

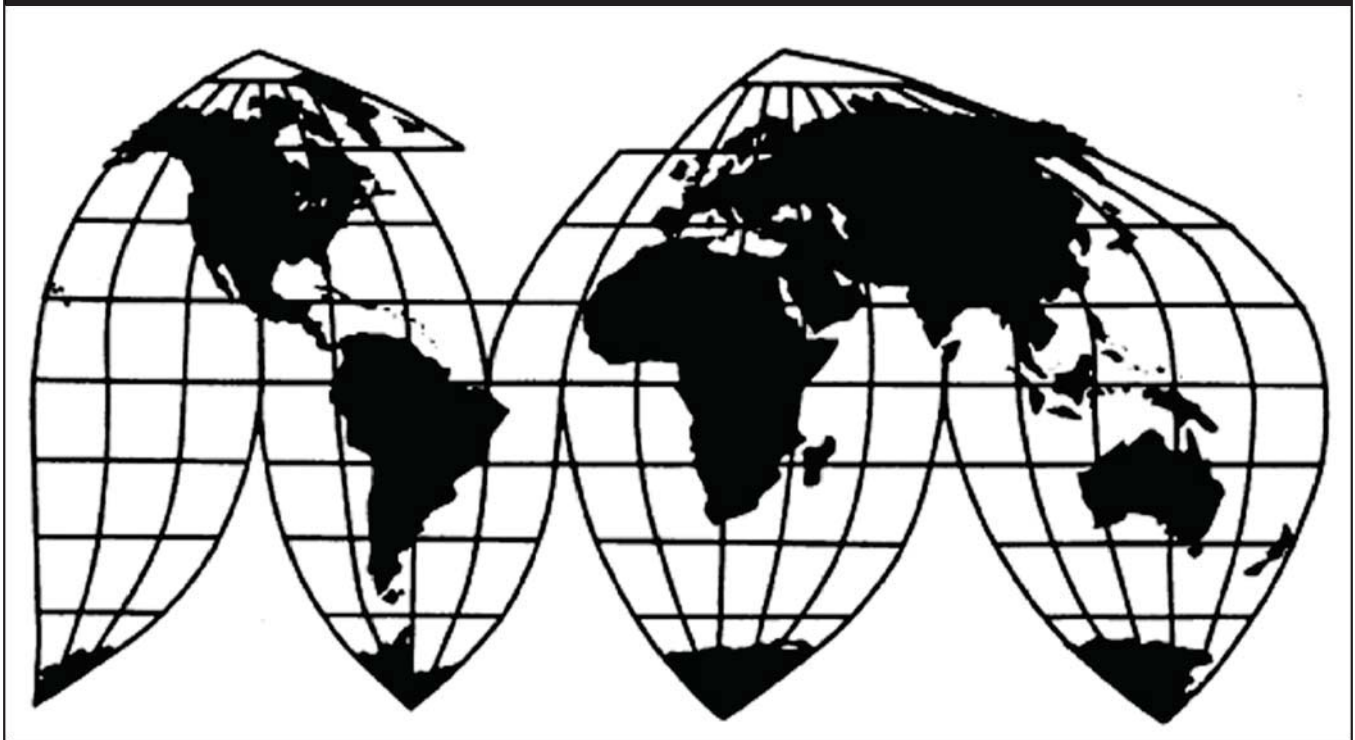
# **Cut-to-Length Carbon-Quality Steel Plate from India, Indonesia, Italy, Japan, and Korea**

Investigation Nos. 701-TA-388-391 and 731-TA-817-821 (Second Review)

**Publication 4296**

**December 2011**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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# U.S. International Trade Commission

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**Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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



**UNITED STATES INTERNATIONAL TRADE COMMISSION**  
Investigation Nos. 701-TA-388-391 and 731-TA-817-821 (Second Review)

CUT-TO-LENGTH CARBON-QUALITY STEEL PLATE FROM INDIA, INDONESIA, ITALY,  
JAPAN, AND KOREA

**DETERMINATION**

On the basis of the record<sup>1</sup> developed in the subject five-year review, 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 orders and antidumping duty orders on cut-to-length carbon-quality steel plate from India, Indonesia, and Korea 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 determines that revocation of the countervailing duty order and antidumping duty order on cut-to-length carbon-quality 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.<sup>2</sup> The Commission further determines that revocation of the antidumping duty order on cut-to-length carbon-quality steel plate from Japan would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>3</sup>

**BACKGROUND**

The Commission instituted these reviews on November 1, 2010 (75 F.R. 67108) and determined on February 4, 2011 that it would conduct full reviews (76 F.R. 8772, February 15, 2011). 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 April 18, 2011 (76 F.R. 22725, revised scheduling notice 76 F.R. 56797, September 14, 2011). The hearing was held in Washington, DC, on October 19, 2011, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

<sup>2</sup> Vice Chairman Williamson and Commissioner Lane dissenting with respect to Italy.

<sup>3</sup> Commissioner Lane and Commissioner Pinkert dissenting with respect to Japan.



## VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (the Act), that revocation of the antidumping and countervailing duty orders on cut-to-length carbon-quality steel plate (“CTL plate”) from India, Indonesia, and Korea, 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 and countervailing duty orders on CTL plate from Italy, and the antidumping duty order on CTL plate from Japan, would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>1 2 3</sup>

### I. BACKGROUND

Effective February 1, 2000, the United States International Trade Commission (“Commission”) determined that an industry in the United States was being materially injured by reason of imports of CTL plate from France, India, Indonesia, Italy, Japan, and Korea that were being sold at less than fair value (LTFV), and of CTL plate from France, India, Indonesia, Italy, and Korea that were being subsidized by their respective governments.<sup>4</sup> The Department of Commerce (“Commerce”) issued antidumping duty orders on CTL plate from France, India, Indonesia, Italy, Japan, and Korea and countervailing duty orders on CTL plate from France, India, Indonesia, Italy, and Korea, effective February 3, 2000.<sup>5</sup> The Commission’s determination respecting subject imports from India was appealed, and was sustained by the U.S. Court of International Trade (CIT).<sup>6</sup> Certain Commerce determinations were the subject of a World Trade Organization challenge by the European Union, following which Commerce revoked, pursuant to section 129 of the Uruguay Round Agreements Act, the countervailing duty order on CTL plate from France.<sup>7</sup>

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<sup>1</sup> Vice Chairman Irving Williamson dissents with respect to subject imports from Italy. He determines that revocation of the antidumping duty orders and countervailing duty orders on CTL plate from India, Indonesia, Italy, and Korea would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. He joins this opinion except as noted.

<sup>2</sup> Commissioner Charlotte R. Lane dissents with respect to subject imports from Italy and Japan. She determines that revocation of the antidumping duty orders and countervailing duty orders on CTL plate from India, Indonesia, Italy, and Korea, and the antidumping duty order on CTL plate from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. See Separate Views of Commissioner Charlotte R. Lane.

<sup>3</sup> Commissioner Dean Pinkert dissents with respect to subject imports from Japan. He determines that revocation of the antidumping duty orders and countervailing duty orders on CTL plate from India, Indonesia, and Korea, and the antidumping duty order on CTL plate from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. See Separate and Dissenting Views of Commissioner Dean Pinkert. He joins sections I. (Background), II. (Domestic Like Product and Industry), and IV.A. (Legal Standards) of this opinion.

<sup>4</sup> Certain Cut-to-Length Carbon Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-388-391 (Final) and 731-TA-816-821 (Final), USITC Pub. 3273 (Jan. 2000) (“Original Determination”) (Commissioner Askey dissenting from affirmative determinations respecting subject imports from France).

<sup>5</sup> 65 Fed. Reg. 6585 (Feb. 10, 2000) (antidumping duty orders); 65 Fed. Reg. 6587 (Feb. 10, 2000) (countervailing duty orders).

<sup>6</sup> Steel Authority of India, Ltd. v. United States, 146 F. Supp.2d 900 (Ct. Int’l Trade 2001).

<sup>7</sup> 68 Fed. Reg. 64858 (Nov. 18, 2003). The countervailing duty order on France was also the subject of protracted litigation before the CIT and Federal Circuit, the ultimate outcome of which was the retroactive application of the order’s revocation with respect to all entries of the French producer GTS Industries S.A. after July

On January 3, 2005, the Commission instituted its first five-year reviews of the orders and, on April 8, 2005, determined that it would conduct full reviews. In November 2005, the Commission determined that revocation of the countervailing duty orders on CTL plate from India, Indonesia, Italy, and Korea, and of the antidumping duty order on CTL plate from Japan, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>8</sup> The Commission also determined that revocation of the antidumping duty order on CTL plate from France would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>9</sup> No party appealed these determinations.

On November 1, 2010, the Commission instituted the present reviews pursuant to section 751(c) of the Act to determine whether revocation of the countervailing duty orders on CTL plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on CTL plate from India, Indonesia, Italy, Japan, and Korea would likely lead to the continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time.<sup>10</sup>

The Commission received seven responses to its notice of institution. On behalf of the domestic industry, the Commission received a joint response from ArcelorMittal USA (“ArcelorMittal”); Nucor Corp. (“Nucor”); SSAB North America Division (“SSAB”); Evraz NA Oregon Steel Mills (“Evraz Oregon”), and Evraz NA Claymont (“Evraz Claymont”) (collectively, “domestic interested parties”), domestic producers of CTL plate. JFE Steel Corporation (“JFE”), Nippon Steel Corporation (“Nippon”), and Sumitomo Metal Industries, Ltd. (“Sumitomo”) (collectively, “Japanese Respondents”), producers of the subject merchandise in Japan, responded to the notice of institution. Champions Pipe and Supply, Inc. and Tellin Enterprises, Inc., importers of subject Japanese merchandise, also filed a joint response to the notice.<sup>11</sup> Evraz Palini e Bertoli S.p.a. (“Palini”), a producer of the subject merchandise in Italy, and Dongkuk Steel Mill Co., Ltd. (“Dongkuk”), a producer of the subject merchandise in Korea, also responded to the Commission’s notice of institution. The Commission did not receive any responses from foreign producers or exporters with respect to the orders on CTL plate from India or Indonesia.

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26, 1999 (Commerce’s publication of its preliminary countervailing duty determination). 69 Fed. Reg. 57266 (Sept. 24, 2004).

Separately, pursuant to a changed circumstances antidumping administrative review of the order on Japan, in which the domestic parties expressed no interest in the continuation of the order with respect to particular abrasion-resistant steel products, Commerce revoked the order in part insofar as it covered such products. 68 Fed. Reg. 9975 (Mar. 3, 2003).

<sup>8</sup> Cut-to-Length Carbon Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Reviews), USITC Pub. 3816 (Nov. 2005) (“First Reviews”). Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissented from the determinations with respect to these countries. See Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson.

<sup>9</sup> Commissioner Lane dissented from this determination with respect to France. She cumulated the subject imports from France with those from India, Indonesia, Italy, Japan, and Korea and found that revocation of the antidumping and countervailing duty orders on all six countries would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

<sup>10</sup> 75 Fed. Reg. 67108 (Nov. 1, 2010).

<sup>11</sup> After responding to the notice of institution, Tellin subsequently declined to participate in these reviews. See Confidential Staff Report (“CR”) at I-31 n.45, Public Staff Report (“PR”) at I-25 n.45. References to the CR include the revisions identified in memorandum INV-JJ-123 (November 22, 2011).

On February 4, 2011, the Commission determined to conduct full reviews pursuant to section 751(c)(5) of the Act.<sup>12 13</sup> The Commission found that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group responses with respect to Italy, Japan, and Korea were adequate, but that the respondent interested party group responses with respect to India and Indonesia were inadequate. The Commission decided, however, to conduct full reviews concerning CTL plate imports from India and Indonesia to promote administrative efficiency in light of its decision to conduct full reviews with respect to CTL plate from Italy, Japan and Korea.

## 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.”<sup>14</sup> 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.”<sup>15</sup> The Commission’s practice in five-year reviews is to look to 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.<sup>16</sup>

Commerce has defined the scope of the antidumping and countervailing duty orders in these five-year reviews as follows:

(1) Universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, and of a nominal or actual thickness of not less than 4 mm, which are cut-to-length (not in coils) and without patterns in relief), of iron or non-alloy-quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils).<sup>17</sup>

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<sup>12</sup> 19 U.S.C. § 1675(c)(5).

<sup>13</sup> 76 Fed. Reg. 22725 (Apr. 22, 2011); see also Explanation of Commission Determination on Adequacy, PR at Appendix A.

<sup>14</sup> 19 U.S.C. § 1677(4)(A).

<sup>15</sup> 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. Department 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., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>16</sup> See, e.g., Stainless Steel Sheet and Strip from Germany, Italy, Japan, Korea, Mexico, and Taiwan, Inv. Nos. 701-TA-382 and 731-TA-798-803 (Second Review), USITC Pub. 4244 (July 2011) at 6; Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-197 (Second Review), 701-TA-319, 320, 325-27, 348, and 350 (Second Review), and 731-TA-573-74, 576, 578, 582-87, 612, and 614-618 (Second Review), USITC Pub. 3899 (January 2007) at 31, n.117; Internal Combustion Industrial Forklift Trucks from Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 (December 2005) at 8-9; Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 (July 2003) at 4; Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 (February 2003) at 4.

<sup>17</sup> The weight limits for certain elements are also specified--

(1) Iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of

Covered products are of

rectangular, square, circular or other shape and of rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process (i.e., products which have been ‘worked after rolling’)—for example, products which have been beveled or rounded at the edges.<sup>18</sup>

Steel products meeting the identified physical characteristics are included within the scope whether or not painted, varnished or coated with plastic or other non-metallic substances. Also included are high strength, low alloy (HSLA) steels (steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum).<sup>19</sup>

Specifically excluded from the scope are the following:

(1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion-resistant steels (i.e., USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.<sup>20</sup>

CTL plate is used for welded load-bearing and structural applications. Common applications include bridgework, heavy machinery and machinery parts, transmission towers and other load bearing structures, mobile equipment, and heavy transportation equipment such as railroad cars, ships, and barges.<sup>21</sup>

In the original investigations, the Commission found a single domestic like product corresponding to the scope. In the final phase of those investigations, the Commission considered one like product issue: whether grade X-70 CTL plate constituted a separate like product from other types of CTL plate products.<sup>22</sup> The Commission analyzed the issue under its traditional six-factor test. The

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copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium.

