiated transaction prices for stainless steel hot-rolled coil AISI grade 304, by region and country, January 2005-May 2011

* * * * *

Table IV-21
Stainless steel hot-rolled coil: U.S. negotiated transaction prices for stainless steel hot-rolled coil AISI grade 316, by region and country, January 2005-May 2011

* * * * *

PART V: PRICING AND RELATED INFORMATION¹

FACTORS AFFECTING PRICES

By definition, stainless steel is an iron alloy that contains at least 10.5 percent chromium and no more than 1.2 percent carbon. Raw materials for the production of stainless steel coiled plate include carbon steel and stainless steel scrap, as well as alloy materials (especially chromium, nickel, and molybdenum). As shown in table V-1, the amount of alloying elements used varies by grade of stainless steel. Some common grades, such as AISI grades 304 and 316, contain significant amounts of nickel while others, such as AISI grades 409 and 430, contain little if any nickel. The price of stainless steel coiled plate also depends on the extent of processing.

Table V-1

Stainless steel: Share of alloying elements in various grades of stainless steel

AISI grade	Alloying element				
	Nickel	Chromium	Manganese	Molybdenum	Titanium
	Share of alloying element in stainless steel grade (<i>percent</i>)				
304	8.0-10.5	18.0-20.0	2.0	--	--
316L	10.0-14.0	16.0-18.0	2.0	2.0-3.0	--
409	0.50	10.50-11.75	1.0	--	0.48-0.75
430	0.75	16.0-18.0	1.0	--	--

Source: Specialty Steel Industry of North America, *Designer Handbook: Design Guidelines for the Selection and Use of Stainless Steel*, pp. 8, 10, <http://www.ssina.com/publications/design.html>, retrieved April 15, 2011.

¹ ***.

Raw Material Costs

Raw material components vary based on the grade of stainless steel produced and the proportion and composition of scrap material used. Accordingly, raw material costs depend on the desired characteristics of the final product. Both responding producers reported that nickel was the largest cost (from *** to *** percent of the cost), followed by chrome (*** to *** percent), and iron (*** to *** percent). Importers generally identified nickel as the most costly raw material. Importers also listed chromium, molybdenum, and iron as costly raw materials.

Price trends for iron scrap and for alloying elements nickel, chromium, manganese, and molybdenum are shown in figures V-1 and V-2, respectively.² Iron scrap prices fluctuated within a range of \$133 to \$328 per short ton during 2005-07. In 2008, prices spiked to \$772 in August but were down to \$195 by the end of the year. In 2009-10, prices gradually increased and were \$495 by May 2011. Chromium and manganese prices showed a similar trend to iron scrap prices, with a spike in prices in 2008 while nickel prices peaked in 2007. Molybdenum prices were relatively stable from 2005-08, declined in early 2009, and then increased slightly but remained below 2005 levels.

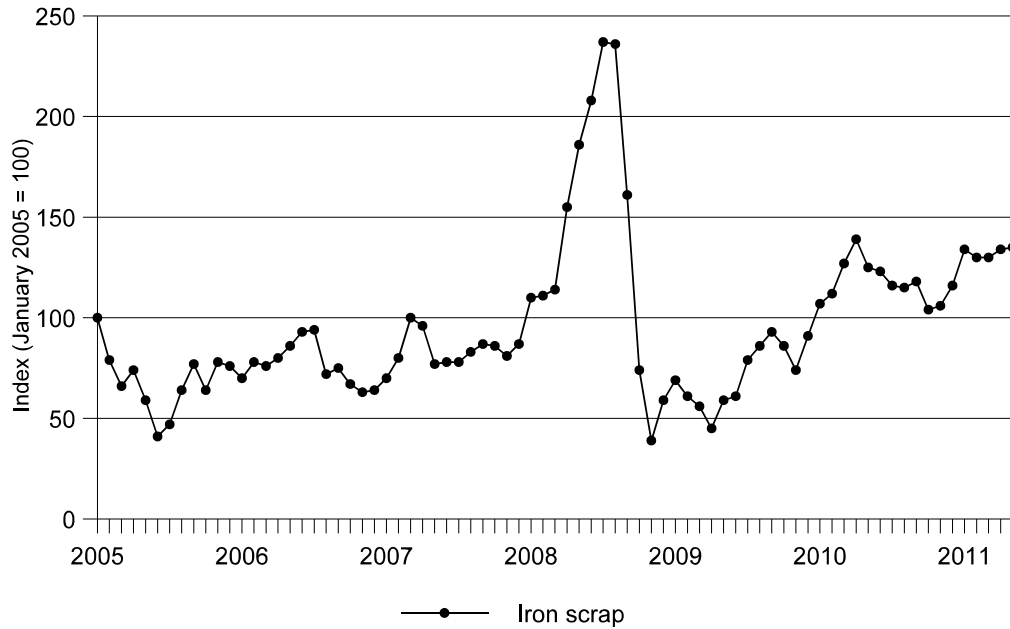
***.³

² During January 2005-May 2011, chromium prices ranged from \$108-497 per short ton and manganese prices were \$93-484 per short ton. Nickel prices (\$4-23 per pound) and molybdenum prices (\$9-38 per pound) were much higher. *American Metal Market*.

The price of ferrotitanium fell from a high of \$8.83 per pound in January 2006 to \$1.35 in May-June 2009, rose to \$3.52 in May 2010, declined to \$3.20 in December 2010, then rose to \$4.13 in May 2011. *Platts Metals Week Price Notification Monthly Report*, monthly editions January 2006 - May 2011.

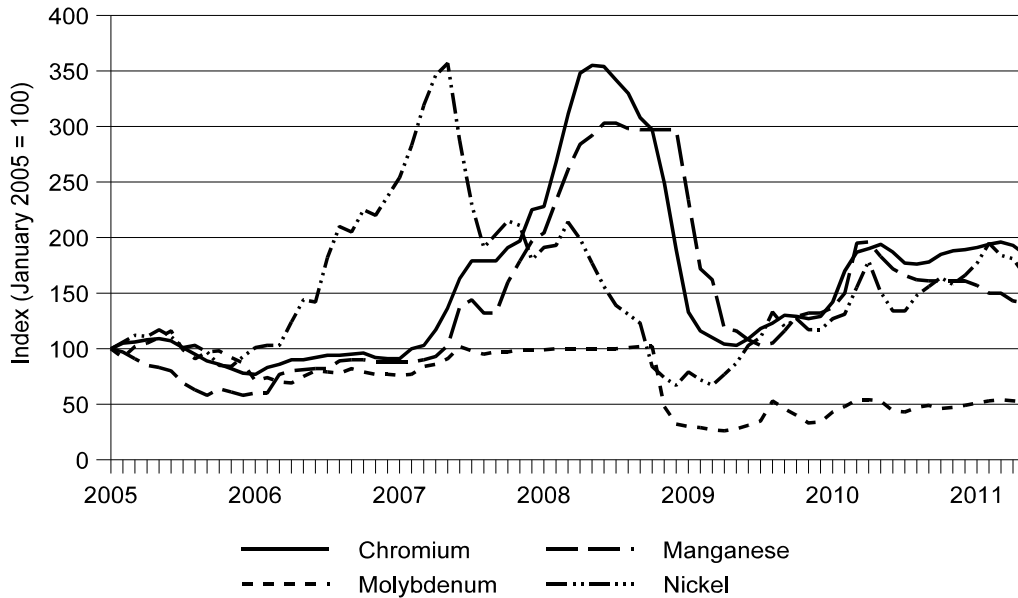
³ ***.

Figure V-1
Raw materials: Iron scrap (No. 1 Bushelings, Pittsburgh), index of monthly prices, January 2005-May 2011



Source: *American Metal Market*, retrieved June 8, 2011.