76 Fed. Reg. at 12322 (antidumping duty orders) & 12702 (countervailing duty orders).

<sup>18</sup> Id.

<sup>19</sup> Id.

<sup>20</sup> The order on Japan includes additional exclusions for two specified abrasion-resistant steels. Id.

<sup>21</sup> CR at I-25-I-26, II-1, PR at I-22, II-1.

<sup>22</sup> In the preliminary phase of the original investigations, the Commission stated that it would not revisit its determination in Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final), USITC Pub. 3076 at 5-9 (Dec. 1997), that the domestic like product included plate cut from coils but did not include coiled plate. The Commission thus found that plate cut from coils did not constitute a separate like product. Certain Cut-to-Length Carbon Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea and Macedonia, Inv. Nos. 701-TA-387-392 (Preliminary) and 731-TA-815-822 (Preliminary), USITC Pub. 3181 (Apr. 1999) at 5-6 n.21.

The Commission also addressed whether microalloy CTL plate should be treated as a separate domestic like product. The Commission found that the differences between microalloy and non-alloy CTL plate were not so pronounced as to constitute clear dividing lines, whereas other alloy steel plate showed marked differences from both non-alloy and microalloy CTL plate. The Commission thus did not define microalloy CTL plate as a separate



Commission concluded that grade X-70 plate is not clearly distinct from all other types of CTL plate, but rather constituted part of a continuum of CTL plate products included within the scope of the investigations. The Commission therefore adopted a single domestic like product definition, which included grade X-70 plate, microalloy steel plate, and plate cut from coils, and which was co-extensive with the scope.<sup>23</sup>

In the first five-year reviews, the Commission found that there was nothing in the record that would warrant revisiting its domestic like product finding from the original determination.<sup>24</sup> The Commission noted that no party to the reviews took issue with the Commission's domestic like product definition from the original investigations, and, in fact, all parties expressed their concurrence with that definition in their responses. Accordingly, the Commission continued to define a single domestic like product consisting of all domestically produced CTL plate that corresponds to the scope description, including grade X-70 plate, microalloy plate, and plate cut from coils.<sup>25</sup>

No new facts have been presented to warrant a like product definition that is different from that reached by the Commission in the original investigations and the first five-year reviews. Moreover, domestic interested parties and Palini have stated that they agree with the Commission's prior definition of the domestic like product, and Japanese Respondents and Dongkuk have not raised any issues regarding the Commission's prior like product determinations.<sup>26</sup> We therefore continue to define a single domestic like product, consisting of all domestically produced CTL plate, that corresponds to the scope description.<sup>27</sup>

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

Section 771(4)(A) of the Act defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>28</sup>

In the original investigations, the Commission considered whether the domestic industry should include toll and non-toll processors that changed coiled plate, a product not included in the domestic like product, into CTL plate. Steel service centers perform processing using domestic or imported coiled plate as an input, uncoiling it, and cutting it to length to form CTL plate.<sup>29</sup>

The Commission found that processors invest a significant amount of capital in relatively sophisticated processing operations, account for a significant percentage of overall employment of the U.S. industry, and their manufacturing equipment and processes were the same as those used by the

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domestic like product. USITC Pub. 3181 at 6-7. The Commission did not reconsider this issue in the final phase of the original investigations.

<sup>23</sup> Original Determination at 5-7.

<sup>24</sup> First Reviews at 6.

<sup>25</sup> First Reviews at 6.

<sup>26</sup> CR at I-30, PR at I-25.

<sup>27</sup> Technically, this means that the definition of the domestic like product in these reviews, as it was in the first reviews, is slightly broader than the scope of the order on Japan, to which certain additional exclusions for special abrasion-resistant steel were added. No party has ever contested this approach, nor is there evidence or past precedent to support treating abrasion-resistant steel as a separate like product.

<sup>28</sup> 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed.Cir. 1996).

<sup>29</sup> Original Determination at 8-10.

domestic mills to produce CTL plate from coiled plate. Based on the significance of their production-related activities, the Commission concluded that processors were properly considered a part of the domestic industry, noting that this conclusion was consistent with its determination in the 1997 CTL plate investigations.<sup>30</sup> The Commission therefore defined the domestic industry to include all domestic producers of CTL plate, including processors.<sup>31</sup>

In the first five-year reviews, no party objected to the definition of the domestic industry from the original investigations, and no evidence in those reviews indicated that a change was appropriate. Accordingly, the Commission once again defined the domestic industry to include all producers of CTL plate, including processors.

No new facts have been presented in these reviews to warrant a conclusion different from that reached by the Commission in the original investigations and the first reviews. Moreover, no party raised any objections to this domestic industry definition. We therefore define the domestic industry to include all producers of the domestic like product, including processors.

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.<sup>32</sup> Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.<sup>33</sup>

The record in the original investigations gave rise to several related party issues, based on the ownership interests of foreign firms from subject countries in eight domestic producers (CSI, National, North Star, U.S. Denro, Cargill Steel & Wire, Ferralloy, FPC, and JIT), and the fact that certain domestic producers also imported or purchased large volumes of subject imports. The Commission found that in no instance did appropriate circumstances exist to exclude any domestic producer from the domestic industry.<sup>34</sup>

In the first five-year reviews, the Commission found that two U.S. mills were related to firms from subject countries by virtue of corporate ties and that two domestic producers also reported importing subject merchandise during the period examined. Noting that no party to those reviews had sought the exclusion of data from any related domestic producer, and after an examination of all the facts and data on the record, the Commission determined that appropriate circumstances did not exist to warrant the exclusion of any firm from the domestic industry as a related party.

Two producers qualify as related parties in these reviews: Evraz Claymont and Evraz Oregon, which are both under the direct control of one corporate entity, Evraz Inc., NA., and are both \*\*\* by

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<sup>30</sup> Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final), USITC Pub. 3076 (Dec. 1997) at 9-12.

<sup>31</sup> Original Determination at 10.

<sup>32</sup> 19 U.S.C. § 1677(4)(B).

<sup>33</sup> The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party are as follows:

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

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

<sup>34</sup> Original Determination, USITC Pub. 3273 at 10-13.



Evrz Group S.A., the same parent company that \*\*\* the Italian producer Palini.<sup>35</sup> According to Evraz Inc. NA: \*\*\*.<sup>36</sup> Palini agreed, stating that \*\*\*. Thus the Evraz U.S. companies \*\*\*.<sup>37</sup>

Although domestic producers Evraz Claymont and Evraz Oregon are related to Italian producer Palini, and would appear \*\*\*, we find that appropriate circumstances do not exist to exclude either producer from the domestic industry as a related party.<sup>38</sup> Evraz Oregon and Evraz Claymont together account for a \*\*\* percent share of the domestic industry and collectively account for the \*\*\* largest share of domestic production of CTL plate.<sup>39</sup> Neither company \*\*\*.<sup>40</sup> Both companies \*\*\* continuation of the orders. Moreover, no party has argued for the exclusion from the domestic industry of either Evraz U.S. entity.<sup>41</sup> Finally there is no indication that either Evraz Claymont's or Evraz Oregon's affiliation with a

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<sup>35</sup> In addition, JSW Steel USA, Inc. is affiliated with an Indian producer, JSW Steel, India. \*\*\* CR at I-34 n.48, PR at I-27 n.48. \*\*\*, but provided the Commission with a late and unusable questionnaire response. *Id.* There is no further information on the record to indicate whether direct or indirect control exists between the JSW Steel entities. We note that the issue of whether or not to exclude JSW Steel USA, Inc. from the domestic industry is moot because its questionnaire data were largely unusable, and therefore, these data were not included in our aggregate data. Given its \*\*\*, the lack of any other data indicating that appropriate circumstances exist to exclude it, and the lack of any argument for exclusion, we do not exclude JSW Steel USA, Inc. from the domestic industry.

<sup>36</sup> See SSAB's Posthearing Brief at A-1.

<sup>37</sup> Palini's Posthearing Brief at Exhibit 2.

<sup>38</sup> The statute defines related parties in terms of direct or indirect control:

(B) RELATED PARTIES. –

(i) If a producer of a domestic like product and an exporter or importer of the subject merchandise are related parties, or if a producer of the domestic like product is also an importer of the subject merchandise, the producer may, in appropriate circumstances, be excluded from the industry.

19 U.S.C. § 1677(4)(B). Direct or indirect control exists when “the party is legally or operationally in a position to exercise restraint or direction over the other party.” *Id.* The Statement of Administrative Action (“SAA”) for the Uruguay Round Agreements Act (“URAA”) notes that this definition is consistent with Commission practice. SAA, H.R. Rep. 316, 103 Cong., 2d Sess, vol. 1 at 858 (1994). The SAA further notes that while the term “importer” is not expressly defined in the statute, the Commission “will apply a sufficiently broad definition to encompass domestic producers who are not formally importers of record.” The Commission has also concluded that a domestic producer that does not itself import subject merchandise, or does not share a corporate affiliation with an importer, may nonetheless be deemed a related party if it controls large volumes of imports. The Commission has found such control to exist where the domestic producer was responsible for a predominant proportion of an importer's purchases and the importer's purchases were substantial. See, e.g., Foundry Coke from China, Inv. No. 731-TA-891 (Final), USITC Pub. 3449 (September 2001) at 8-9; Certain Cut-to-Length Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia, Inv. Nos. 701-TA-387-392 and 731-TA-815-822 (Preliminary), USITC Pub. 3181 at 12 (April 1999); Certain Brake Drums and Rotors from China, Inv. No. 731-TA-744 (Final), USITC Pub. 3035 at 10 n.50 (April 1997). See also SAA at 858.

<sup>39</sup> CR/PR at Table I-8.

<sup>40</sup> Palini asserts that any past sales in the United States “were exclusively related with high gauges which are not rolled by our mills in {North America}.” Palini's Posthearing Brief at Exhibit 2.

<sup>41</sup> The only party to comment on this issue, ArcelorMittal, argued that appropriate circumstances did not exist to exclude either Evraz Claymont or Evraz Oregon. ArcelorMittal's Prehearing Brief at 5.

subject producer and an importer of subject merchandise has benefitted or is likely to benefit its performance during the period of review.<sup>42 43</sup>

Based on the available facts, and the lack of any contention of the parties to the contrary, we find that appropriate circumstances do not exist to warrant the exclusion of any producers from the domestic industry as a related party under the Act. Accordingly, we define the domestic industry as all U.S. producers of CTL plate.

### III. CUMULATION

#### A. Framework

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.<sup>44</sup>

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(I) of the Act.<sup>45</sup> 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 cumulated imports from France, India, Indonesia, Italy, Japan, and Korea.<sup>46</sup> In the first five-year reviews, the Commission did not find that subject imports from India, Indonesia, Italy, Japan, or Korea would be likely to have no discernible adverse impact on the

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<sup>42</sup> See CR/PR at Table III-13 (showing that Evraz Claymont's financial performance was \*\*\*, and that Evraz Oregon's financial performance was \*\*\*).

<sup>43</sup> Commissioner Pinkert does not rely upon Evraz Claymont or Evraz Oregon's financial performance as a factor in determining whether there are appropriate circumstances to exclude them from the domestic industry in these reviews. The record is not sufficient to infer from their profitability on U.S. operations whether they have derived a specific benefit from their corporate affiliation. See Allied Mineral Products v. United States, 28 C.I.T. 1861, 1865-1867 (2004).

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

<sup>45</sup> 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).

<sup>46</sup> Original Determination at 14-15.

domestic industry if the orders were revoked.<sup>47</sup> The Commission also concluded that subject imports from France, India, Indonesia, Italy, Japan, and Korea likely would be sufficiently fungible, move in the same channels of distribution, and compete simultaneously in the same geographic markets if the orders were revoked. Consequently, the Commission found that there would be a likely overlap of competition between subject imports and the domestic like product, and among subject imports themselves, if the orders were revoked.<sup>48</sup> The Commission did not find any significant differences in the conditions of competition among the subject countries, except for France.<sup>49</sup> For the foregoing reasons, the Commission exercised its discretion to cumulate subject imports from India, Indonesia, Italy, Japan, and Korea.

The statutory threshold for cumulation is satisfied in these second five-year reviews, because all of the reviews were initiated on the same day: November 1, 2010.<sup>50</sup> 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.<sup>51</sup> In so doing, we take into account the various arguments made by the parties.

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<sup>47</sup> First Reviews at 9-10. The Commission noted that there were a number of foreign producers that did not participate in those reviews, notwithstanding the Commission's request for data, and that with the exception of France, data coverage was incomplete. Moreover, because the Commission declined to cumulate subject imports from France on the basis of differences in conditions of competition, it found it unnecessary to decide the issue of no discernible adverse impact with respect to subject imports from France.

<sup>48</sup> First Reviews at 18-19.

<sup>49</sup> Commissioner Lane did not find any significant or compelling other considerations that would lead her to conclude that the conditions of competition related to the subject imports from France were so dissimilar from the conditions of competition affecting the other subject countries that would cause her to exercise her discretion to not cumulate all subject imports.

<sup>50</sup> See 75 Fed. Reg. 67108 (November 1, 2010).

<sup>51</sup> 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 that 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).

## B. Likelihood of No Discernible Adverse Impact

As in the first reviews, there were a number of foreign producers that failed to respond to the Commission's requests for data. No responses to the Commission's questionnaires were received from producers of CTL plate in India<sup>52</sup> and an incomplete response was received from one producer in Indonesia.<sup>53</sup> The Commission received a response to its questionnaires from one Italian producer, accounting for \*\*\* percent of total Italian capacity in 2010 according to \*\*\*.<sup>54</sup> Coverage was virtually complete with respect to CTL plate producers in Japan, with the four Japanese firms that responded to the Commission's questionnaire reportedly accounting for \*\*\* percent of reversing plate mill and Steckel plate mill capacity in Japan in 2010.<sup>55</sup> With respect to Korea, the Commission received a questionnaire response from one producer, reportedly accounting for \*\*\* percent of reversing plate mill capacity in Korea in 2010.<sup>56</sup> As the record contains limited information with respect to certain foreign industries, we rely upon available information when appropriate.<sup>57 58</sup>

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<sup>52</sup> CR at IV-11, PR at IV-9-10. During the original investigations, one major Indian producer, Steel Authority of India, Ltd., provided questionnaire data. Id. In the first reviews, no producer of CTL plate in India provided data. Id.

<sup>53</sup> CR at IV-14. During the original investigations, three producers of CTL plate in Indonesia provided questionnaire data. Id. In the first reviews, no producer of CTL plate in Indonesia provided data. Id.

<sup>54</sup> CR/PR at Table IV-12. Two Italian firms responded to the Commission's questionnaires in the original investigations, CR at IV-17, PR at IV-13, and one responded in the first reviews. Id.

<sup>55</sup> CR at IV-22 n.25, PR at IV-16 n.25. In the original investigations, five firms, accounting for an estimated 90 percent of Japanese production of CTL plate in 1998, provided data in response to the Commission's questionnaires. Id. In the first reviews, no Japanese producers provided data in response to the Commission's questionnaires. Id.

<sup>56</sup> CR at IV-28 n.32, PR at IV-21 n.32. In the original investigations, there were reportedly two Korean producers; no Korean producer responded to the Commission's questionnaire in the first reviews. CR at IV-28, PR at IV-20. POSCO, the largest Korean producer, is not subject to the AD or CVD orders on CTL plate from Korea. With POSCO excluded, the responding Korean producer accounted for \*\*\* percent of subject plate capacity in Korea in 2010. Calculated from CR/PR at Table IV-20.

<sup>57</sup> Section 776 of the Act 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 other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(I) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782(I) are applicable only to Commerce. 19 U.S.C. § 1677m(I). See Titanium Metals Corp., 155 F. Supp. 2d at 765 ("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 a Commission investigation.").

<sup>58</sup> 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.

## 1. India

During the original period of investigation, subject imports from India increased from 38,081 short tons in 1996 to 137,735 short tons in 1998.<sup>59</sup> In the first reviews, the volume of subject imports from India declined irregularly from 6,462 short tons in 1999 to 1,585 short tons in 2004.<sup>60</sup> In the current reviews, the volume of subject imports from India declined irregularly from 3,856 short tons in 2005 to 32 short tons in 2010 based on official Commerce import statistics.<sup>61</sup> Based on published data, CTL plate capacity in India has grown \*\*\* during this period of review from \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>62</sup> Published reports also indicate that exports of CTL plate from India have increased during the period of review from 143,205 short tons in 2005 to 511,707 short tons in 2010.<sup>63</sup> Additionally, in the original investigations, the record indicated that hot-rolled sheet, strip, and coiled plate are produced on the same equipment used to produce CTL plate. Total production of these hot-rolled steel products in India increased during the first reviews.<sup>64</sup>

In the original investigations, subject imports from India undersold the domestic like product in 24 of 26 price comparisons with an average margin of underselling of 9.5 percent.<sup>65</sup> In the first reviews and the current reviews, there were no price data reported for subject imports of CTL plate from India.

In light of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), we do not find that subject imports from India, with a history of rapid increases in volume and underselling of the domestic like product, ongoing plate capacity increases and the ability to shift production, would likely have no discernible adverse impact if the orders were revoked.

## 2. Indonesia

During the original period examined, subject imports from Indonesia increased from 13,667 short tons in 1996 to 168,098 short tons in 1998.<sup>66</sup> In the first reviews, the volume of subject imports from

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<sup>59</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from India was 1.4 percent in 1998. India's production capacity for CTL plate was \*\*\* short tons in 1998, \*\*\*; its capacity utilization was \*\*\* percent in 1998. Report from Original Investigations at Table VII-2.

<sup>60</sup> CR/PR at Table I-1. In 2003, there were no imports of CTL plate into the United States from India. The highest level of imports during the period for which data were collected occurred in interim 2005, with imports of 1,722 short tons, representing \*\*\* percent of U.S. consumption. Available data for India's steel plate production and consumption showed that, since 1999, both had fluctuated but were on an upward trend, generally increasing from the previous year.

<sup>61</sup> CR/PR at Table C-1. Subject imports from India were 32 short tons in interim 2010 as compared to 316 short tons in interim 2011.

<sup>62</sup> CR/PR at Table IV-7. According to the Flat Steel Products Five-Year Forecast for Plate projects, CTL plate output in India is projected to continue to increase by roughly 1 million tons per year in each of the next three years (2011, 2012 and 2013). ArcelorMittal's Prehearing Brief at Exhibit 4.

<sup>63</sup> CR/PR at Table IV-8.

<sup>64</sup> First Reviews at 11.

<sup>65</sup> CR/PR at Table V-10.

<sup>66</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Indonesia was 1.7 percent in 1998. Indonesia's production capacity for CTL plate was \*\*\* short tons in 1998, up from \*\*\* short tons in 1996; its capacity utilization at the height of its exports to the United States in 1998, was \*\*\* percent. Report from Original Investigations at Table VII-3.



Indonesia declined irregularly from 39,553 short tons in 1999 to 627 short tons in 2004.<sup>67</sup> In the current reviews, the volume of subject imports from Indonesia declined irregularly from 2,682 short tons in 2005 to 0 short tons in 2010 based on official Commerce import statistics.<sup>68</sup> Based on published data, CTL plate capacity in Indonesia has remained steady at \*\*\* short tons throughout this period of review.<sup>69</sup> Published reports also indicate that exports of CTL plate from Indonesia have increased during the period of review from 390,345 short tons in 2005 to 794,233 short tons in 2008 before declining to 449,502 short tons in 2010.<sup>70</sup> Additionally, in the first reviews, the record indicated that Indonesian producer Krakatau could shift its production from its primary products (other flat products) to CTL plate.<sup>71</sup>

In the original investigations, subject imports from Indonesia undersold the domestic like product in all 39 comparisons with an average margin of underselling of 13.1 percent.<sup>72</sup> In the first reviews subject imports from Indonesia undersold the domestic like product for both pricing comparisons.<sup>73</sup> In the current reviews, there were no price data reported for subject imports of CTL plate from Indonesia.

In light of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), we do not find that subject imports from Indonesia, with their history of rapid increases in volume and underselling of the domestic like product, along with evidence of increases in capacity and the ability to shift production, would likely have no discernible adverse impact if the orders were revoked.

### 3. Italy

The volume of subject imports from Italy increased during the original investigations from 17,003 short tons in 1996 to 80,766 short tons in 1998.<sup>74</sup> In the first reviews, the volume of subject imports from Italy increased irregularly from 11,396 short tons in 1998 to a period high of 29,130 short tons in 2004.<sup>75</sup> In the current period of review, subject imports from Italy to the United States declined irregularly from 9,215 short tons in 2005 to 718 short tons in 2010 based on official Commerce

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<sup>67</sup> CR/PR at Table I-1. In 2000, 2002, and 2003, there were no imports of CTL plate into the United States from Indonesia. The highest level of imports during the period for which data were collected occurred in 1999 with imports representing \*\*\* percent of U.S. consumption. The record indicated that Krakatau, the largest steelmaker in Indonesia, expanded its production by 29 percent from 2002 to 2003. First Reviews at 12.

<sup>68</sup> CR/PR at Table C-1. There were no imports of CTL plate from Indonesia in interim 2010 or interim 2011.

<sup>69</sup> CR/PR at Table IV-10. Domestic interested parties have asserted that Gunawan is scheduled to increase its current capacity by 30 percent by 2013 and that Krakatau has begun a joint venture with POSCO to build a CTL plate plant in Indonesia with a scheduled capacity of 1.5 million short tons predicted to be on line by the end of 2013. ArcelorMittal's Prehearing Brief at 13.

<sup>70</sup> CR/PR at Table IV-11.

<sup>71</sup> First Reviews at 12. \*\*\*, a major Indonesian producer, provided the Commission with an incomplete questionnaire response during these reviews in which it reported that its overall capacity for hot-rolled products in 2010 was \*\*\* short tons, and that it did not intend to export CTL plate to the United States. CR at IV-14, PR at IV-12.

<sup>72</sup> CR/PR at Table V-10.

<sup>73</sup> CR/PR at Table V-10.

<sup>74</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Italy was 0.8 percent in 1998.

<sup>75</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Italy was 0.4 percent in 2004.

statistics.<sup>76</sup> According to \*\*\*, Italian production capacity increased from \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>77</sup> Moreover, exports of CTL plate from Italy increased irregularly from 1.4 million short tons in 2005 to 1.9 million short tons in 2010.<sup>78</sup>

Italian CTL plate producer Palini, the only Italian producer of CTL plate that provided data in this proceeding, reported that its capacity \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>79</sup> Palini's capacity utilization decreased from \*\*\* percent in 2005 to \*\*\* percent in 2010, and was \*\*\* percent in interim 2010 as compared to \*\*\* percent in interim 2011.<sup>80</sup> Exports accounted for between \*\*\* percent and \*\*\* percent of Palini's total shipments during the period of review, and the \*\*\* of Palini's exports were shipped to countries in the European Union.<sup>81</sup>

In the original investigations, subject imports from Italy undersold the domestic like product in 27 of 35 price comparisons with an average margin of underselling of 16 percent.<sup>82</sup> In the first reviews subject imports from Italy undersold the domestic like product in 8 of 10 comparisons.<sup>83</sup> In the current reviews, the limited pricing data show that imports from Italy undersold the domestic like product in 1 of 2 price comparisons.<sup>84</sup>

In light of the existence of some unused capacity in Italy, as well as the Italian industry's history of exporting some portion of its shipments, we cannot conclude that upon revocation, subject imports from Italy would remain at the minimal quantities present during this period of review. Instead, subject imports from Italy are likely to enter the United States in modest quantities. We consequently conclude that, upon revocation, subject imports from Italy are not likely to have no discernible adverse impact on the domestic industry.

#### 4. Japan

In the original investigations, the volume of subject imports from Japan increased from 24,328 short tons in 1996 to 288,398 short tons in 1998.<sup>85</sup> In the first reviews, the volume of subject imports from Japan declined irregularly from a \*\*\* short tons in 1999 to \*\*\* short tons in 2004.<sup>86</sup> Subject imports from Japan<sup>87</sup> increased irregularly in the current period of review from \*\*\* short tons in 2005 to

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<sup>76</sup> CR/PR at Table C-1. Subject imports from Italy were 429 short tons in interim 2010 as compared to 428 short tons in interim 2011.

<sup>77</sup> CR/PR at Table IV-13. Italy's reported plate production during the original investigations was \*\*\* short tons, with capacity utilization fluctuating from a low of \*\*\* percent (\*\*\*) to a high of \*\*\* percent (\*\*\*). First Reviews at 13.

<sup>78</sup> CR/PR at Table IV-13.

<sup>79</sup> CR/PR at Table IV-15. Palini's reported capacity \*\*\* during the first reviews, from \*\*\* short tons in 1999 to \*\*\* short tons in 2004.

<sup>80</sup> Palini's capacity utilization during this period has remained above \*\*\* percent at all times. CR/PR at Table IV-15.

<sup>81</sup> CR/PR at Table IV-15.

<sup>82</sup> CR/PR at Table V-10.

<sup>83</sup> CR/PR at Table V-10.

<sup>84</sup> CR/PR at Table V-10.

<sup>85</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Japan was 2.9 percent in 1998.

<sup>86</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Japan was \*\*\* percent in 2004.

<sup>87</sup> CR at I-34 n.49, PR at I-28 n.49 (import data for Japan are based on questionnaire responses and proprietary Customs data (dutiable imports)).

\*\*\* short tons in 2010.<sup>88</sup> Reported Japanese production capacity increased from 14.3 million short tons in 2005 to 15.8 million short tons in 2010, and was 7.7 million short tons in interim 2010 as compared to 7.4 million short tons in interim 2011. Capacity utilization remained relatively high throughout the period of review ranging between 83.4 and 101.1 percent; capacity utilization was 92.4 percent in interim 2010 as compared to 97.6 percent in interim 2011.<sup>89</sup>

Exports from Japanese producers increased irregularly from 22.0 percent of shipments in 2005 to a period high of 28.9 percent in 2010.<sup>90</sup> Almost \*\*\* percent of Japanese exports of CTL plate were to the shipbuilding industry.<sup>91</sup> The largest export markets for CTL plate from Japan were in Asia, accounting for nearly 90 percent of total exports.<sup>92</sup>

In the original investigations, subject imports from Japan undersold the domestic like product in just 15 out of 40 price comparisons by an average margin of 7.9 percent.<sup>93</sup> Subject imports from Japan undersold the domestic like product in only 1 out of 6 pricing comparisons during the first reviews.<sup>94</sup> There were no price data reported for imports from Japan during the current reviews.<sup>95</sup>

In light of the existence of some unused capacity in Japan, as well as the Japanese industry's history of exporting some portion of its shipments, we cannot conclude that upon revocation, subject imports from Japan would remain at the minimal quantities present during this period of review. Instead, subject imports from Japan are likely to enter the United States in modest quantities. We consequently conclude that, upon revocation, subject imports from Japan are not likely to have no discernible adverse impact on the domestic industry.

## 5. Korea

In the original investigations, the volume of subject imports from Korea increased from 28,495 short tons in 1996 to \*\*\* short tons in 1998.<sup>96</sup> In the first reviews, the volume of subject imports from Korea declined irregularly from a \*\*\* short tons in 1999 to \*\*\* short tons in 2004.<sup>97</sup> Based on official Commerce statistics, subject imports from Korea declined irregularly in the current period of review from \*\*\* short tons in 2004 to \*\*\* short tons in 2010.<sup>98</sup> Reported Korean production capacity, limited to

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<sup>88</sup> CR/PR at Table C-1. Subject imports from Japan were \*\*\* short tons in interim 2010 as compared to \*\*\* short tons in interim 2011. CR/PR at Table C-1.

<sup>89</sup> CR/PR at Table IV-17. Reported Japanese capacity utilization was \*\*\* percent in 1998 and was not provided during the first reviews. First Reviews at 14.

<sup>90</sup> CR/PR at Table IV-17. In interim 2010, exports accounted for 29.6 percent of shipments as compared to 32.1 percent of shipments in interim 2011.

<sup>91</sup> CR/PR at Table IV-19.

<sup>92</sup> CR/PR at Table IV-17.

<sup>93</sup> CR/PR at Table V-10.

<sup>94</sup> CR/PR at Table V-10.

<sup>95</sup> CR/PR at Table V-10.

<sup>96</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Korea was \*\*\* percent in 1998.

<sup>97</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Korea was \*\*\* percent in 2004.