Figure V-2
Raw materials: Alloying elements, index of monthly prices, January 2005-May 2011

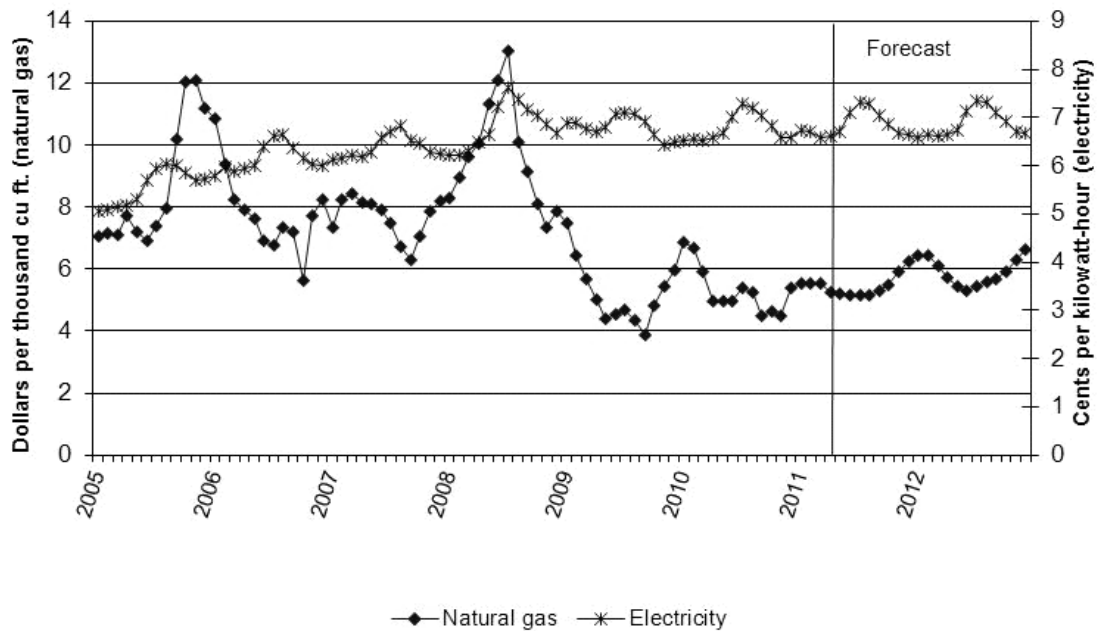


Source: *American Metal Market*, retrieved June 8, 2011.

Energy Costs

Energy costs are an important factor in stainless steel production. At the melting stage, electric arc furnaces use large amounts of electricity while natural gas is used in reheating and annealing lines.⁴ Available data indicate that annual average industrial prices of electricity (per kilowatt hour) generally increased from 5.23 cents in January 2005 to 6.35 cents in January 2011 (figure V-3).⁵ Natural gas prices (per thousand cubic feet) spiked during late 2005 and mid-2008, declined to a period low in September 2009, and have since increased but not to pre-2008 prices. Prices for electricity and natural gas are not forecasted to vary appreciably from 2010 levels in 2011 and 2012.

Figure V-3
Industrial natural gas and electricity: Monthly prices, January 2005-April 2011 and May 2011-December 2012 (forecast)



Source: *Short Term Energy Outlook*, Energy Information Administration, retrieved from www.eia.doe.gov, June 1, 2011.

⁴ Hearing transcript, May 26, p. 102 (Hartford).

⁵ As shown in figure V-3, energy prices appear to be highly cyclical, with electricity prices increasing in the summer and natural gas prices increasing in the winter, due to seasonal demand.

Surcharges

Many firms add one or more types of surcharges to the base price of their products to account for fluctuations in raw material and energy prices. Raw material surcharges are calculated using formulas based on trigger prices for each raw material and vary depending on the specific grade of steel. Fuel and energy surcharges are based on prices of natural gas and transportation fuels. Both responding U.S. producers reported raw material surcharges and fuel surcharges, and one reported energy surcharges. Five importers reported the use of one or more type of surcharge; specifically raw material surcharges (5 firms), fuel (2), energy (4), and transportation (1).

U.S. producers' surcharges are adjusted monthly with a 60 day lag.⁶ Domestic producers have utilized surcharges since the 1980s, beginning with nickel surcharges and later including other raw materials. The most recently added surcharges were for energy; Allegheny Ludlum added this surcharge around 2002-03.⁷

For illustrative purposes, Allegheny Ludlum's surcharges, per short ton of stainless steel, for May 2008 and December 2010 are shown in table V-2. The table illustrates the type of surcharges, and the variation in types and extent of surcharges, by grade of stainless steel, and over time. As shown in the table, the nickel surcharge has been higher than other surcharges for grades 304 and 316 (comprising 55 to 75 percent of total surcharges in the periods shown).

Some purchasers report that the surcharge mechanism's yield loss ratio assumes greater losses than actually occurs in production, and mills frequently use (lower cost) scrap as feedstock rather than virgin metal used as the base for the surcharge. These purchasers report that these aspects of the surcharge mechanisms are a source of profit for the producers.⁸

⁶ Allegheny Ludlum reported that "the raw material cost indices average for the month of January would determine our surcharge in the month of March." Hearing transcript, May 25, pp. 99-100 (Hartford and Schmitt).

⁷ Hearing transcript, May 26, pp. 89-92 (Hartford and Feeley).

⁸ Metal Bulletin, "AMM's Stainless and its Alloys Conference: Stainless buyers fed up with surcharge," retrieved June 2, 2011. *See also* domestic producers' discussion of surcharges in Domestic Interested Parties' posthearing brief, p. 11 n. 5

Table V-2
Stainless steel: Allegheny Ludlum's raw material and energy surcharges

Grade/ period	Surcharges (per short ton)					
	Nickel	Chrome	Molybdenum	Iron	Energy	Total
May 2008						
304/304L	\$2,335	\$834	\$0	\$180	\$38	\$3,386
316/316L	2,918	741	1,459	175	38	5,331
430	0	741	0	205	38	984
December 2010						
304/304L	1,690	415	0	154	0	2,259
316/316L	2,112	369	587	150	0	3,218
430	0	369	0	176	0	544
Note.--No other surcharges (including for manganese) were indicated for these grades during these time periods.						
Source: <i>Surcharges For Orders Promised for Delivery, May 4, 2008 Through May 31, 2008 and November 28, 2010 Through January 1, 2011</i> http://www.alleghenyludlum.com , retrieved April 15, 2011.						

All 10 responding purchasers reported that they paid surcharges since 2005, including 10 for raw materials, 9 for fuel, 6 for energy, and 4 for transportation. Purchasers indicated that all domestic suppliers had surcharges.⁹ All responding purchasers reported that these surcharges had been in effect during the entire review period. Purchasers reported that these surcharges have lead to fluctuations in prices but none reported that the type of surcharges has changed since 2005.

U.S. Inland Transportation Costs

Both responding producers and three of five importers reported that they typically arrange transportation to their customers. U.S. producers reported that their U.S. inland transportation costs ranged from *** percent. Two importers reported transportation costs of *** percent. Freight costs account for a much smaller percentage of stainless steel costs than for carbon steel.¹⁰

Transportation Costs to the U.S. Market

ThyssenKrupp reported that long distance shipping costs have escalated.¹¹ TKAST's freight rates from Europe to the United States increased from ***.¹²

The Baltic Dry Index, which tracks worldwide shipping prices of various dry bulk cargos, spiked in late 2007 and 2008, fell sharply in late 2008, and increased slightly in 2009-10. Over the last year, the

⁹ Nine purchasers reported all domestic suppliers had surcharges, the other purchaser reported NAS and Allegheny had surcharges.

¹⁰ Hearing transcript, May 26, p. 143 (Lacor).

¹¹ Hearing transcript, May 25, pp. 143-144 (Iller).

¹² ThyssenKrupp Respondent Interested Parties' posthearing brief, appendix p. 19.

index fell from September 2010 to February 2011, and has increased very slightly, but still remains at much lower levels than the peak period of 2007-08.¹³

Exchange Rates

ThyssenKrupp contends that the declining dollar makes shipments from Europe to the United States less attractive, and that the downward pressure on the dollar is likely to continue.¹⁴

Exchange rate data for January 2005-March 2011 are shown in appendix E. During this period, the real value of the dollar versus the Euro fell by 3.9 percent, the real value of the U.S. dollar compared to the Korean won fell by 14.2 percent, and the real value of the U.S. dollar compared to the South Africa rand increased by 0.4 percent. The nominal value of the U.S. dollar to the Taiwan new dollar increased by 7.5 percent.¹⁵

PRICING PRACTICES

Pricing Methods

Both responding U.S. producers, Allegheny Ludlum and NAS, reported using ***. Four of six responding importers reported transaction-by-transaction-pricing, three reported contract prices, two reported set price lists, and two reported other methods. U.S. producers and importers sell primarily on a spot basis with a small percentage of short-term contracts; no firms reported long-term contracts. For U.S. producers, about *** percent of 2010 sales were on a spot basis and *** percent were on a short-term contract basis; similarly for importers, 95.6 percent of 2010 sales were on a spot basis and 4.4 percent were on a short-term contract basis.¹⁶

Six purchasers reported that they purchase stainless steel coiled plate daily, three purchase weekly, and one purchases monthly. Nine of 10 responding purchasers reported that they did not expect their purchasing patterns to change in the next two years.¹⁷ Most (9 of 10) purchasers contact 1 to 3 suppliers before making a purchase.