<sup>98</sup> CR/PR at Table C-1. Subject imports from Korea were \*\*\* short tons in interim 2010 as compared to \*\*\* short tons in interim 2011. CR/PR at Table C-1.



Dongkuk, \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>99 100</sup> Reported capacity utilization remained relatively high throughout the period of review ranging between \*\*\* percent; capacity utilization was \*\*\* percent in interim 2010 as compared to \*\*\* percent in interim 2011.<sup>101</sup>

Exports from Dongkuk increased irregularly from \*\*\* percent of shipments in 2005 to \*\*\* percent in 2010.<sup>102</sup> The largest export market for CTL plate from Korea was Asia, specifically \*\*\*<sup>103</sup>

In the original investigations, subject imports from Korea undersold the domestic like product in 23 out of 41 price comparisons by an average margin of 10.5 percent.<sup>104</sup> Subject imports from Korea undersold the domestic like product in 44 out of 52 pricing comparisons during the first reviews.<sup>105</sup> In the current reviews, subject imports from Korea undersold the domestic like product in 36 out of 61 pricing comparisons by an average margin of 9.5 percent.<sup>106</sup>

In light of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), we do not find that subject imports from Korea, with their history of rapid increases in volume and underselling of the domestic like product, a substantial ongoing presence in the U.S. market, increases in plate capacity both during the period of review and forecast for the future, would likely have no discernible adverse impact if the orders were revoked.<sup>107</sup>

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<sup>99</sup> In the original investigations, Korea's production capacity for CTL plate reportedly was \*\*\* at approximately \*\*\* short tons during this period. Report from Original Investigations at Table VII-6. The Commission did not receive information on total production capacity for the Korean industry in the first reviews.

<sup>100</sup> CR/PR at Table IV-21. \*\*\* reported that Korean production capacity for CTL plate, excluding POSCO, was approximately \*\*\* short tons in 2010. CR/PR at Table IV-20. The capacity reported for Hyundai Steel of \*\*\* short tons represented only the 2010 effective capacity of Hyundai's new mill, which started up during 2010 and has a total annual capacity of 1.7 million short tons. CR at IV-28 n.32, PR at IV-21 n.32. Moreover, Hyundai is building a second plate mill that will double its capacity, and has announced that it will upgrade its first mill, increasing its capacity by 500,000 metric tons, bringing its total capacity to 3.5 million short tons after 2013. *Id.*

<sup>101</sup> CR/PR at Table IV-21. Reported Korean capacity utilization was higher than \*\*\* percent during the original investigations and was not provided during the first reviews. Report from Original Investigations at Table VII-6; First Reviews at 15.

<sup>102</sup> CR/PR at Table IV-21. In interim 2010, exports accounted for \*\*\* percent of shipments as compared to \*\*\* percent of shipments in interim 2011.

<sup>103</sup> CR/PR at Table IV-29.

<sup>104</sup> CR/PR at Table V-10.

<sup>105</sup> CR/PR at Table V-10.

<sup>106</sup> CR/PR at Table V-10.

<sup>107</sup> Dongkuk argues that it competes with nonsubject Korean producer POSCO, and the fact that POSCO has chosen \*\*\* , establishes that there is ample demand in the Korean market for all Korean producers. Dongkuk's Posthearing Brief, Attachment 1 at 1-2. We disagree. Although POSCO \*\*\*. CR/PR at Table C-1. Moreover, while we agree that demand in Asia for CTL plate has remained relatively strong, steel analysts expect that demand in Korea will lag behind demand in other major consumer markets in Asia in 2012, with a forecasted 3.6 percent increase in apparent consumption, below the regional average of 7.2 percent. CR at IV-42 n.42, PR at IV-27 n.42. Given the increases in capacity in Korea in 2010, and the planned large increases in capacity by Korean producer Hyundai, discussed below, we do not find that the projected increase in demand in Korea will absorb all of this new capacity, but rather that Korean producers will be forced to seek out other markets to ship their CTL plate.

### C. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered whether subject imports will likely compete with each other and with the domestic like products with reference to four factors: (1) fungibility; (2) sales or offers in the same geographic markets; (3) common or similar channels of distribution; and (4) simultaneous presence.

#### (a) Fungibility

In the original investigations, the Commission found that U.S. CTL plate was “highly” interchangeable with CTL plate produced in subject countries. The Commission rejected arguments by respondents that their imports were only “niche” products sold in types and thicknesses that did not overlap with those of the U.S. producers, finding instead that most sales of CTL plate occurred in commodity grades and in overlapping thicknesses.<sup>108</sup> In the first reviews, the Commission found that the U.S. product and subject imports were sufficiently fungible to support a finding of likely reasonable overlap of competition.<sup>109</sup>

Although there may be some differences between domestic and imported CTL plate, overall there is a “moderate to high degree of substitution between CTL plate produced in the United States and the subject countries and other import sources.”<sup>110</sup> The majority of purchasers reported that the domestic and subject products were comparable with respect to price, extension of credit, minimum quantity requirements, packaging, product consistency, whether quality met industry standards, whether quality exceeded industry standards, whether quality met customer specifications, and product range.<sup>111</sup> Producers, importers, and purchasers were also asked to assess how interchangeable CTL plate from the United States is with CTL plate from both subject and nonsubject countries. The majority of market participants reported that CTL plate from the United States and from other countries are “always or frequently” interchangeable.<sup>112</sup>

#### (b) Common or Similar Channels of Distribution

In the original investigations, U.S. mills, processors, and importers from each of the subject countries shipped meaningful shares of their CTL plate to distributors and service centers, as well as to end users. Specifically, in 1998 U.S. mills shipped 56.4 percent of their CTL plate to distributors and service centers, and U.S. processors shipped 71.8 percent of their CTL plate to end users.<sup>113</sup> U.S.

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<sup>108</sup> Original Determination at 15.

<sup>109</sup> First Reviews at 16-17.

<sup>110</sup> CR at II-22, PR at II-14.

<sup>111</sup> CR/PR at Table II-10.

<sup>112</sup> CR/PR at Table II-11. A further confirmation of interchangeability is the fact that a significant share of 2010 commercial shipments of the domestic industry and of all responding subject industries consists of CTL plate of thickness less than one inch, as follows: domestic industry -- 65.8 percent of 2010 commercial shipments; Japan, -- \*\*\* percent; \*\*\* -- \*\*\* percent; and \*\*\* -- \*\*\* percent. CR/PR at Table IV-4 and Note. We do not have data on Indian and Indonesian shipments in these reviews. With respect to reported U.S. imports, \*\*\* 2010 imports from Japan were in the less than one inch category. Although \*\*\* percent of 2010 subject imports from Korea were in the greater than or equal to four inch category, we find the Korean industry’s overall shipments – which are mostly under one inch in thickness -- to be more probative of likely subject imports than the limited amount of subject imports from Korea in 2010 under the orders. CR/PR at Table IV-4.

<sup>113</sup> Original Determination at I-8.

importers shipped the majority of their CTL plate to distributors and service centers, except for imports from Italy which were shipped primarily to end users.

In the first reviews, the Commission found that U.S. producers shipped slightly more than one-half of their CTL plate to distributors and service centers, while importers shipped well over one-half of their CTL plate to distributors and service centers.<sup>114</sup> The Commission also found that the distribution channels did not appear to have shifted in this period for the reported subject imports, with the exception of imports from Japan, which were shipped \*\*\* in 1998, but were shipped only to \*\*\* in 2004 under the discipline of the antidumping duty order.<sup>115</sup>

In the current reviews, U.S. producers and importers sold CTL plate to distributors, service centers, and end users. U.S. producers generally shipped slightly more than one-half of their CTL plate to distributors, while importers shipped \*\*\* of their subject merchandise from Italy and Korea to distributors.<sup>116</sup> As in the first reviews, the very limited amount of subject imports from Japan were shipped \*\*\* to end users, in contrast to the distributor-heavy mix prior to the imposition of the orders.<sup>117</sup> We conclude that, in the event of revocation, subject imports from Japan, as well as from the other subject countries, would exhibit a mix of sales to distributors, service centers and end users, as in the original investigations.

### (c) Same Geographic Markets

In the original investigations, the record indicated that many domestic plants were located in the “Pennsylvania-Ohio-Illinois corridor; others are scattered throughout the country in such places as Alabama, California, Texas, and Utah. . . . Importers reported that their primary markets are the Gulf Coast, the Great Lakes region, the East Coast and the West Coast.”<sup>118</sup>

In the first reviews, the record indicated that CTL plate production occurred throughout the United States, and CTL plate was shipped nationwide.<sup>119</sup> U.S. producers and importers as a whole reported nationwide sales, although most individual firms reported that sales were concentrated in particular regions.<sup>120</sup> Importers and producers served each of the six geographic markets identified in the staff report.<sup>121</sup>

In the current reviews, U.S. producers and importers, as a whole, reported nationwide sales. The majority of the responding producers reported selling to all regions within the contiguous United States, and five of 12 responding importers reported selling CTL plate nationwide.<sup>122</sup> The remaining seven importers reported serving primarily the Pacific Coast, Central Southwest, Midwest, and Northeast regions.<sup>123</sup>

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<sup>114</sup> First Reviews at 18.

<sup>115</sup> First Reviews at 18.

<sup>116</sup> CR/PR at Table II-1.

<sup>117</sup> CR/PR at Table II-1.

<sup>118</sup> Original Determination at II-1.

<sup>119</sup> First Reviews at 18.

<sup>120</sup> First Reviews at 18.

<sup>121</sup> CR/PR at Table II-2.

<sup>122</sup> CR at II-3, PR at II-2.

<sup>123</sup> CR at II-3; PR at II-2. Only two of the 12 responding firms imported CTL plate from the subject countries. \*\*\* reported selling plate from \*\*\* to the Central Southwest, Pacific Coast, and Northeast regions, whereas \*\*\* reported selling plate from \*\*\* to the Central Southwest, Pacific Coast, Midwest, and Northeast regions. CR at II-3 n.2; PR at II-2 n.2.

(d) Simultaneous Market Presence

In both the original investigations and the first reviews, both the domestic like product and imports from each subject country were present in the U.S. market throughout the period examined.

In these reviews, the domestic like product and imports from Italy and Korea<sup>124</sup> were present in every month of the period for which data were collected.<sup>125</sup> Imports from India were present in each year, but less than six months of each year from 2008 to 2010.<sup>126</sup> Imports from Indonesia were present sporadically in each year from 2005 to 2008, before exiting the market completely in October 2008.<sup>127</sup> Imports from Japan were present to varying degrees in each year except for 2005 and the first half of 2011.<sup>128</sup>

(e) Conclusion

The record indicates that the likely reasonable overlap in competition criteria are satisfied. Both U.S.-produced CTL plate and subject imports from all sources generally are fungible, move primarily in the same channels of distribution, have geographic overlap in sales, and have been simultaneously present in the U.S. market during some portion of the period of review. In light of these considerations, and the lack of any contrary argument, we find that there would be a likely reasonable overlap of competition between the domestic like product and imports from each subject country and between imports from each subject country if the orders were revoked.<sup>129</sup>

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<sup>124</sup> CR/PR at Tables III-8, IV-1, IV-5.

<sup>125</sup> CR/PR at Table IV-5. The monthly data on Korea, compiled from official Commerce statistics, include nonsubject imports from POSCO, although the information on subject imports from Korea that was reported to the Commission \*\*\*. CR/PR at Tables IV-5 and IV-21.

<sup>126</sup> CR/PR at Table IV-5.

<sup>127</sup> CR/PR at Table IV-5.

<sup>128</sup> CR/PR at Table IV-5.

<sup>129</sup> CR/PR at Table IV-5. In five year reviews, the order may have affected the marketing and distribution patterns of the product in question. The relevant inquiry thus is whether there would likely be competition even if there are no current imports from a subject country. See generally, Cheflene Corp. v. United States, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002) (“The statute and legislative history are clear: the Commission is not required to find that subject imports currently compete in the U.S. market.”). Cf. SAA at 888 (regional industry). See also, e.g., Hot-Rolled Carbon Quality Steel Products from Brazil, Japan and Russia, Inv. Nos. 701-TA-384 and 731-TA-806-808 (Second Review), USITC Pub. 4237 (June 2011) at 15 (“Although the volume of subject imports from Brazil was extremely low during the period of review, the domestic like product and imports from all three subject countries were simultaneously present in the U.S. market during five of the six years of the period of review. Additionally, the focus is on likely competition in the event of revocation. Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand, Inv. Nos. 701-TA-432 and 731-TA-1024-28 (Review) and AA1921-188 (Third Review), USITC Pub. 4114 (November 2009) at 18 (rejecting the argument “that there is not a reasonable overlap of competition between Mexican imports and the domestic like product because Mexican PC strand has largely been absent from the U.S. market since the imposition of the orders”); Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and -882 (Review), USITC Pub. 3933 (July 2007) at 16; Granular Polytetrafluoroethylene Resin from Italy and Japan, Inv. Nos. 731-TA-385-86 (Second Review), USITC Pub. 3823 (December 2005) at 13-14. (“While subject imports from Japan currently consist of niche products, the current composition of subject imports is affected by the discipline of the antidumping duty orders and thus not necessarily indicative of likely post-revocation behavior.”) (finding a likely reasonable overlap of competition).

#### D. Likely Other Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports from the five countries, we assess whether the subject imports from certain countries are likely to compete under similar or different conditions in the U.S. market. We observe that in these reviews, unlike the first five-year reviews, respondents offered several arguments concerning potential likely differences in conditions of competition. We do not find any significant differences in the conditions of competition among subject imports from India, Indonesia, and Korea, and exercise our discretion to cumulate subject imports from these subject countries. However, certain factors indicate that subject imports from Italy and Japan will likely compete in the U.S. market under significantly different conditions of competition from subject imports from the other countries if the orders on imports from Italy and Japan are revoked.

*Italy.*<sup>130</sup> Subject imports from Italy are likely to compete under different conditions of competition than other subject imports for a number of reasons.<sup>131</sup> The Italian industry shipped the least amount of CTL plate to the United States during the original investigations.<sup>132</sup> Moreover, in 1998, the final year of the period examined, subject imports from Italy declined, whereas subject imports from all of the other subject countries increased to their highest levels of the period in that year.<sup>133</sup> Additionally, in the original investigations, the channels of distribution for subject imports from Italy in the U.S. market were different than all other subject countries. U.S. importers shipped the majority of the subject merchandise to distributors and service centers, except for imports from Italy which were shipped primarily to end users.<sup>134</sup> Moreover, in 1998 U.S. importers' shipments of Italian plate were predominantly of plate with a thickness greater than or equal to 4 inches (59 percent), while no other subject country shipped more than two percent of this type of plate.<sup>135</sup>

The Italian industry is also distinguishable from the industries in the other subject countries because Palini, a significant producer of CTL plate in Italy, is now affiliated with two major domestic CTL plate mills due to common ownership under the Evraz Group. During the period examined in the original investigations, Palini's exports to the United States increased whereas in 1998, ILVA's exports to the United States declined to \*\*\* of the amount they were in 1996.<sup>136</sup> Therefore, by 1998, the last year of the original period examined, Palini was responsible for the \*\*\* of exports of CTL plate from Italy to the United States.<sup>137</sup>

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<sup>130</sup> Vice Chairman Williamson does not join this section on Italy. He cumulates imports from Italy together with imports from India, Indonesia, and Korea. He finds the information provided by the one responding Italian producer to be too limited to establish that, for the Italian industry as a whole, there are sufficient differences in conditions of competition that would warrant separate treatment for subject imports from Italy.

<sup>131</sup> Data on the subject industry in Italy are limited because only one Italian subject producer, Palini, provided data to the Commission in response to the Commission's data requests in these reviews. We thus rely on information available with respect to conditions concerning the Italian industry, including data from the original investigations and first reviews, as well as the data we were able to obtain in these current reviews.

<sup>132</sup> From 1996 to 1998, subject imports from Italy totaled 183,000 short tons whereas imports from India totaled 307,000 short tons, from Indonesia totaled 242,000 short tons, from Japan totaled 331,000 short tons, and subject imports from Korea totaled \*\*\* short tons. CR/PR at Table I-1.

<sup>133</sup> CR/PR at Table 1-1.

<sup>134</sup> CR/PR at Table II-1, n.2.

<sup>135</sup> Original Determination, Report, at Table II-4.

<sup>136</sup> First Reviews, Report, at IV-29.

<sup>137</sup> In the original investigations, Palini and ILVA accounted for approximately \*\*\* percent of Italian CTL plate production and most of the exports to the United States. Original Determination, Report at VII-9. Palini accounted for a \*\*\* percent share of the U.S. market in 1998 while ILVA accounted for a \*\*\* percent share. *Id.* at Appendix E, E-4.



As discussed above, Evraz purchased Palini in 2005 and purchased U.S. plate mills Oregon Steel and Claymont Steel in 2007 and 2008, respectively. As of August 2011, \*\*\*.<sup>138</sup> The fact that a significant exporter of CTL plate during the original investigations is now affiliated with U.S. mills through common ownership, and that these U.S. mills are able \*\*\* distinguishes Italy from the rest of the subject countries where no such relationship exists.

*Japan.* Subject imports from Japan would also likely compete under different conditions of competition than other subject imports.<sup>139</sup> Subject imports from Japan have displayed different pricing patterns than imports from the other subject countries. In the original investigations, subject imports from Japan predominantly oversold the domestic like product. Similarly, in the first reviews— in which Japanese price observations were limited – imports from Japan continued to oversell the domestic like product.<sup>140</sup> By contrast, subject imports from each of the other subject countries predominantly undersold the domestic like product during the original investigations and in the first reviews.<sup>141</sup>

Another key factor distinguishing Japan from the other subject countries is that, while capacity to produce CTL plate has grown incrementally in Japan during the period of review, Japanese producers have not built, and do not plan to build, new plate facilities in Japan. In contrast, there are concrete plans to add new plants in all of the other subject countries, which will bring millions of tons of new capacity on line in the reasonably foreseeable future. For example, Indian producer Essar Steel stated in July 2011 that it was starting up India’s first five-meter wide plate mill with a capacity of 1.5 million tpy.<sup>142</sup> In Indonesia, PT Krakatau has begun a joint venture with POSCO to build a CTL plant in Indonesia with a scheduled capacity of 1.5 million short tons to come on-line by the end of 2013.<sup>143</sup> Finally, in Korea, Hyundai started up a new mill in 2010 with a total annual capacity of 1.7 million short tons and is in the process of building a second mill that will produce an additional 1.5 million short tons per year by 2013.<sup>144</sup> Thus the Japanese CTL plate industry is on a different footing than the industries of India, Indonesia, and Korea, all of which are continuing to expand.

We also note that in the original investigations shipments of imports from Japan consisted of a very diverse mix of CTL plate products, including pressure vessel plate, platform plate, and X-60 plate, none of which were shipped to the United States by any of the other subject countries.<sup>145</sup> Although all of the subject countries shipped CTL plate for shipbuilding to the United States, the percentage of shipments

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<sup>138</sup> Palini’s Posthearing Brief at Exhibit 2.

<sup>139</sup> We have already discussed why imports from Italy will compete under different conditions of competition than subject imports from Japan, and therefore do not include subject imports from Italy in this discussion.

<sup>140</sup> Given the limited volume of subject imports from Japan, there are no pricing observations during the current period of review. Although mindful of the limitations of data on average unit values (AUVs) as a proxy for price, we observe that, over the period of review, the AUVs of Japanese shipments to markets outside Asia were consistently higher than the AUVs of extra-regional shipments of the other subject countries as well as domestic industry shipment AUVs. Compare CR/PR at Table IV-17 (Japan) with CR/PR at Table IV-15 (Italy), Table IV-21 (Korea), and Table III-8 (domestic). These data are consistent with the data from the original period examined showing that Japanese products mostly oversold the domestic like product.

<sup>141</sup> See CR/PR at Table V-10, n.1. There were no price data reported for imports from India in the first five-year reviews.

<sup>142</sup> ArcelorMittal’s Prehearing Brief at 8.

<sup>143</sup> ArcelorMittal’s Prehearing Brief at 12-13.

<sup>144</sup> ArcelorMittal’s Prehearing Brief at 27.

<sup>145</sup> Original Determination, Report at Table II-4. A much lower percentage of CTL plate from Japan fell into the “All other CTL plate” category, than subject imports from each of the other subject countries.

of imports from Japan consisting of shipbuilding plate (7.7 percent) was the largest percentage of any of the subject countries.<sup>146</sup>

*India, Indonesia, and Korea.* Based on the likely reasonable overlap of competition among subject imports from India, Indonesia, and Korea, and the absence of other differences in likely conditions of competition in the U.S. market 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 India, Indonesia, and Korea.<sup>147</sup> The information available indicates that subject industries in India, Indonesia, and Korea would likely compete under similar conditions of competition in the U.S. market after revocation.

Imports from all three of these subject countries exhibited similar volume and price trends during the original investigations. The volume of subject imports from India, Indonesia, and Korea all increased to their highest levels in 1998.<sup>148</sup> Moreover, imports from all three countries undersold the domestic like product in the majority of comparisons during the original investigations.<sup>149</sup>

In the current period of review, the CTL plate industries in India, Indonesia, and Korea have added capacity, and as discussed above, all have plans to build new plate mills in the reasonably foreseeable future. They are at least moderately export-oriented, and all face third-country barriers on their plate exports.

*Conclusion.* For all of these reasons, we exercise our discretion to cumulate subject imports from India, Indonesia, and Korea, and we decline to exercise our discretion to cumulate subject imports from Italy and Japan.

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

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

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping duty order unless (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping and/or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>150</sup> 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

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<sup>146</sup> Original Determination, Report at Table II-4.

<sup>147</sup> Out of all the major subject producers in India, Indonesia, and Korea, only Korean producer Dongkuk cooperated fully in these reviews, and we therefore rely on the information available where appropriate on the industries in India, Indonesia, and Korea. 19 U.S.C. § 1677e(a). We thus rely on information available with respect to conditions concerning the Indian, Indonesian, and Korean CTL plate industries, including data from the original investigations and first reviews, as well as the data we were able to obtain in these current reviews.

<sup>148</sup> CR/PR at Table I-1. The volume of imports from all three countries declined after imposition of the orders, although subject imports from Korea have maintained a more significant presence than the other two countries in the U.S. market both in the first reviews and these reviews.

<sup>149</sup> CR/PR at Table V-10, n.1. Although there are no price comparisons for subject imports from India and Indonesia in the first reviews or these reviews, subject imports from Korea continued to undersell the domestic like product in the majority of comparisons in each review. *Id.*

<sup>150</sup> 19 U.S.C. § 1675a(a).

proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>151</sup> Thus, the likelihood standard is prospective in nature.<sup>152</sup> The CIT has found that “likely,” as used in the five-year review provisions of the Tariff Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>153 154</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>155</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>156</sup>

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effects, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>157</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, whether the industry is vulnerable to material injury if the order were revoked, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>158</sup> 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.<sup>159</sup>

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<sup>151</sup> 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.

<sup>152</sup> Although the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>153</sup> See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>154</sup> 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).

<sup>155</sup> 19 U.S.C. § 1675a(a)(5).

<sup>156</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>157</sup> 19 U.S.C. § 1675a(a)(1).

<sup>158</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings with respect to CTL plate from the subject countries.

<sup>159</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.



In evaluating the likely volume of imports of subject merchandise if the orders under review were revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>160</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors, as follows: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>161</sup>

In evaluating the likely price effects of subject imports if the orders under review were revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>162</sup>

In evaluating the likely impact of imports of subject merchandise if the orders under review were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>163</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any 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.<sup>164</sup>

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<sup>160</sup> 19 U.S.C. § 1675a(a)(2).

<sup>161</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>162</sup> 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.

<sup>163</sup> 19 U.S.C. § 1675a(a)(4).

<sup>164</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885, 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Tariff Act states that “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv).

In the final results of its expedited reviews of the antidumping duty orders on CTL plate from India, Indonesia, Italy, Japan, and Korea, Commerce assigned the following likely margins. India: Steel Authority of India, Ltd., 42.39 percent; for all others, 42.39 percent. Indonesia: PT Gunawan Dianjaya/PT Jaya Pari Steel Corp., 50.80 percent; PT Krakatau Steel, 52.42 percent; all others, 50.80 percent. Italy: Palini and Bertoli S.p.A., 7.64 percent; all others 7.64 percent. Japan: Kawasaki Steel Corporation, 9.46 percent; Kobe Steel, Ltd., Nippon Steel Corp., NKK Corp., Sumitomo Metal Industries, Ltd., 59.12 percent; all others 9.46 percent. Korea: Dongkuk Steel

## B. Findings in the Prior Proceedings

### 1. The Original Investigations

*Conditions of Competition.* In the original investigations, the Commission highlighted several conditions of competition pertinent to its analysis of the domestic CTL plate market. The Commission found that demand in most sectors had generally increased since 1996. The Commission found that the industry underwent considerable consolidation over the period examined, added significant capacity, and increased production, although some producers experienced setbacks and delays in bringing new capacity on line.<sup>165</sup> The Commission further found that the costs of raw materials for CTL plate showed differing trends, with the costs of coal and iron ore relatively stable while the cost of scrap fell dramatically in 1998.<sup>166</sup> The shares of apparent consumption accounted for by total imports, both subject and nonsubject, decreased from 1996 to 1997 following the affirmative determinations in the antidumping investigations of CTL plate from China, Russia, South Africa, and Ukraine, and then increased in 1998. The Commission further noted that nonsubject market share decreased over the period while subject import market share increased.<sup>167</sup>

*Subject Import Volume.* In the original investigations, the Commission found that the volume and market share of subject imports had increased significantly over the period examined, with subject import volume increasing by 318.4 percent and subject import market share more than tripling.<sup>168</sup> Though the increase in subject imports had initially been at the expense of non-subject imports, with the domestic

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Mill Co., Ltd., 2.98 percent; all others, 2.98 percent. 76 Fed. Reg. 12322 (March 7, 2011).

In the final results of its expedited reviews of the countervailing duty orders on subject CTL plate from Korea, Indonesia, India, and Italy, Commerce assigned the following likely subsidization rates: India: Steel Authority of India, 12.82 percent; all others, 12.82 percent. Indonesia: P.T. Krakatau Steel, 47.71 percent; all others, 15.90 percent. Italy: ILVA S.p.A. 2.38 percent ; all others, 2.38, percent. Korea: Dongkuk Steel Mill, Ltd., 1.38 percent; all others, 1.38 percent. 76 Fed. Reg. 12702 (March 8, 2011).

In addition, the statute provides that “if a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.” 19 U.S.C. § 1675a(6). Commerce found that the following programs are prohibited subsidies as described in Article 3 of the SCM:

*India*: Export Promotion Capital Goods Scheme, Duty Entitlement Passbook Scheme, Advance Licencing Program, Special Import Licenses, and Pre- and Post-Shipment Export Financing.

*Indonesia*: Rediscount Loan Program.

*Korea*: Articles 16 and 17 of the Tax Reduction and Exemption Control Act, Short-Term Export Financing, and Investment Tax Credits.

See Memorandum from Gary Taverman to Ronald K. Loentzen, Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Orders on Cut-to-Length Carbon-Quality Steel Plate from India, Indonesia, Italy, and the Republic of Korea: Final Results, Case Nos. C-533-818, C-560-806, C-475-827, C-580-837 (March 1, 2011) at 9-15 (Commerce noted that the programs found not to meet the definition of an export subsidy may nevertheless be found inconsistent with Article 6 of the Subsidies Agreement if the net countervailable subsidy exceeds five percent, though Article 6.1 of the Subsidies Agreement expired effective January 1, 2000).

<sup>165</sup> Original Determination at 20.

<sup>166</sup> Original Determination at 20-21.

<sup>167</sup> Original Determination at 21.