Sales Terms and Discounts

Both U.S. producers typically quote prices on an f.o.b. basis while three of four responding importers quote prices on a delivered basis. Both responding producers offer quantity and total volume discounts. Three importers offer total volume discounts, one offers quantity discounts, and two reported no discounts. Both producers and four of the six responding importers reported selling net 30 days.

¹³ Bloomberg, <http://www.bloomberg.com/apps/quote?ticker=BDIY:IND>, retrieved June 9, 2011.

¹⁴ ThyssenKrupp Respondent Interested Parties' posthearing brief, p. 9, and exh. 20, *The Wall Street Journal* "Dollar's Decline Speeds Up, with Risks for U.S." April 23, 2011. This article attributes the U.S. dollar's weakness to low interest rates, inflation concerns, and federal budget deficits, and expects that none of these factors will change soon.

¹⁵ Real exchange rates for the Taiwan currency were not available. International Financial Statistics, International Monetary Fund, retrieved June 8, 2011, and St. Louis Federal Reserve, retrieved June 8, 2011.

¹⁶ One U.S. producer and one of the three responding importers reported using short-term contracts.

¹⁷ The purchaser that expected purchase patterns to change reported that purchase patterns are project driven and always changing.

Price Leadership

All 10 responding purchasers reported that NAS was a price leader, and 3 also reported that Allegheny Ludlum was a price leader. No other price leaders were reported.

Regional Price Differences

Firms were asked if regional price differences existed in the stainless steel coiled plate market. One producer reported minor price variations from time to time and the other reported that West Coast prices have been historically lower. No importer noted any geographic price differences.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following stainless steel coiled plate products shipped to unrelated U.S. customers during 2005-10:

Product 1.--AISI Grade 304, thickness 0.25 inch (0.24-0.295 inch), width 48-60 inches, in coils.

Product 2.--AISI Grade 304, thickness 0.1875 inch (0.1870-0.2325 inch), width 48-60 inches, in coils.

Product 3.--AISI Grade 304L, thickness 0.25 inch (0.24-0.295 inch), width 48-60 inches, in coils.

Product 4.--AISI Grade 316L, thickness 0.1875 inch (0.1870-0.2325 inch), width 48-60 inches, in coils.

Two U.S. producers provided usable pricing data for sales of the requested products. One importer of stainless steel coiled plate from Belgium provided usable pricing data for products 1 and 2, but no data for Belgium were reported for products 3 and 4. No useable pricing data were reported for Italy, Korea, South Africa, or Taiwan. By quantity, reported pricing data for 2005-10 accounted for approximately *** percent of U.S. producers' shipments of stainless steel coiled plate and *** percent of imports from Belgium. Price data for products 1-4 are presented in tables V-3 to V-5 and figures V-4 to V-7.

Table V-3

Stainless steel coiled plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, 2005-10

* * * * *

Table V-4

Stainless steel coiled plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, 2005-10

* * * * *

Table V-5

Stainless steel coiled plate: Weighted-average f.o.b. prices and quantities of domestic products 3 and 4, by quarters, 2005-10

* * * * *

Figure V-4

Stainless steel coiled plate: Weighted-average f.o.b prices and quantities of domestic and imported product 1, by quarters, 2005-10

* * * * *

Figure V-5

Stainless steel coiled plate: Weighted-average f.o.b prices and quantities of domestic and imported product 2, by quarters, 2005-10

* * * * *

Figure V-6

Stainless steel coiled plate: Weighted-average f.o.b prices and quantities of domestic product 3, by quarters, 2005-10

* * * * *

Figure V-7

Stainless steel coiled plate: Weighted-average f.o.b prices and quantities of domestic product 4, by quarters, 2005-10

* * * * *

Price Trends and Comparisons

Prices declined slightly in 2005, increased sharply until the second quarter of 2007, then declined to below 2005 levels in 2009, before increasing through the end of 2010. Table V-6 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from 13 to 45 percent during 2005-10. Table V-7 summarizes the data on margins. Subject imports from Belgium were priced lower than domestic products in 5 instances by margins of *** to *** percent, and were priced higher than domestic products in 8 instances, by margins of *** to *** percent.¹⁸

¹⁸ In the original investigations, imports from the countries currently subject to the orders (other than Taiwan) were priced lower than domestic product in 68 of 192 comparisons. Specifically, imports from each subject country were priced lower than domestic product in the following number of comparisons: Belgium- 12 of 53; Italy- 17 of 57; Korea- 7 of 15; and South Africa- 32 of 67. Only rough comparisons were possible from Taiwan since *** did not provide detailed price data. Confidential staff report for the original investigations (memorandum INV-W-064, April 9, 1999), p. V-39 and n. 11.

In the first reviews, imports from Belgium, Italy, and Korea were priced lower than domestic product in 46 of 115 comparisons; no price data were reported for South Africa or Taiwan. Specifically, imports from each subject country were priced lower than domestic product in the following number of comparisons: Belgium- 16 of 74; Italy- 15 of 21; and Korea- 15 of 20. Confidential staff report for the original investigations (memorandum INV-CC-058, April 27, 2005), p. V-28.

Table V-6
Stainless steel coiled plate: Summary of f.o.b. prices for products 1-4, by country

* * * * *

Table V-7
Stainless steel coiled plate: Instances of underselling/overselling and the range and average of margins, 2005-10

	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
Belgium	5	***	***	8	***	***

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

Purchaser Perceptions of Relative Price Trends

Purchasers were asked how the price of stainless steel coiled plate from subject countries had changed relative to U.S. prices since 2005. All responding purchasers reported that prices of subject imports had increased or had not changed relative to U.S. prices (table V-8).

Table V-8
Stainless steel coiled plate: Number of purchasers reporting subject price changes relative to U.S. prices

Country	Increased	Decreased	Unchanged
Belgium	3	0	3
Italy	0	0	2
Korea	1	0	1
South Africa	1	0	3
Taiwan	0	0	2

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

APPENDIX A

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

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

Stainless Steel Plate from Belgium, Italy, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376 and 379 and 731-TA-788, 790-793 (Second Review)

On September 7, 2010, 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 received a consolidated response to its notice of institution from domestic interested parties Allegheny Ludlum Corporation and North American Stainless, U.S. producers of stainless steel plate (“SSP”), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, a union whose workers are engaged in the production of SSP. These parties account for the majority of domestic production of SSP. The Commission found the individual response of each of these parties, which contained party-specific data, to be adequate. With respect to the orders on SSP from Belgium, Italy, Korea, South Africa, and Taiwan, the Commission determined that the domestic interested party group response was adequate.

The Commission also received adequate individual responses concerning the order on SSP from Italy, filed jointly by ThyssenKrupp Acciai Speciali Terni S.p.A. (“TKAST”), an Italian producer of SSP, and ThyssenKrupp Acciai Speciali Terni USA, Inc., a U.S. importer of SSP from Italy. The Commission found that the respondent interested party group response was adequate with respect to the order on SSP from Italy because the responding producer, TKAST, is the sole producer of SSP in Italy.

Because the group and individual responses from both domestic interested parties and respondent interested parties were adequate in the review of the order concerning SSP from Italy, the Commission determined to conduct a full review in this proceeding.

The Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from Belgium, Korea, South Africa, or Taiwan and therefore determined that the respondent interested party group response from each of these countries was not adequate. The Commission nevertheless voted to conduct full reviews concerning subject imports from Belgium, Korea, South Africa, and Taiwan to promote administrative efficiency in light of the Commission’s determination to conduct a full review of the other order 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>).

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–376 and 379
and 731–TA–788, 790–793 (Second Review)]

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

AGENCY: United States International
Trade Commission.

ACTION: Institution of five-year reviews
concerning the countervailing duty
orders on stainless steel plate from
Belgium and South Africa and the
antidumping duty orders on stainless
steel plate from Belgium, Italy, Korea,
South Africa, and Taiwan.

SUMMARY: The Commission hereby gives
notice that it has instituted reviews
pursuant to section 751(c) of the Tariff
Act of 1930 (19 U.S.C. 1675(c)) (the Act)
to determine whether revocation of the
countervailing duty orders on stainless
steel plate from Belgium and South
Africa and the antidumping duty orders
on stainless steel plate from Belgium,
Italy, Korea, South Africa, and Taiwan
would be likely to lead to continuation
or recurrence of material injury.
Pursuant to section 751(c)(2) of the Act,
interested parties are requested to
respond to this notice by submitting the
information specified below to the
Commission;¹ to be assured of
consideration, the deadline for
responses is July 1, 2010. Comments on
the adequacy of responses may be filed
with the Commission by August 16,
2010. For further information
concerning the conduct of these reviews

¹ No response to this request for information is
required if a currently valid Office of Management
and Budget (OMB) number is not displayed; the
OMB number is 3117–0016/USITC No. 10–5–218,
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.

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:* June 1, 2010.

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](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.—May 11, 1999, the
Department of Commerce (“Commerce”)
issued countervailing duty orders on
imports of certain stainless steel plate
from Belgium, Italy, and South Africa
(64 FR 25288). On May 21, 1999,
Commerce issued antidumping duty
orders on imports of certain stainless
steel plate from Belgium, Canada, Italy,
Korea, South Africa, and Taiwan (64 FR
27756). On March 11, 2003, Commerce
amended these antidumping and
countervailing duty orders on imports of
certain stainless steel plate to remove
the original language that excluded
cold-rolled stainless steel plate in coils
(68 FR 11520 and 68 FR 11524).
Following five-year reviews by
Commerce and the Commission,
effective July 18, 2005, Commerce
issued a continuation of the
countervailing duty orders on stainless
steel plate from Belgium, Italy, and
South Africa and the antidumping duty
orders on stainless steel plate from
Belgium, Italy, Korea, South Africa, and
Taiwan (70 FR 41202).² The
Commission is now conducting second
reviews of the countervailing duty
orders on stainless steel plate from
Belgium and South Africa³ and the
antidumping duty orders on stainless

² Following the five-year reviews, Commerce
revoked the antidumping duty order on stainless
steel plate from Canada effective May 21, 2004 (70
FR 41207, July 18, 2005).

³ Following a changed circumstances review,
Commerce revoked the countervailing duty order
on stainless steel plate from Italy, effective
September 4, 1998 (71 FR 15380, March 28, 2006).

steel plate from Belgium, Italy, Korea, South Africa, and Taiwan 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 or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are Belgium, Italy, Korea, South Africa, and Taiwan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations after remand and its full first five-year review determinations, the Commission defined a single *Domestic Like Product* as certain (hot-rolled and cold-rolled) stainless steel plate in coils, coextensive with Commerce's scope definition. Certain Commissioners defined the *Domestic Like Product* differently in the original determinations.⁴

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations after remand and its full first five-year review determinations, the Commission defined the *Domestic Industry* as all producers of certain stainless steel plate in coils. Certain Commissioners defined the *Domestic Industry* differently in the original determinations.

(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 has advised that a five-year review is not 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 not 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 1, 2010. 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 August 16, 2010. 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

⁴ While the Commission majority in the original determinations defined two separate domestic like products (*i.e.*, hot-rolled stainless steel plate in coils and cold-rolled stainless steel plate in coils), on remand the Commission majority's determinations involved a single domestic like product, certain stainless steel plate in coils.

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 and countervailing 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 2004.

(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 2009, 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 2009 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country*; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country*.

(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 2009 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production; and

(b) 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 the *Subject Country(ies)* after 2004, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country(ies)*, 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.

Issued: May 24, 2010.

William R. Bishop,

Acting Secretary to the Commission.

[FR Doc. 2010-12759 Filed 5-28-10; 8:45 am]

BILLING CODE P

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 and countervailing duty orders listed below. The International Trade Commission (“the Commission”) is publishing concurrently with this notice its notice of *Institution of Five-Year Review* which covers the same orders.

DATES: *Effective Date:* June 1, 2010.

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 Ave., NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205-3193.

SUPPLEMENTARY INFORMATION:**Background**

The Department’s procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department’s conduct of Sunset Reviews is set forth in the Department’s Policy Bulletin 98.3—*Policies Regarding the Conduct of Five-Year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998).

Initiation of Review

Review of the following antidumping
and countervailing duty orders:

In accordance with 19 CFR
351.218(c), we are initiating the Sunset

DOC Case No.	ITC Case No.	Country	Product	Department contact
A-405-803	731-TA-1084 ...	Finland	Carboxymethyl-cellulose	Dana Mermelstein (202) 482-1391.
A-201-834	731-TA-1085 ...	Mexico	Carboxymethyl-cellulose	Dana Mermelstein (202) 482-1391.
A-421-811	731-TA-1086 ...	Netherlands	Carboxymethyl-cellulose	Dana Mermelstein (202) 482-1391.
A-405-803	731-TA-1087 ...	Sweden	Carboxymethyl-cellulose	Dana Mermelstein (202) 482-1391.
A-423-808	731-TA-788	Belgium	Stainless Steel Plate in Coils (2nd Review).	Brandon Farlander (202) 482-0182.
A-475-822	731-TA-790	Italy	Stainless Steel Plate in Coils (2nd Review).	Brandon Farlander (202) 482-0182.
A-580-831	731-TA-791	Korea	Stainless Steel Plate in Coils (2nd Review).	Brandon Farlander (202) 482-0182.
A-791-805	731-TA-792	South Africa	Stainless Steel Plate in Coils (2nd Review).	Brandon Farlander (202) 482-0182.
A-583-830	731-TA-783	Taiwan	Stainless Steel Plate in Coils (2nd Review).	Brandon Farlander (202) 482-1391.
A-428-825	731-TA-798	Germany	Stainless Steel Sheet and Strip in Coils (2nd Review).	Dana Mermelstein (202) 482-1391.
A-475-824	731-TA-799	Italy	Stainless Steel Sheet and Strip in Coils (2nd Review).	Dana Mermelstein (202) 482-1391.
A-588-845	731-TA-800	Japan	Stainless Steel Sheet and Strip in Coils (2nd Review).	Dana Mermelstein (202) 482-1391.
A-580-834	731-TA-801	Korea	Stainless Steel Sheet and Strip in Coils (2nd Review).	Dana Mermelstein (202) 482-1391.
A-201-822	731-TA-802	Mexico	Stainless Steel Sheet and Strip in Coils (2nd Review).	Dana Mermelstein (202) 482-1391.
A-583-831	731-TA-803	Taiwan	Stainless Steel Sheet and Strip in Coils (2nd Review).	Dana Mermelstein (202) 482-1391.
C-423-809	701-TA-376	Belgium	Stainless Steel Plate in Coils (2nd Review).	Brandon Farlander (202) 482-0182.
C-791-806	701-TA-379	South Africa	Stainless Steel Plate in Coils (2nd Review).	Brandon Farlander (202) 482-0182.
C-580-835	701-TA-382	Korea	Stainless Steel Sheet and Strip in Coils (2nd Review).	Brandon Farlander (202) 482-0182.

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 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. See 19 CFR 351.218(d)(1)(i). 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. Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews.¹ Please

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

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).

John M. Andersen,

*Acting Deputy Assistant Secretary for
Antidumping and Countervailing Duty
Operations.*

[FR Doc. 2010-13058 Filed 6-1-10; 8:45 am]

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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.