<sup>168</sup> Original Determination at 21 (cumulated subject import volume had increased from 274,859 short tons in 1996, or 3.3 percent of U.S. apparent consumption, to 1.15 million short tons in 1998, or 11.7 percent of U.S. apparent consumption).

industry gaining market share in 1997, the Commission found that domestic producers had lost market share to subject imports in 1998, and particularly in the second half of 1998.<sup>169</sup> The Commission acknowledged that the domestic industry had experienced “sporadic problems” meeting demand during the period examined, but rejected the respondents’ argument that these occurrences evidenced a supply shortage that pulled subject imports into the U.S. market.<sup>170</sup>

*Price Effects.* In the original investigations, the Commission found that subject imports had undersold the domestic like product in 62.7 percent of pricing comparisons, and oversold the domestic like product in only 37.3 percent of comparisons, with the instances and severity of underselling increasing in 1998.<sup>171</sup> The Commission also found that subject import AUVs had declined throughout the period examined, and had been lower than domestic producers’ AUVs except in 1996 and the first half of 1999.<sup>172</sup> Given that subject imports were highly substitutable for the domestic like product, except in certain specialized applications, the Commission concluded that the increased underselling by subject imports had significantly contributed to the depression of domestic producer prices.<sup>173</sup>

*Impact.* In the original investigations, the Commission found the domestic industry’s operating and financial performance had deteriorated towards the end of the period examined,<sup>174</sup> as subject import volume and market share rapidly increased. Between the first half of 1998 and the first half of 1999, domestic industry sales volumes and values had declined significantly, cash flow had become negative, gross profits had declined 96 percent, and operating income had decreased from \$97.4 million to negative \$63.6 million.<sup>175</sup> Domestic industry capital expenditures, employment, hours worked, and wages had declined over the period examined, and particularly in the first half of 1999.<sup>176</sup> The Commission concluded that subject imports had caused present material injury to the domestic industry based on the correlation of these adverse domestic industry trends with the increase in subject import volume and market share, and the decline in subject import AUVs.<sup>177</sup>

## 2. First Five-Year Reviews

*Conditions of Competition.* The Commission found that overall demand for CTL plate remained largely dependent upon the demand for a variety of end-use applications, including construction, railcars, agriculture and industrial machinery, oil and gas, and shipbuilding. The Commission found that demand declined during the early portion of the period, but increased in 2004 and was projected to grow in 2005. The Commission noted that the domestic industry continued to restructure during this period, and that the domestic industry’s capacity fluctuated as declines in capacity resulting from the closure of mills such as Geneva Steel and Gulf States were offset by the ramping up of production by Nucor and IPSCO, and the reactivation of Mittal’s Burns Harbor plate mill.<sup>178</sup>

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<sup>169</sup> Original Determination at 22-23.

<sup>170</sup> Original Determination at 22-23.

<sup>171</sup> Original Determination at 24.

<sup>172</sup> Original Determination at 24.

<sup>173</sup> Original Determination at 23-24.

<sup>174</sup> Original Determination at 25-26 (domestic industry capacity and sales had increased with demand through 1998).

<sup>175</sup> Original Determination at 26.

<sup>176</sup> Original Determination at 26.

<sup>177</sup> Original Determination at 26 (for example, the Commission found that domestic industry orders had declined dramatically between the first half of 1998 and the second half of 1998, when two-thirds of 1998 subject imports had entered the U.S. market).

<sup>178</sup> First Reviews at 25-26.

The Commission further noted that imports from the cumulated subject countries declined overall after the imposition of the orders, and that there were 29 outstanding antidumping and countervailing duty orders and two suspended investigations covering the subject product from various countries. The Commission found a high degree of substitutability between CTL plate produced in the United States and the subject countries. Finally, the Commission noted that global CTL plate consumption had grown since 1999, with China generating much of the growth, but that after a period of tight supply and record prices in 2004, global supply and demand trends appeared to be changing in 2005 as China evolved from a net importer of steel to a net exporter of steel.<sup>179</sup>

*Subject Import Volume.* In the first five-year reviews, the Commission noted that cumulated subject imports had declined significantly following imposition of the orders, but had increased in the most recent period.<sup>180</sup> The Commission noted several factors indicating that subject producers had the ability and incentive to increase exports to the United States to significant levels if the orders were revoked. First, prior to imposition of the orders, subject producers from the cumulated countries demonstrated the ability to increase rapidly exports to the United States. Since the imposition of the orders, subject producers from the cumulated countries maintained a presence in the United States, albeit at greatly reduced volumes, showing that they had distributors or customers in place for their product. Second, the limited data available showed considerable production and capacity increases in the subject countries over the period of review.<sup>181</sup>

Third, the Commission found that subject producers would be likely to shift to the United States some of their exports that had been destined for other export markets, as the United States was an attractive market due to generally higher prices than in other markets. Further, with additional capacity in China expected to come on line and shift the supply/consumption balance in that country, cumulated subject producers that relied on that market (all but Italy), likely would need to shift shipments to some degree to alternative markets in the reasonably foreseeable future.<sup>182</sup> Finally, the Commission noted that exports of subject merchandise from India, Indonesia, Italy, Japan, and Korea were subject to antidumping duties in third-country markets, further increasing the attractiveness of the U.S. market were the orders to be revoked.<sup>183</sup>

*Price Effects.* In the first five-year reviews, the Commission noted that there was a degree of product differentiation in the market, yet common grades remained prevalent.<sup>184</sup> The Commission found a fairly high degree of substitutability between CTL plate produced in the United States and the cumulated subject countries, and that price remained an important factor in purchasing decisions. The Commission noted that subject imports from the cumulated countries undersold the domestic like product in 55 of 70 available quarterly comparisons. Given the likely significant volume of imports, the importance of price in the CTL plate market, the substitutability of subject imports and the domestic like product, the price effects of low-priced imports in the original investigations, the underselling by subject imports during the period of review, and the incentive that existed for subject imports to enter the U.S. market, the Commission found a likelihood of significant negative price effects from the subject import. The Commission concluded that, if the orders were revoked, significant volumes of subject imports from India, Indonesia, Italy, Japan, and Korea likely would significantly undersell the domestic product and gain market share and likely would have significant depressing or suppressing effects on the prices of the domestic like product.

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<sup>179</sup> First Reviews at 26-27.

<sup>180</sup> First Reviews at 27-28.

<sup>181</sup> First Reviews at 28-29.

<sup>182</sup> First Reviews at 30.

<sup>183</sup> First Reviews at 31.

<sup>184</sup> First Reviews at 31.

*Impact.* The Commission found that following imposition of the orders, subject imports declined and the domestic industry gained market share. Domestic producers' production, U.S. shipments, and net sales declined through 2001, then generally recovered in 2002 and 2003, and showed dramatic improvement in 2004.<sup>185</sup> The Commission found that the industry improved its efficiency and productivity through consolidation, restructuring, and reductions in labor costs. Despite these improvements made by the industry itself, the Commission noted that the industry lost money during most of the period and most recently in 2003, when its operating margin was negative 7.0 percent, and apparent U.S. consumption was at its lowest level of the period.<sup>186</sup> The industry thus experienced five years of poor financial performance, 1999 to 2003, followed by one year of profitable performance at the end of the period. The Commission concluded that based on the industry's recent financial performance, it did not find that the industry was currently vulnerable to injury by virtue of being in a weakened state.

The Commission stated that the conditions that enabled the industry to realize profits at the end of the period, however, were not likely to continue into the reasonably foreseeable future.<sup>187</sup> The Commission stated that the industry, which operated with high fixed costs, required prices considerably higher than historical averages in order to cover increased costs and maintain its profitability. The Commission noted that apparent U.S. consumption of plate was forecasted only to grow modestly for the foreseeable future, and the tight supply that had marked the global market, which had contributed to high U.S. prices at the end of the period, was shifting as China became a net exporter rather than a net importer of the subject product.

The Commission found that any growth in U.S. consumption would not be sufficient to absorb the likely significant increase in subject imports if the orders were revoked.<sup>188</sup> It concluded that the volume and price effects of the subject imports would necessarily have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These reductions, in turn, would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, the Commission concluded that, if the orders were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

### **C. Conditions of Competition in the Current Reviews**

*Demand.* The overall demand for CTL plate is affected by changes in overall U.S. economic activity. As an intermediate product, demand for CTL plate is derived from demand in the sectors in which it is used, including construction, railcars, agricultural and industrial machinery, oil and gas (including pipelines), and shipbuilding.<sup>189</sup> The majority of market participants reported that demand for CTL plate has fluctuated since 2005, and has followed the overall trend of the economy with strong demand through mid-2008, a steep decline in 2009, and a slow recovery through 2010. Apparent U.S. consumption of CTL plate increased irregularly from 6.8 million short tons in 2005 to 8.0 million short tons in 2008, and then decreased to 4.4 million short tons in 2009, before increasing to 6.0 million short tons in 2010. Apparent U.S. consumption was 3.0 million short tons in interim 2010 and 3.5 million short

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<sup>185</sup> First Reviews at 33.

<sup>186</sup> First Reviews at 33.

<sup>187</sup> First Reviews at 33-34.

<sup>188</sup> First Reviews at 34.

<sup>189</sup> CR/PR at Table II-4, CR at II-14, PR at II-9.



tons in interim 2011.<sup>190</sup> \*\*\* forecasts that apparent U.S. consumption of CTL plate will increase steadily from \*\*\* short tons in 2011 to \*\*\* short tons in 2015.<sup>191</sup>

*Supply.* The U.S. market continues to be supplied by domestic production as well as by subject and nonsubject imports. The domestic industry is the largest source of supply, reaching a share of 91.8 percent of apparent U.S. consumption in 2009, before declining to 90.7 percent in 2010.<sup>192</sup>

The domestic industry now consists of 10 mills, among which \*\*\* account for the largest share of CTL plate production, and six processors.<sup>193</sup> Since 2005, the U.S. industry experienced growth in production capacity from the restart of idled capacity, changes in ownership and consolidation, as well as new investment, generally in heat-treating facilities. Capacity and production fluctuated throughout the period of review. With the downturn in the U.S. economy, however, several U.S. mills idled facilities, either periodically or for an extended period of time, with operations only beginning to recover in 2010 or 2011.<sup>194</sup>

During the period of review, the U.S. industry's overall capacity increased by 15.2 percent, which reflects the restarts and acquisitions reported by domestic mills and processors. The industry's production, however, declined by 6.9 percent over this same period. All firms reported a decline in production in 2009, and all but two firms reported increases in production in 2010. The largest increases and decreases in production during the period involved the largest producers. \*\*\* were responsible for the majority of production declines in 2009, but also represented the majority of the increase in production in 2010.

Cumulated subject imports declined irregularly over the period, rising to their highest level in 2006 before falling to their lowest level in 2010.<sup>195</sup> Subject import market share followed the same trend, rising to \*\*\* percent in 2006 before falling to a period low of \*\*\* percent of apparent U.S. consumption in 2010.<sup>196</sup> Nonsubject imports increased to \*\*\* percent of apparent U.S. consumption in 2006, declined to \*\*\* percent in 2009, before increasing to \*\*\* percent in 2010.<sup>197</sup> Canada was the leading nonsubject source of CTL plate throughout the period.<sup>198</sup>

*Substitutability.* As in the original investigations and first reviews, the record continues to indicate that domestic manufacturers produce a wide variety of grades and types of CTL plate within the scope of these investigations, and that there is some variation among the grades and types of CTL plate that have been imported from the individual subject countries.<sup>199</sup> Nonetheless, the record indicates that, overall, there is a moderate to high degree of substitutability between CTL plate produced in the United States and the subject countries.<sup>200</sup> All nine responding producers and the majority of importers and

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<sup>190</sup> CR at II-13, PR at II-8.

<sup>191</sup> CR/PR at Table IV-26.

<sup>192</sup> CR/PR at Table C-1. The domestic industry share of apparent U.S. consumption was 90.3 percent in interim 2010 and 90.4 percent in interim 2011. Market shares have been rounded in conformance with Table C-1.

<sup>193</sup> Nine mills, believed to account for approximately 90 percent of U.S. mill production of CTL plate in 2010, and four processors, believed to account for a limited portion of U.S. production of CTL plate, provided the Commission with usable data in these reviews. CR at I-31 n.46, PR at I-26 n.46.

<sup>194</sup> CR/PR at Tables III-1 & III-2, CR/PR at III-1.

<sup>195</sup> CR/PR at Table I-11.

<sup>196</sup> CR/PR at Table I-11. The market share held by subject imports was \*\*\* percent in interim 2010 and \*\*\* percent in interim 2011.

<sup>197</sup> CR/PR at C-1. The market share held by nonsubject imports was \*\*\* percent in interim 2010 and \*\*\* percent in interim 2011.

<sup>198</sup> CR/PR at Table IV-2.

<sup>199</sup> See, CR at II-22, PR at II-14.

<sup>200</sup> CR at II-22, PR at II-14 (identifying "moderate to high degree" of substitution).

purchasers reported that domestic and imported product from subject countries are “always” or “frequently” interchangeable.<sup>201</sup>

According to U.S. purchasers, price continues to be a very important factor in purchasing decisions in the U.S. CTL plate market.<sup>202</sup> They also indicated that quality, availability, and reliability of supply are very important factors in their purchasing decisions.<sup>203</sup>

*Other Likely Conditions of Competition.* Global production of reversing mill plate grew by approximately \*\*\* short tons from 2007 to 2010, despite a sharp decline in 2009.<sup>204</sup> Most of the increase occurred in China. Global production is forecasted to grow by approximately \*\*\* short tons from 2011 to 2015, driven by growth in China.<sup>205</sup>

Global consumption of reversing mill plate generally increased from 2007 to 2010 by approximately \*\*\* short tons, despite a sharp overall decline in 2009.<sup>206</sup> Most of the increase occurred in East and Southeast Asia, primarily in China. Global consumption is forecasted to increase by approximately \*\*\* short tons from 2011 to 2015, with growth in all regions and the greatest increase in China.<sup>207</sup>

The demand for shipbuilding is an important indicator of demand for CTL plate, particularly in Asia. Shipbuilding is the primary end use for CTL plate produced in Japan and Korea. Most shipbuilding occurs in Japan, Korea, and China, which represented a combined 92 percent of world shipbuilding deliveries in 2010.<sup>208</sup> Over the period examined there has been a large increase in new ship construction, with global orders for new shipbuilding more than doubling between 2005 and 2008.<sup>209</sup> New orders for shipbuilding began to fall starting in 2009, but remained above their 2005 levels.

CTL plate is most commonly sold on a spot basis. The reported share of 2010 U.S. commercial shipments sold on a spot basis was 69.6 percent for U.S. producers and 98.9 percent for importers.<sup>210</sup>

The principal raw material inputs used to produce CTL plate are iron ore, coal, and steel scrap. Raw material costs accounted for, on average, 61.3 percent of the total cost of goods sold during the period examined.<sup>211</sup> From 2005 to June 2011, coal prices increased by 83 percent, iron ore prices increased by 42 percent, and iron and steel scrap prices increased by 107 percent.<sup>212</sup>

We find that these conditions in the CTL plate market provide us with a reasonable basis on which to assess the effects of revocation of the orders.