Belgium and South Africa and the antidumping duty orders on stainless steel plate from Belgium, Italy, Korea, South Africa, and Taiwan.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the countervailing duty orders on stainless steel plate from Belgium and South Africa and the antidumping duty orders on stainless steel plate from Belgium, Italy, Korea, South Africa, and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* September 7, 2010.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On September 7, 2010, 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 (75 FR 30434, June 1, 2010) was adequate and that the respondent interested party group response with respect to Italy was adequate and decided to conduct a full review with respect to the antidumping duty order concerning stainless steel plate from Italy. The Commission found that the respondent interested party group responses with respect to Belgium, Korea, South Africa, and

Taiwan were inadequate. However, the Commission determined to conduct full reviews concerning the antidumping duty orders on stainless steel plate from Belgium, Korea, South Africa, and Taiwan to promote administrative efficiency in light of its decision to conduct a full review with respect to the antidumping duty order concerning stainless steel plate from Italy. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: September 22, 2010.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 2010-24244 Filed 9-27-10; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigation Nos. 701-TA-376 and 379
and 731-TA-788, 790-793 (Second Review)]

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

AGENCY: United States International
Trade Commission.

ACTION: Notice of Commission
determination to conduct full five-year
reviews concerning the countervailing
duty orders on stainless steel plate from

**INTERNATIONAL TRADE
COMMISSION**

[Investigation Nos. 701–TA–376 and 379
and 731–TA–788, 790–793 (Second Review)]

**Stainless Steel Plate from Belgium,
Italy, Korea, South Africa, and Taiwan**

AGENCY: United States International
Trade Commission.

ACTION: Scheduling of full five-year
reviews concerning the countervailing
duty orders on stainless steel plate from
Belgium and South Africa and the
antidumping duty orders on stainless
steel plate from Belgium, Italy, Korea,
South Africa, and Taiwan.

SUMMARY: The Commission hereby gives
notice of the scheduling of full reviews
pursuant to section 751(c)(5) of the
Tariff Act of 1930 (19 U.S.C. 1675(c)(5))
(the Act) to determine whether
revocation of the countervailing duty
orders on stainless steel plate from
Belgium and South Africa and/or the
antidumping duty orders on stainless
steel plate from Belgium, Italy, Korea,
South Africa, and Taiwan would be
likely to lead to continuation or
recurrence of material injury within a
reasonably foreseeable time. The
Commission has determined that these
reviews are extraordinarily complicated,
and will therefore exercise its authority
to extend the review period by up to 90
days pursuant to 19 U.S.C.
1675(c)(5)(B). For further information
concerning the conduct of these reviews
and rules of general application, consult
the Commission's Rules of Practice and
Procedure, part 201, subparts A through
E (19 CFR part 201), and part 207,
subparts A, D, E, and F (19 CFR part
207).

DATES: *Effective Date:* December 20,
2010.

FOR FURTHER INFORMATION CONTACT:
Jennifer Merrill (202–205–3188), 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](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 7, 2010, 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 (75 FR 59744, September 28, 2010). 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 May 9, 2011, 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 May 26, 2011, 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 May 18, 2011.

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 May 20, 2011, 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 May 17, 2011. 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 June 13, 2011; 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 June 13, 2011. On July 11, 2011, 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 July 13, 2011, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II(C) of the Commission's Handbook on Electronic

Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

AUTHORITY: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: December 20, 2010.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 2010-32411 Filed 12-23-10; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-423-808, A-475-822, A-791-805, A-580-831, and A-583-830]

Stainless Steel Plate in Coils From Belgium, Italy, South Africa, South Korea, 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 June 2, 2010, the Department of Commerce (the Department) initiated sunset reviews of the antidumping duty orders on stainless steel plate in coils (SSPC) from Belgium, Italy, South Africa, South Korea, 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 the continuation or recurrence of dumping.

DATES: *Effective Date:* October 6, 2010.

FOR FURTHER INFORMATION CONTACT: Hector Rodriguez or Elizabeth Eastwood, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* (202) 482-0629 and (202) 482-3874, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 2, 2010, the Department published the notice of initiation of the sunset reviews of the antidumping duty orders on SSPC from Belgium, Italy, South Africa, South Korea, and Taiwan pursuant to section 751(c) of the Act. *See Initiation of Five-Year ("Sunset") Review*, 75 FR 30777 (June 2, 2010).

The Department received a notice of intent to participate from Allegheny Ludlum Corporation, North American Stainless and the United Steel, Paper

and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (domestic interested parties), within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested parties claimed interested party status under sections 771(9)(C) and (D) of the Act as U.S. producers of SSPC in the United States or a certified union whose workers are engaged in the production of SSPC in the United States.

The Department received adequate substantive responses to the notice of initiation from the domestic interested parties 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. 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 SSPC from Belgium, Italy, South Africa, South Korea, and Taiwan.

Scope of the Orders

Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (*e.g.*, cold-rolled, polished, *etc.*) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of the orders are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars.

The merchandise subject to the orders is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.06, 7219.12.00.21, 7219.12.00.26, 7219.12.00.51, 7219.12.00.56, 7219.12.00.66, 7219.12.00.71, 7219.12.00.81,

7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to 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 Plate in Coils from Belgium, Italy, South Africa, South Korea, and Taiwan" from Susan H. Kuhbach, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration (September 30, 2010) (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 7046 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 SSPC from Belgium, Italy, South Africa, South Korea, and Taiwan would be likely to lead to the continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted-average margin (percent)
Belgium:	
AMS Belgium*	8.54
All-Others Rate	8.54
Italy:	
Thyssen Krupp Acciai Speciali Terni S.p.A**	45.09
All-Others Rate	39.69

Manufacturers/Exporters/Producers	Weighted-average margin (percent)
South Africa:	
Columbus Stainless	41.63
All-Others Rate	41.63
South Korea:	
Pohang Iron & Steel Co., Ltd	16.26
All-Others Rate	16.26
Yieh United Steel Corporation	8.02
YUSCO/Ta Chen	10.20
All-Others Rate	7.39

* AMS Belgium is the successor-in-interest to ALZ N.V.

** Thyssen Krupp Acciai Speciali Terni S.p.A is the successor-in-interest to Acciai Speciali Terni SpA.

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. 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: September 30, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 2010-25216 Filed 10-5-10; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE**International Trade Administration**

[C-791-806]

Stainless Steel Plate in Coils From South Africa: Final Results of Expedited Sunset Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On June 2, 2010, the Department of Commerce (“the Department”) initiated the second sunset review of the countervailing duty order (“CVD”) on stainless steel plate in coils from South Africa pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties and an inadequate response from respondent interested parties (in this case, no response), the Department conducted an expedited sunset review of the CVD order pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B). As a result of this sunset review, the Department finds that revocation of the CVD order would be

likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the “Final Results of Review” section of this notice.

DATES: *Effective Date:* October 7, 2010.

FOR FURTHER INFORMATION CONTACT: Eric Greynolds or David Goldberger, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* (202) 482-6071 or (202) 482-4136, respectively.

SUPPLEMENTARY INFORMATION:**Background**

On June 2, 2010, the Department initiated the second sunset review of the CVD order on stainless steel plate in coils from South Africa pursuant to section 751(c) of the Act. *See Initiation of Five-Year (“Sunset”) Reviews*, 75 FR 30777 (June 2, 2010). The Department received a notice of intent to participate from the following domestic interested parties: Allegheny Ludlum Corporation and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (United

Steelworkers) (collectively, “domestic interested parties”), within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested parties claimed interested party status under sections 771(9)(C) and (D) of the Act, as a domestic producer of stainless steel plate in coils in the United States and a certified union representing workers in the domestic industry producing stainless steel plate in coils in the United States.

The Department received an adequate substantive response collectively from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). However, the Department did not receive a substantive response from any government or respondent interested party to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited review of the CVD order.

Scope of the Order

The merchandise subject to the CVD order consists of stainless steel plate in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (*e.g.*, cold-rolled, polished, *etc.*) provided that it maintains the specified dimensions of plate following such processing.

Excluded from the scope of the order are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars. The merchandise subject to the order is currently classifiable in the Harmonized Tariff Schedule of the United States (“HTSUS”) at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.05, 7219.12.00.20, 7219.12.00.25, 7219.12.00.50, 7219.12.00.55, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTSUS subheadings are

provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum (“Decision Memorandum”) from Susan H. Kuhbach, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration, dated September 30, 2010, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, located in room 7046 of the main Commerce building. The issues include the likelihood of continuation or recurrence of a countervailable subsidy, the net countervailable subsidy likely to prevail, and the nature of the subsidy. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

The Department determines that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy at the following weighted-average percentage rates:

Manufacturers/exporters/ producers	Weighted-average subsidy rate (percent)
Columbus Stainless	3.95
All Others	3.95

Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/ destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: September 30, 2010.