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<sup>201</sup> CR/PR at Table II-11.

<sup>202</sup> See, e.g., CR/PR at Tables II-7 & II-8.

<sup>203</sup> CR/PR at Table II-8.

<sup>204</sup> CR/PR at Table IV-23.

<sup>205</sup> CR/PR at Table IV-24.

<sup>206</sup> CR/PR at Table IV-25.

<sup>207</sup> CR/PR at Table IV-26.

<sup>208</sup> CR at IV-37, PR at IV-23.

<sup>209</sup> CR/PR at Figure IV-1.

<sup>210</sup> CR/PR at Table V-1.

<sup>211</sup> CR/PR at V-1.

<sup>212</sup> CR/PR at V-1. Due to the increasing prices of raw materials, some producers implemented a raw material surcharge. CR at V-3, PR at V-3.

## D. India, Indonesia, and Korea

### 1. Likely Volume of Subject Imports

During these reviews, cumulated subject imports rose from \*\*\* short tons in 2005 to \*\*\* short tons in 2006, fell to \*\*\* short tons in 2007, \*\*\* short tons in 2008, \*\*\* short tons in 2009 and finally to \*\*\* short tons in 2010.<sup>213</sup> Their share of apparent U.S. consumption followed a similar trend, rising from \*\*\* percent in 2005 to \*\*\* percent in 2006, then falling to \*\*\* percent in 2007, \*\*\* percent in 2008, \*\*\* percent in 2009 and to \*\*\* percent in 2010.<sup>214</sup> During this time, total apparent U.S. consumption fluctuated, and was lowest in 2009 before increasing somewhat in 2010, but not to the level present at the beginning of the period of review.<sup>215</sup>

During the original investigations, subject imports from India, Indonesia, and Korea increased by \*\*\* short tons and gained \*\*\* percentage points of market share overall, a significant portion of which, in 1998, was at the expense of the domestic industry. Thus, producers in the subject countries have demonstrated their ability to increase exports to the United States rapidly without the restraining effects of the orders. Moreover, since imposition of the orders, producers from each country have continued to ship subject merchandise to the United States.<sup>216</sup> The ongoing presence of subject imports in the U.S. market, although dramatically reduced due to the restraining effect of the orders, demonstrates the continued importance of the U.S. market to subject producers in the face of expanding global production, and further shows that subject imports already have distributors or customers in place for their product.

In addition, the information available on the record<sup>217</sup> shows that cumulated subject capacity has increased significantly over the period of review, from \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>218</sup> Production in the cumulated countries also appears to have grown, but has not kept up with capacity increases. From 2007 to 2010, production in the cumulated countries grew from \*\*\* short tons to \*\*\* short tons.<sup>219</sup> Accordingly, in 2010, the cumulated countries appear to have available approximately \*\*\*

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<sup>213</sup> CR/PR at Table I-1. Cumulated subject import volume was \*\*\* short tons in interim 2010 and \*\*\* short tons in interim 2011.

<sup>214</sup> CR/PR at Table I-1. The share of apparent U.S. consumption held by cumulated subject imports was \*\*\* percent in interim 2010 and \*\*\* percent in interim 2011.

<sup>215</sup> Total apparent U.S. consumption was 6,845,135 short tons in 2005, climbing to 8,378,675 short tons in 2006, to 7,963,203 short tons in 2007, then rising slightly to 7,988,590 short tons in 2008, then falling abruptly to 4,367,759 short tons in 2009, before climbing to 5,929,950 short tons in 2010. CR/PR at Table I-1.

<sup>216</sup> First Reviews at 28. We note that there were no subject imports from Indonesia at the end of the period of review. See CR/PR at Table I-1. However, U.S. imports from Indonesia dropped to zero for three of the first five years for which data were collected after the orders were imposed, then resumed and continued for another five years. Once they resumed, they increased from \*\*\* short tons in 2004 to \*\*\* short tons in 2005. CR/PR at Table I-1. Although the sole Indonesian producer that responded to the Commission's questionnaire stated in its incomplete response that it did not intend to export CTL plate to the United States, it is only one of at least four subject Indonesian producers. CR at IV-14, PR at IV-12. There is no indication in the record that subject Indonesian CTL plate will not be imported into the United States in the reasonably foreseeable future.

<sup>217</sup> We note that the capacity, production, excess capacity, and export data for Korea are limited to the sole responding Korean producer of CTL plate, Dongkuk, which was believed to account for \*\*\* percent of reversing mill plate capacity in Korea in 2010. The remaining Korean capacity is attributed by \*\*\* to Hyundai \*\*\* percent, KISCO \*\*\* percent, and POSCO \*\*\* percent. CR/PR at Table IV-20. POSCO is not subject to the orders at issue.

<sup>218</sup> See CR/PR at Tables IV-7, IV-10, IV-21. Subject Korean CTL plate capacity was reported to be \*\*\* short tons in 2010. CR/PR at Table IV-20.

<sup>219</sup> Calculated using CR/PR at Tables IV-7, IV-10, IV-21 & Table C-1.



short tons of excess capacity, which would be equivalent to nearly \*\*\* percent of U.S. apparent consumption in 2010.<sup>220</sup>

Moreover, based on available information, each of the subject countries is planning on bringing millions of tons of new capacity on line in the reasonably foreseeable future. For example, available information for India indicates that Essar Steel stated in July 2011 that it was starting up India's first five-meter wide plate mill with a capacity of 1.5 million tpy.<sup>221</sup> In Indonesia, available information indicates that PT Krakatau has begun a joint venture with POSCO to build a CTL plate plant in Indonesia with a scheduled capacity of 1.5 million tons, that will come on line by the end of 2013.<sup>222</sup> Finally, in Korea, Hyundai started up a new mill in 2010 with a total annual capacity of 1.7 million short tons and is in the process of building a second mill, that will produce an additional 1.5 million short tons per year by 2013.<sup>223</sup> We do not find that any increases in demand in these countries' home or regional export markets will be able to absorb such large increases in capacity, and therefore we find that subject producers in each subject country will have a strong incentive to seek out other markets to export their excess capacity of CTL plate.

During the first reviews, the Commission found that subject producers would be likely to shift to the United States some of their exports that were destined for other export markets. Subject producers from India, Indonesia, and Korea were at least moderately export-oriented in the original investigations and the first reviews,<sup>224</sup> and we make the same finding in these present reviews. Exports from each of the cumulated subject countries increased during the period, and cumulated exports increased from \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>225</sup>

Exports from these countries continue to enter the United States even with the orders in place. Upon revocation of the orders, it is likely that the subject producers will shift even more of their exports to the U.S. market. Throughout the period of review, CTL plate prices in the United States have been consistently higher than prices in Korea or the Far East import price.<sup>226</sup>

In the first reviews, the Commission found that the potential for product shifting existed for the subject countries, particularly for India and Indonesia, as producers in those countries could easily shift from producing nonsubject hot-rolled sheet, strip or coiled product on the same equipment used to produce CTL plate. The incentive to do so was present for producers in all of these countries as plate prices had moved above hot-rolled prices since early 2005.<sup>227</sup> In the current reviews, there is no evidence in the record that the potential for product shifting does not still exist in the subject countries. Moreover, plate prices remain above hot-rolled prices.<sup>228</sup>

In addition, as noted above, exports from India, Indonesia, and Korea all are subject to antidumping duties in third-country markets and/or a 12 percent general tariff in Brazil covering the subject product.<sup>229</sup>

In view of the demonstrated ability of the CTL plate industries in each of the cumulated subject countries to increase imports into the U.S. market rapidly, their continued, albeit more limited, presence in the market during the period of review, their substantial production capacity and production, their

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<sup>220</sup> Calculated using CR/PR at Tables IV-7, IV-10, IV-21 & Table C-1.

<sup>221</sup> ArcelorMittal's Prehearing Brief at 8.

<sup>222</sup> ArcelorMittal's Prehearing Brief at 12-13.

<sup>223</sup> ArcelorMittal's Prehearing Brief at 27.

<sup>224</sup> First Reviews at 29.

<sup>225</sup> See CR/PR at Tables IV-7, IV-10, IV-21.

<sup>226</sup> CR/PR at Table IV-8.

<sup>227</sup> First Reviews at 30-31.

<sup>228</sup> See, e.g., "Plate Imports Lose Steam, Domestic Tags Soften," American Metals Market, Oct. 13, 2011.

<sup>229</sup> CR at IV-13, IV-16, IV-29, PR at IV-11, IV-13, IV-21-22.

planned additions of significant CTL plate production capacity, their reliance on export markets (despite barriers), and their incentives to increase imports into the United States in the absence of the orders, we find that the likely volume of subject imports from India, Indonesia, and Korea, both in absolute terms and relative to production and consumption in the United States, would be significant.

## 2. Likely Price Effects of Subject Imports

The record in these reviews indicates that there continues to be a degree of product differentiation in the market, although common grades predominate.<sup>230</sup> As noted above, there is a moderate to high degree of substitutability between CTL plate produced in the United States and the cumulated subject countries; price remains an important factor in purchasing decisions.<sup>231</sup>

For these reviews, the Commission collected pricing data on six CTL plate products. By quantity, pricing data by responding firms accounted for approximately 12.5 percent of U.S. producers' commercial shipments during the period of review, and \*\*\* percent of reported U.S. commercial shipments of imports from Korea.<sup>232</sup>

The prices of all U.S.-produced CTL plate products fluctuated during the period of review, but increased substantially from their 2005 levels. Overall, prices of all U.S.-produced CTL plate fell by 40 to 57 percent between the third quarter of 2008 and the third quarter of 2009. Beginning in 2010, prices of all U.S.-produced CTL plate generally increased through the second quarter of 2011.<sup>233</sup> At least some of these increases are due to increased raw material costs, as these costs accounted for, on average, 61.3 percent of the total cost of goods sold during the period for which data were collected.

The pricing data collected by the Commission are somewhat limited, however, as pricing comparisons between countries are only possible for pricing products 1 through 3. Prices of the subject imports undersold the domestic product in 36 of 61 product comparisons, with margins of underselling ranging from \*\*\* percent to \*\*\* percent.<sup>234</sup>

Given the likely significant volume of imports from India, Indonesia, and Korea, the importance of price in the CTL plate market, the substitutability of subject imports and the domestic like product, the price effects of low-priced subject imports in the original investigations, the underselling by subject imports during the original investigations, the first reviews, and continuing in these reviews, and the incentive that exists for subject imports to enter the U.S. market in significantly increased quantities, we find a likelihood of significant negative price effects from the subject imports upon revocation of the orders. We conclude that, if the orders were revoked, significant volumes of cumulated subject imports likely would significantly undersell the domestic product and gain market share, and likely would have significant depressing or suppressing effects on the prices of the domestic like product.

## 3. Likely Impact of Subject Imports

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 investigations, by reducing the number of domestic producers, thus making the industry far more productive and

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<sup>230</sup> See, e.g., CR at II-23 - II-24 & nn.17-18, PR at II-16 & nn.17-18.

<sup>231</sup> CR/PR at Table II-7.

<sup>232</sup> There were no price data reported for imports from India and Indonesia.

<sup>233</sup> CR at V-7, PR at V-6; CR/PR at Tables V-2-V-7.

<sup>234</sup> CR/PR at Table V-10.

profitable than in the past.<sup>235</sup> As further discussed below, the domestic industry's current condition owes much to the lingering effects of the 2008-2009 economic downturn, 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 declines in capacity utilization. Domestic capacity increased irregularly from 8.4 million short tons in 2005, to 9.6 million short tons in 2010, a 15.2 percent increase over the period of review.<sup>236</sup> Domestic industry production increased from 6.5 million short tons in 2005 to 7.7 million short tons in 2008, a period high, but then declined to 4.6 million short tons in 2009, during the economic downturn.<sup>237</sup> With the economic recovery in 2010, production increased to 6.1 million short tons, 6.9 percent lower than 2005 levels.<sup>238</sup> The domestic industry's rate of capacity utilization declined over the period from 78.1 percent in 2005 to 63.1 percent in 2010 due to the domestic industry's overall capacity increase and production decline over the period.<sup>239</sup>

Domestic industry employment and hours worked fluctuated during the period, while compensation and productivity increased. Domestic industry employment increased from 3,647 production and related workers ("PRWs") in 2005 to 3,958 PRWs in 2008, declined to 3,110 PRWs in 2009, and increased in 2010 to 3,339 PRWs, a level 8.4 percent lower than in 2005.<sup>240</sup> Domestic industry hours worked increased from 7,451 hours in 2005 to 8,020 hours in 2008, declined to 5,654 hours in 2009, and increased in 2010 to 6,466 hours, a level 13.2 percent lower than in 2005.<sup>241</sup> Domestic industry wages paid increased from \$218.5 million in 2005 to \$290.0 million in 2008, declined to \$191.6 million in 2009 and increased in 2010 to \$217.7 million.<sup>242</sup>

The fact that wages paid started and ended the period of review at similar levels, even as employment and hours worked declined, resulted in a 14.8 percent increase in hourly wages during the period.<sup>243</sup> Additionally, unit labor costs decreased by 6.2 percent, while domestic industry productivity increased by 8.1 percent over the period, from 792.9 short tons per 1,000 hours in 2005 to 857.2 short tons per 1,000 hours in 2010.<sup>244</sup>

The domestic industry's net sales quantity tracked production, increasing from 6.2 million short tons in 2005 to 7.4 million short tons in 2008 (a period high), declining to 4.4 million short tons in 2009,

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<sup>235</sup> Several of the U.S. plate producers today are related to foreign producers of plate through ownership by large multinational steel organizations. ArcelorMittal, Gerdau, Evraz, and SSAB all have U.S. operations and in 2010 accounted for the majority of plate production in the United States. CR/PR at Table I-8. These multinational companies have made substantial capital investments to acquire or upgrade their U.S. facilities. CR/PR at Table III-1.

<sup>236</sup> CR/PR at Table C-1. The domestic industry's production capacity was 4.8 million short tons in interim 2010 and 4.9 million short tons in interim 2011.

<sup>237</sup> CR/PR at Table C-1.

<sup>238</sup> Id. The domestic industry's production was 3.0 million short tons in interim 2010 and 3.6 million shot tons in interim 2011.