Ronald K. Lorentzen,
Deputy Assistant Secretary for Import Administration.

[FR Doc. 2010-25305 Filed 10-6-10; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE**International Trade Administration**

[A-580-831]

Stainless Steel Plate in Coils from South Korea: Correction to Final Results of the Expedited Sunset Review of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DATES: *Effective Date:* November 2, 2010.

FOR FURTHER INFORMATION CONTACT:

Hector Rodriguez or Elizabeth Eastwood, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-0629 and (202) 482-3874, respectively.

SUPPLEMENTARY INFORMATION:**Correction**

On October 7, 2010, the Department of Commerce (the Department) published in the **Federal Register** the following notice: *Certain Stainless Steel Sheet and Strip in Coils From Germany, Japan, the Republic of Korea, and Taiwan: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 75 FR 62014 (Oct. 7, 2010) (*Final Sunset Notice*). After the publication of this notice in the **Federal Register**, we identified an inadvertent error in the *Final Sunset Notice*. The Department made an error in the “Final Results of Reviews” section of the notice by inadvertently including an incorrect weighted-average margin for the South Korean respondent Pohang Iron & Steel Co., Ltd. (POSCO), as well as the “all others” rate for South Korea. Specifically, the weighted-average margin for POSCO and the “all others” rate for South Korea, listed as 16.26 percent, should have been listed as 6.08 percent pursuant to implementation of the findings of the World Trade Organization Panel in *United States—Anti-Dumping Measures on Stainless Steel Plate in Coils and Stainless Steel Sheet and Strip From Korea*. See *Notice of Amendment of Final Determinations of Sales at Less Than Fair Value: Stainless Steel Plate in Coils From the*

Republic of Korea; and Stainless Steel Sheet and Strip in Coils From the Republic of Korea, 66 FR 45279, 45283 (Aug. 28, 2001).

Conclusion

The Department clarifies that the “Final Results of Reviews” section of the *Final Sunset Notice* inadvertently listed the weighted-average margin for POSCO and the “all others” rate for South Korea as 16.26 percent; however, the correct rate is 6.08 percent. The Department intends to notify the International Trade Commission of this correction to its determination.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Tariff Act of 1930, as amended.

Dated: October 27, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 2010-27639 Filed 11-1-10; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE**International Trade Administration**

[C-423-809]

Stainless Steel Plate in Coils from Belgium: Final Results of Full Sunset Review and Revocation of the Countervailing Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On June 2, 2010, the Department of Commerce (“the Department”) initiated the second sunset review of the countervailing duty (“CVD”) order on certain stainless steel plate in coils from Belgium (“SSPC” or “subject merchandise”) pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties and adequate substantive responses from ArcelorMittal Stainless Belgium N.V. (“AMS”) and the Government of Belgium (“GOB”), the Department determined to conduct a full sunset review of the CVD order pursuant to section 751(c) of the Act and 19 CFR 351.218(e)(2). As a result of our analysis, the Department finds that revocation of the CVD order would not likely lead to continuation or recurrence of a countervailable subsidy. Therefore, the Department is revoking this CVD order.

DATES: *Effective Date:* May 5, 2011.

FOR FURTHER INFORMATION CONTACT: Patricia Tran or Jennifer Meek, AD/CVD Operations, Office 1, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1503 or (202) 482-2778.

SUPPLEMENTARY INFORMATION:**Background**

On June 2, 2010, the Department initiated the second sunset review of the CVD order on SSPC from Belgium in accordance with section 751(c) of the Act. *See Initiation of Five-Year (“Sunset”) Review*, 75 FR 30777 (June 2, 2010).

Within the deadline specified in 19 CFR 351.218(d)(1)(i), the Department received notices of intent to participate on behalf of Allegheny Ludlum Corporation and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (collectively, "Petitioners"). The submitters claimed interested party status under sections 771(9)(C) and (D) of the Act, as a manufacturer of a domestic like product and as a certified union representing workers in the domestic industry producing certain SSPC, respectively. The Department received a substantive response from Petitioners within the deadline specified in 19 CFR 351.218(d)(3)(i). The Department also received substantive responses in a timely manner from the following respondent interested parties: AMS and the GOB. Timely rebuttal comments were received from Petitioners, AMS and the GOB on July 9, 2010. On July 22, 2010, after analyzing the submissions and rebuttals from interested parties and finding the substantive responses adequate, the Department determined to conduct a full sunset review. See Memorandum from Yasmin Nair, International Trade Compliance Analyst, to Susan H. Kuhbach, Director, AD/CVD Operations, Office 1, entitled "Adequacy Determination in Countervailing Duty Sunset Review of Certain Stainless Steel Plate in Coils from Belgium," dated July 22, 2010.

On December 27, 2010, the Department issued the preliminary results of the full sunset review, finding a likelihood of continuation or recurrence of subsidization with a net countervailable subsidy likely to prevail of zero percent for AMS and all other companies. See *Stainless Steel Plate in Coils From Belgium: Preliminary Results of Full Sunset Review*, 75 FR 81217, 81218 (December 27, 2010) ("Preliminary Results").

Interested parties were invited to comment on our *Preliminary Results*. The Department received case briefs from Petitioners, the GOB, and AMS within the deadline specified in 19 CFR 351.309(c)(1)(i). On February 16, 2011, the Department returned the case briefs submitted by the GOB and AMS, requesting the briefs to be resubmitted with the removal of certain references to information not on the record of this sunset review. Although both objected to the Department's decision, the GOB and AMS submitted revised versions of their case briefs on February 18, 2011. Timely rebuttal briefs were submitted by Petitioners, the GOB, and AMS.

A public hearing was requested by AMS and was held on Tuesday, March 8, 2011, in accordance with 19 CFR 351.310(c).

On April 7, 2011, the European Union submitted a letter in support of the arguments made by the GOB and AMS.

Scope of the Order

The products covered by the order are imports of certain stainless steel plate in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm¹ or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (e.g., cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of the order are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars.

The merchandise subject to the order is currently classifiable in the Harmonized Tariff Schedule of the United States ("HTSUS") at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.05, 7219.12.00.06, 7219.12.00.20, 7219.12.00.21, 7219.12.00.25, 7219.12.00.26, 7219.12.00.50, 7219.12.00.51, 7219.12.00.55, 7219.12.00.56, 7219.12.00.65, 7219.12.00.66, 7219.12.00.70, 7219.12.00.71, 7219.12.00.80, 7219.12.00.81, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10,

¹ On May 11, 2007, the Department received a scope inquiry request from U&A Belgium regarding whether the scope of the antidumping ("AD") and CVD orders on SSPC from Belgium excludes stainless steel products with an actual thickness less than 4.75mm, regardless of its nominal thickness. The Department conducted a scope inquiry applicable to all countries subject to the SSPC AD and CVD orders. In the Department's scope ruling, dated December 3, 2008, the Department determined that SSPC with a nominal thickness of 4.75mm, but with an actual thickness less than 4.75mm, and within the dimensional tolerances for this thickness of plate, is included in the scope of the AD orders on SSPC from Belgium, Italy, South Africa, the Republic of Korea, and Taiwan and CVD orders on SSPC from Belgium and South Africa. See Memorandum from Melissa G. Skinner to Stephen J. Claeys, entitled "Stainless Steel Plate in Coils from Belgium: Final Scope Ruling," dated December 3, 2008.

7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the scope of the order remains dispositive.

Analysis of the Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum ("Decision Memorandum") from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Acting Deputy Assistant Secretary for Import Administration, dated concurrently with this notice, which is hereby adopted by this notice. Parties can find this public memorandum in the Central Records Unit, Room 7046 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Changes From the Preliminary Results

As a result of the Department's analysis of received comments, we have made certain changes from the *Preliminary Results*. The Department finds that three programs which gave rise to net countervailable subsidies and which were determined not to be terminated in the *Preliminary Results*—Société Nationale de Crediteà L'Industrie Loans, 1985 Conversion of Sidmar N.V.'s Debt to Equity, and SidInvest—are in fact terminated and that benefit streams from those programs are fully allocated. See Decision Memorandum at Comment 1. Because the Department concludes that all programs previously found countervailable have been terminated and that benefit streams from those programs are fully allocated, we determine that revocation of the CVD order on SSPC from Belgium will not likely lead to continuation or recurrence of a countervailable subsidy. See *id.*

Final Results of Review

The Department determines that revocation of the CVD order will not likely lead to continuation or recurrence of a countervailable subsidy. As a result, and in accordance with 19 CFR 351.222(i)(2), we are revoking this order effective July 18, 2010, the fifth anniversary of the date of publication in the **Federal Register** of the most recent notice of continuation of this order. See *Continuation of Antidumping Duty*

Orders on Certain Stainless Steel Plate in Coils From Belgium, Italy, South Korea, South Africa, and Taiwan, and the Countervailing Duty Orders on Certain Stainless Steel Plate in Coils From Belgium, Italy, and South Africa, 70 FR 41202 (July 18, 2005). We will notify the International Trade Commission of these results.

Effective Date of Revocation

Pursuant to section 19 CFR 351.222(i)(2), the Department will instruct U.S. Customs and Border Protection to terminate the suspension of liquidation of the merchandise subject to this order entered, or withdrawn from warehouse, on or after July 18, 2010. Entries of subject merchandise prior to the effective date of revocation will continue to be subject to suspension of liquidation and CVD deposit requirements. The Department will complete any pending administrative reviews of this order and will conduct administrative reviews of subject merchandise entered prior to the effective date of revocation in response to appropriately filed requests for review.

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: April 28, 2011.

Paul Piquado,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. 2011-11002 Filed 5-4-11; 8:45 am]

BILLING CODE 3510-DS-P

Trade Commission (“Commission”) instituted a five-year review concerning the countervailing duty order on stainless steel plate from Belgium (75 FR 30777 and 75 FR 30434). On May 5, 2011, Commerce published notice in the **Federal Register** of the final results of its full five-year review of the countervailing duty order concerning stainless steel plate from Belgium, finding that revocation of the countervailing duty order would not likely lead to continuation or recurrence of a countervailable subsidy. Therefore, Commerce revoked the countervailing duty order (76 FR 25666). Accordingly, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)), the subject review is terminated.

DATES: *Effective Date:* May 5, 2011.

FOR FURTHER INFORMATION CONTACT:

Keysha Martinez (202–205–2136), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission’s TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission’s electronic docket (EDIS) at <http://edis.usitc.gov>.

Authority: This review is being terminated under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.69 of the Commission’s rules (19 CFR 207.69).

By order of the Commission.

Issued: May 12, 2011.

James R. Holbein,

Acting Secretary to the Commission.

[FR Doc. 2011–12181 Filed 5–17–11; 8:45 am]

BILLING CODE 7020–02–P

**INTERNATIONAL TRADE
COMMISSION**

[Investigation No. 701–TA–376 (Second Review)]

**Stainless Steel Plate From Belgium;
Termination of Five-Year Review**

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: Effective June 1, 2010, the Department of Commerce (“Commerce”) initiated and the U.S. International

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 Plate from Belgium, Italy, Korea, South Africa and Taiwan

Inv. Nos.: 701-TA-379 and 731-TA-788, 790-793
(Second Review)

Date and Time: May 26, 2011 - 9:30 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room (room 101), 500 E Street, SW, Washington, D.C.

OPENING STATEMENTS:

In Support of Continuation of Orders (**David A. Hartquist**,
Kelley Drye & Warren LLP)

In Opposition to Continuation of Orders (**Lewis E. Leibowitz**,
Hogan Lovells US LLP)

In Support of the Continuation of the Countervailing Duty Order and Antidumping Duty Orders:

Kelley Drye & Warren LLP
Washington, D.C.
on behalf of

Domestic Industry

Terrence L. Hartford, Vice President, Sales and General
Manager, Sheet, Allegheny Ludlum Corporation

Mark Carson, General Manager, Field Sales,
Allegheny Ludlum Corporation

Patrick Feeley, Vice President Commercial, North
American Stainless

**In Support of the Continuation of
the Countervailing Duty Order
and Antidumping Duty Orders:**

Edward Blot, President, Ed Blot Associates

Jason R. Suslak, Senior Attorney, Allegheny
Technologies, Inc.

Brad Hudgens, Economist, Georgetown Economic
Services

David A. Hartquist)
Kathleen W. Cannon) – OF COUNSEL
R. Alan Luberd)

**In Opposition to the Continuation of
the Countervailing Duty Order
and Antidumping Duty Orders:**

Hogan Lovells US LLP
Washington, D.C.
on behalf of

ThyssenKrupp Acciai Speciali Terni S.p.A. (“TKAST”)
ThyssenKrupp Acciai Speciali Terni USA, Inc. (“TKAST USA”)
ThyssenKrupp Stainless USA LLC (“SL-USA”)

Jose-Ramon Salas, Vice President for Operative Planning,
ThyssenKrupp Stainless USA LLC

Stephan Lacor, Vice President for Sales and Marketing,
ThyssenKrupp Stainless USA LLC

Bruce Malashevich, President, ECS Consulting
Service LLC

Lewis E. Leibowitz)
) – OF COUNSEL
Brian S. Janovitz)

REBUTTAL/CLOSING REMARKS:

In Support of Continuation of Orders (**David A. Hartquist**,
Kelley Drye & Warren LLP)

In Opposition to Continuation of Orders (**Lewis E. Leibowitz**,
Hogan Lovells US LLP)

APPENDIX C
SUMMARY DATA

Table C-1
Stainless steel plate: Summary data concerning the U.S. market, 2005-10

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data						Period changes					
	2005	2006	2007	2008	2009	2010	2005-10	2005-06	2006-07	2007-08	2008-09	2009-10
U.S. consumption quantity:												
Amount	122,928	188,868	143,887	84,758	85,046	107,512	-12.5	53.6	-23.8	-41.1	0.3	26.4
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):												
Belgium	***	***	***	***	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***	***	***	***
South Africa	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:												
Amount	321,113	584,026	688,479	353,285	187,337	346,755	8.0	81.9	17.9	-48.7	-47.0	85.1
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):												
Belgium	***	***	***	***	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***	***	***	***
South Africa	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments of imports from:												
Belgium:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Italy:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Korea:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
South Africa:												
Quantity	341	1,320	1,176	34	2	69	-79.7	287.4	-10.9	-97.1	-93.7	3136.2
Value	922	2,357	2,783	102	14	125	-86.4	155.6	18.1	-96.3	-86.2	796.3
Unit value	\$2,707	\$1,786	\$2,367	\$2,986	\$6,544	\$1,812	-33.1	-34.0	32.5	26.1	119.2	-72.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan:												
Quantity	373	96	101	18	0	3	-99.3	-74.3	4.9	-81.8	-100.0	(2)
Value	967	269	454	87	0	11	-98.9	-72.2	69.2	-80.8	-100.0	(2)
Unit value	\$2,595	\$2,804	\$4,520	\$4,756	(2)	\$4,015	54.7	8.1	61.2	5.2	(2)	(2)
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
Stainless steel plate: Summary data concerning the U.S. market, 2005-10

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data						Period changes					
	2005	2006	2007	2008	2009	2010	2005-10	2005-06	2006-07	2007-08	2008-09	2009-10
U.S. shipments of imports from:												
All other sources:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
All sources:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Ending inventory quantity	6,962	1,862	5,088	5,511	2,234	1,857	-73.3	-73.3	173.3	8.3	-59.5	-16.9
U.S. producers':												
Average capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Export shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Net sales:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Unit SG&A expenses	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
Unit operating income or (loss)	\$***	\$***	\$***	\$***	\$***	\$***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the total. Unit values and shares are calculated from the unrounded figures.

Note.--Official statistics of the U.S. Department of Commerce are used for imports from South Africa and Taiwan.

Source: Compiled from data submitted in response to Commission questionnaires and official statistics of the U.S. Department of Commerce.

APPENDIX D

**RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS,
U.S. PURCHASERS, AND FOREIGN PRODUCERS
CONCERNING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY
AND COUNTERVAILING DUTY ORDERS AND THE LIKELY
EFFECTS OF REVOCATION**

This section is confidential in its entirety.

APPENDIX E
EXCHANGE RATES FOR SUBJECT COUNTRIES

Figure E-1
Exchange rates: Indices of the nominal and real exchange rates between the Euro, Korean won, South African rand, and the Taiwan new dollar and the U.S. dollar, by quarters, January 2005-March 2011

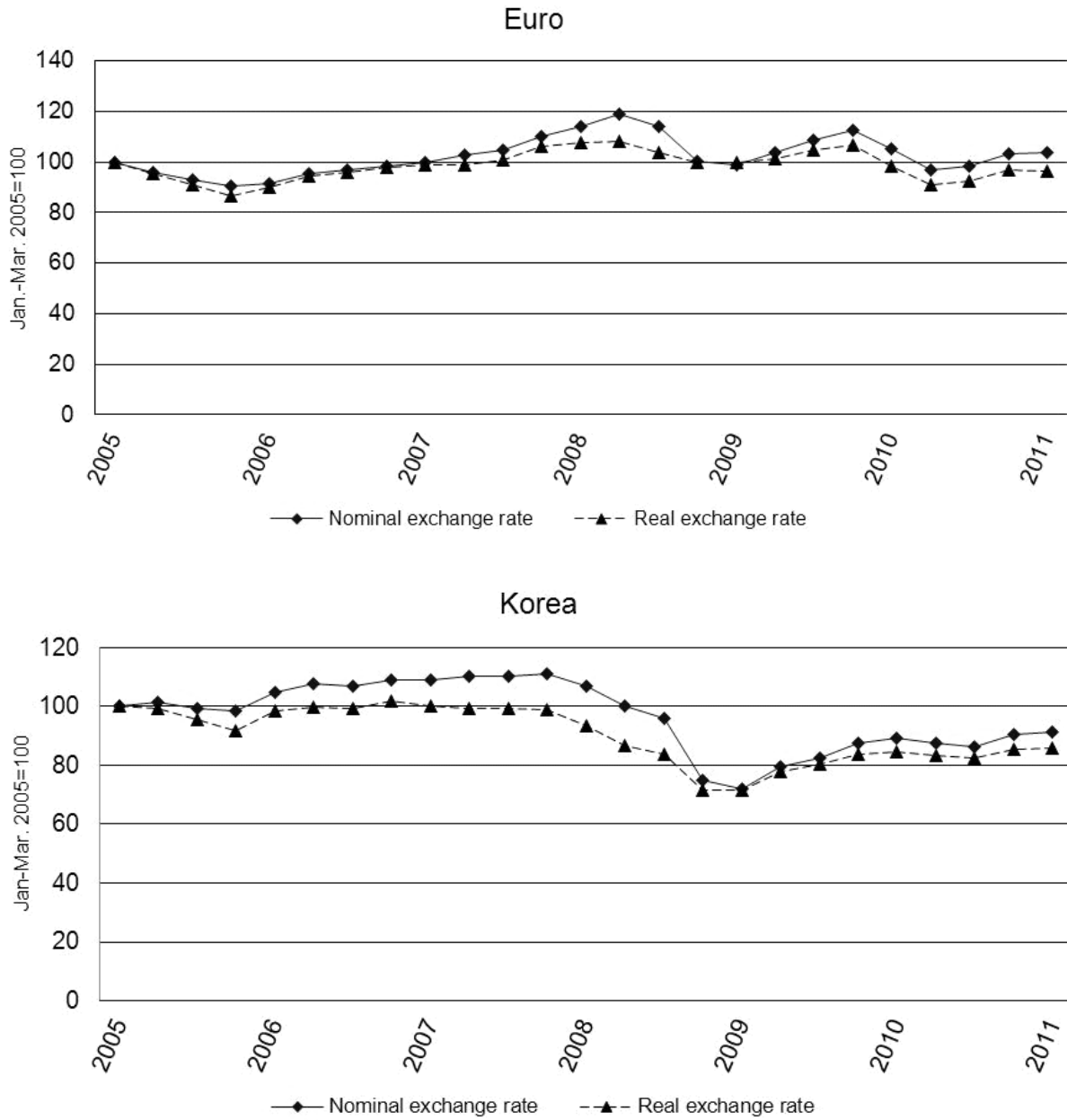
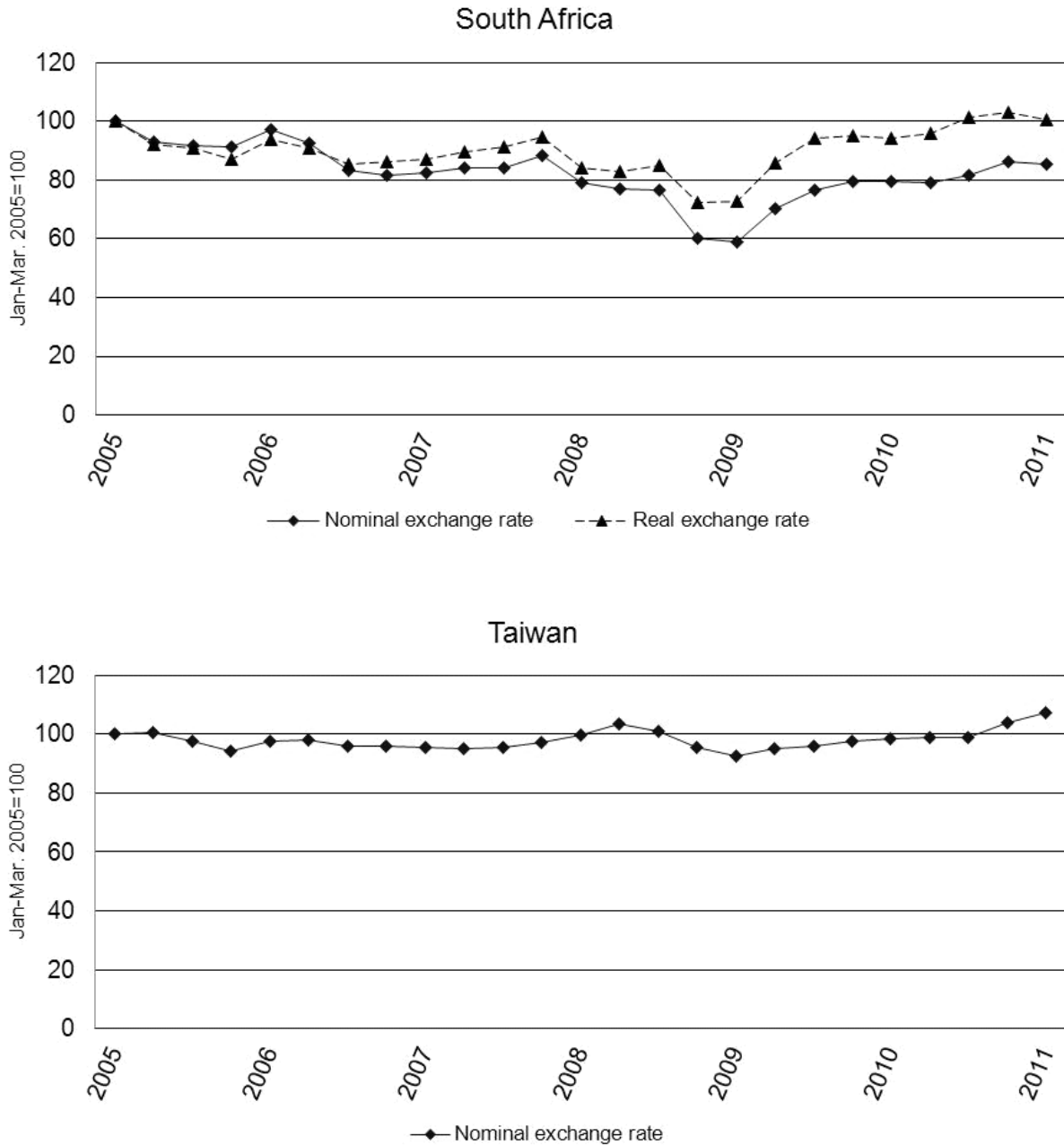


Figure continued on next page.

Figure E-1--Continued

Exchange rates: Indices of the nominal and real exchange rates between the Euro, Korean won, South African rand, and the Taiwan new dollar and the U.S. dollar, by quarters, January 2005-March 2011



Note: Real exchange rate data are not available for Taiwan.

Source: International Financial Statistics, International Monetary Fund, retrieved June 8, 2011, and St. Louis Federal Reserve, retrieved June 8, 2011.