<sup>239</sup> Id. The domestic industry's capacity utilization was 63.8 percent in interim 2010 and 74.1 percent in interim 2011.

<sup>240</sup> CR/PR at Table C-1. PRWs were 3,300 in interim 2010 and 3,875 in interim 2011.

<sup>241</sup> Id. Hours worked were 3,374 in interim 2010 and 4,351 in interim 2011.

<sup>242</sup> Id. Wages paid were \$103.4 million in interim 2010 and \$135.1 million in interim 2011.

<sup>243</sup> Id.

<sup>244</sup> Id. The domestic industry's productivity was 825.4 short tons per 1,000 hours in interim 2010 and 757.5 short tons per 1,000 hours in interim 2011.

before increasing to 5.8 million short tons in 2010 when the economy recovered.<sup>245</sup> The 2010 quantities were 5.4 percent below those of 2005.<sup>246</sup> Similarly, the domestic industry's U.S. shipments increased irregularly from 6.0 million short tons in 2005 to 7.1 million short tons in 2008, declined to 4.0 million short tons in 2009, and then increased to 5.4 million short tons in 2010.<sup>247</sup> The domestic industry's share of apparent U.S. consumption fluctuated within a fairly narrow band during the period of review, declining from 88.4 percent in 2005 to 84.0 percent in 2006, increasing steadily over the next three years to 91.8 percent in 2009, and then finally declining to 90.4 percent in 2010, a level 2.3 percentage points higher than in 2005.<sup>248</sup>

The domestic industry's robust financial performance over the 2005-2008 period, when U.S. CTL plate demand was strong, reflects the fundamental health of the industry's operations. Over that period, the domestic industry's net sales value increased from \$4.5 billion in 2005 to \$7.3 billion in 2008, its operating income increased from \$1.0 billion in 2005 to \$1.5 billion in 2008 and its operating income as a share of net sales was 23.2 percent in 2005, 25.6 percent in 2006, 20.8 percent in 2007, and 20.4 percent in 2008.<sup>249</sup>

Although the domestic industry's financial performance worsened considerably due to the economic downturn in 2009, the domestic industry's performance rebounded strongly with the nascent economic recovery in 2010 and the first half of 2011.<sup>250</sup> The domestic industry's net sales value declined to \$2.9 billion in 2009, before increasing 45.3 percent to \$4.3 billion in 2010.<sup>251</sup> The domestic industry's operating income declined from \$1.5 billion in 2008, to a loss of \$174.6 million in 2009, before increasing to \$65.5 million in 2010; the industry posted an operating loss of \$4.3 million in interim 2010 and profits of \$319.3 million in interim 2011.<sup>252</sup> Operating income as a share of net sales fell to negative 6.0 percent in 2009, before increasing to 1.5 percent in 2010; it was negative 0.2 percent in interim 2010

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<sup>245</sup> Id. The domestic industry's net sales were 2.9 million short tons in interim 2010 and 3.4 million short tons in interim 2011.

<sup>246</sup> Id. The domestic industry's U.S. shipments were 2.7 million short tons in interim 2010 and 3.2 million short tons in interim 2011.

<sup>247</sup> Id.

<sup>248</sup> Id. The domestic industry's share of apparent U.S. consumption was 90.3 percent in interim 2010 and 90.4 percent in interim 2011.

<sup>249</sup> Id.

<sup>250</sup> Domestic interested parties have argued that a third quarter 2011 surge in imports and the continuing weakness in the overall economy have led to immediate and significant decreases in order books, thus highlighting the industry's vulnerability. See e.g., Nucor's Final Comments at 3. At the outset, we note that we place greater weight on the much more complete data that the Commission has obtained that correspond with the period of review. The domestic producers are relying on one quarter, and sometimes one month, of post-period of review data, to attempt to demonstrate a rapid deterioration in the U.S. plate market. In doing so, they would essentially have us ignore the information on the record for the period of review showing strong industry performance from 2005 to 2008 and a recovery in 2010 and the first half of 2011 from the 2009 economic recession.

Moreover, the data provided by each of the major U.S. CTL plate producers do not support domestic interested parties' claims of rapid deterioration in the CTL plate market in the third quarter of 2011. In fact, the data provided show that these U.S. producers' net sales quantities in the July to September 2011 period increased by \*\*\* percent as compared to July to September 2010, while net sales values increased by \*\*\* percent when those periods are compared. CR at III-22, PR at III-11. Their operating margins were also \*\*\* percent in July to September 2011 compared with \*\*\* percent in July to September 2010. Id. Finally, in light of our data for six full years, two half-year interim periods, and certain actual data for third-quarter 2011, we decline to speculate on whether the industry may exhibit declines in fourth-quarter 2011.

<sup>251</sup> CR/PR at Table III-9.

<sup>252</sup> CR/PR at Table C-1.

and a positive 10.5 percent in interim 2011.<sup>253</sup> Capital expenditures rose irregularly from \$82.1 million in 2005 to a period high of \$177.3 million in 2010; they were \$84.2 million in interim 2010 and \$95.4 million in interim 2011.<sup>254</sup> R&D expenses also rose irregularly from \$\*\*\* in 2005 to a period high of \$\*\*\* in 2010; they were \$\*\*\* in interim 2010 and \$\*\*\* in interim 2011.<sup>255</sup>

Currently, apparent U.S. consumption has recovered from its low level of 2009, but remains below the level that prevailed during the 2005-2008 period.<sup>256</sup> Most reporting firms, as well as \*\*\*, expect U.S. demand to grow from 2011 to 2013 in the CTL plate market,<sup>257</sup> 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.<sup>258</sup> Prices of the domestic like product fluctuated during the period of review but have increased substantially from their 2005 levels,<sup>259</sup> and the domestic industry's use of surcharges should ensure that most of any increases in raw material and energy costs are passed through to purchasers.<sup>260</sup>

Thus, as indicated above, the domestic industry is not currently in a vulnerable condition. The performance of the domestic industry during the period of review largely reflected demand conditions, with the domestic industry showing very good financial performance in 2005 through 2008, when demand was generally strong,<sup>261</sup> and poor financial performance in 2009, when demand plummeted due to a severe economic downturn. The industry achieved modest profits in 2010, and increased its profitability in interim 2011, when demand recovered to some extent but was still below the levels reached before the downturn.

Nevertheless, the industry is not in such a strong condition, nor are likely demand conditions sufficiently favorable, that the industry could withstand significantly increased low-priced subject imports from India, Indonesia, and Korea without likely sustaining significant adverse effects. We have found that the volume of cumulated subject imports would likely increase significantly should the orders be revoked. We have further found that these additional volumes of cumulated subject imports would be priced in a manner that would likely undersell the domestic like product and have significant depressing or suppressing effects on prices for the domestic like product. Consequently, to compete with the likely additional volumes of cumulated subject imports from India, Indonesia, and Korea, the domestic industry would likely lose sales unless it cuts prices or restrains price increases. Any lost sales or lost revenues due to the subject imports would lead to likely declines in output, market share, productivity, employment, wages, growth, and financial performance.

In evaluating the likely impact of subject imports, we have considered the role of nonsubject imports in the U.S. market. The share held by nonsubject imports in the U.S. market declined irregularly

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<sup>253</sup> CR/PR at Table C-1.

<sup>254</sup> CR/PR at Table III-15. \*\*\* accounted for the majority of reported capital expenditures during most of the period of review, \*\*\*, and \*\*\*. CR at III-25 n.21, PR at III-13 n.21.

<sup>255</sup> CR/PR at Table III-15. The U.S. industry's return on investment increased irregularly from \*\*\* percent in 2005 to \*\*\* percent in 2008, declined sharply to \*\*\* percent in 2009, before increasing to \*\*\* percent in 2010. CR/PR at Table III-16.

<sup>256</sup> CR/PR at Table I-11.

<sup>257</sup> CR/PR at Table IV-26; CR at II-20-21, PR at II-14.

<sup>258</sup> CR/PR at Tables I-11, III-8; CR at II-15-II-16, PR at II-9-II-10.

<sup>259</sup> CR/PR at Tables V-2-V-7.

<sup>260</sup> CR/PR at V-3.

<sup>261</sup> We do not find that the maintenance of the orders over the current period of review is responsible significantly for the industry's improved performance from 2005 to 2008. We instead find that the improved performance the domestic industry achieved during this period is a function of strong demand conditions unrelated to the orders under review and the continued effects of the industry restructuring, most of the key elements of which occurred prior to the current review period.



during the period of review from \*\*\* percent in 2005 to \*\*\* percent in 2010, and was \*\*\* percent in interim 2010 and \*\*\* percent in interim 2011.<sup>262</sup> No party has argued that nonsubject imports are likely to increase significantly 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 determinations on Italy and Japan, are imports of what will be nonsubject imports from Italy and Japan likely to increase significantly upon revocation or weaken the causal nexus between cumulated subject imports and the likely continuation or recurrence of material injury.

In sum, we find that revocation of the orders on subject imports from India, Indonesia, and Korea 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 India, Indonesia, and Korea would likely lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.<sup>263</sup>

## **E. Italy**

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

Italy has never been a significant source of CTL plate imports to the U.S. market. It held the smallest share of the U.S. market of any subject country in 1998, the last full year of the original investigation – 0.8 percent.<sup>264</sup> In fact, the volume of subject imports from Italy was already declining in the last year of the original investigation, prior to the imposition of the orders.

The volume of subject imports from Italy was low during the first review period, ranging from 278 short tons in 2002 to 29,130 short tons in 2004; its share of the U.S. market peaked in 2004 at 0.4 percent.<sup>265</sup> Over this review period, subject imports from Italy remained low, decreasing irregularly from 9,215 short tons in 2005 to only 718 short tons in 2010; they were 429 short tons in interim 2010 and 428 short tons in interim 2011. During the current review period, subject imports from Italy never accounted for more than 0.1 percent of apparent U.S. consumption or 1.4 percent of total imports.<sup>266</sup>

The record establishes that Italian producers apply a local supply strategy, focusing on their home, European and regional markets. This focus on local and regional markets is consistent with the need to cut transportation costs and meet customer demands for shorter lead times. Global Trade Atlas data reflect that only 2.21 percent of Italian CTL plate shipments to customers outside Italy were to markets outside the European Union, the European Free Trade Association (“EFTA”) countries, and nearby geographic markets that include countries in the Middle East and North Africa.<sup>267</sup> The top ten markets for exports from Italy are all either in Europe or the Middle East.<sup>268</sup>

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<sup>262</sup> CR/PR at Table C-1.

<sup>263</sup> As mentioned above, Vice Chairman Williamson cumulated subject imports from Italy together with subject imports from India, Indonesia, and Korea. He joins the above discussion of India, Indonesia, and Korea, and finds that the addition of subject imports from Italy would increase the likely volume, price effects, and negative impact of the cumulated group of imports. He does not join the next section on Italy.

<sup>264</sup> CR/PR at Table I-1.

<sup>265</sup> CR/PR at Table I-1.

<sup>266</sup> CR/PR at Table IV-1.

<sup>267</sup> Palini’s Prehearing Brief, Exhibit 3.

<sup>268</sup> The top ten markets for exports from Italy over the review period were as follows: Germany, France, Turkey, Austria, Spain, Slovenia, Poland, Switzerland, Hungary, and Egypt. CR/PR at Table IV-14.



The two major Italian exporters in the original investigations, Palini and ILVA, which accounted for \*\*\* of Italian capacity in 2010, are not likely to export significant amounts of CTL plate to the United States in the reasonably foreseeable future.<sup>269</sup> Palini was by far the larger exporter in the original investigations.<sup>270</sup> In 1998, at a time when subject merchandise from Italy held a 0.8 percent share of the U.S. market, Palini accounted for a \*\*\* percent share of that market.<sup>271</sup> Since the original investigations, Palini has gone through some ownership changes, and during the current period of review it became a member of the Evraz group of companies (“Evraz Group”).<sup>272</sup> The Evraz Group owns CTL plate mills in a number of countries throughout the world, and it applies a local supply strategy. \*\*\*.<sup>273</sup> Palini applies this Evraz Group strategy in Europe. In 2010, \*\*\* percent of Palini’s shipments were to Italy, its home market. Moreover, \*\*\* percent of its shipments were to other member states of the European Union, and thus \*\*\* percent of its shipments were confined to Europe. In contrast, Palini \*\*\*.<sup>274</sup> Two other Evraz companies – U.S. producers Evraz Claymont and Evraz Oregon – are available to supply the U.S. market. The \*\*\* stated that new sales in the United States will be negotiated and executed through the Evraz Inc. North America main office, and that since August 2011 the Evraz U.S. companies \*\*\*.<sup>275</sup> Given that there is a \*\*\* in the types of CTL plate produced in Evraz’s U.S. and Italian facilities, it is not likely that Evraz will ship plate to the United States in the foreseeable future.<sup>276</sup> Therefore, Palini, the largest exporter in the original investigations, will likely not export significant volumes of CTL plate to the United States in the reasonably foreseeable future.

ILVA, the other Italian respondent in the original investigations is currently the largest producer of CTL plate in Italy. It accounted for \*\*\* percent of Italian CTL plate capacity in 2010.<sup>277</sup> In 1998, during the original investigations, its exports of CTL plate from Italy accounted for only a \*\*\* percent share of the U.S. market.<sup>278</sup> Moreover, its exports to the United States decreased over the period examined. In 1998, its exports were \*\*\* as large as they were in 1996.<sup>279</sup> ILVA’s decrease in exports to the United States occurred prior to the petitions being filed in 1999 or the orders being imposed in 2000.<sup>280</sup> Its lack of interest in the U.S. market has continued, insofar as it has not exported material volumes of subject merchandise to the United States over the review period.<sup>281</sup>

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<sup>269</sup> CR/PR at Table IV-12.

<sup>270</sup> OINV Memorandum INV-CC-180 dated October 21, 2005, Report in Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Review) (“First Review Report”) at IV-29.

<sup>271</sup> OINV Memorandum INV-X-004 dated January 4, 2000, Report in Inv. Nos. 701-TA-387-391 and 731-TA-816-821 (Final) (“Original Report”) at E-4.

<sup>272</sup> First Review Report at IV-29; Palini’s Prehearing Brief at 4.

<sup>273</sup> Palini’s Posthearing Brief, Exhibit 2.

<sup>274</sup> CR/PR at Table IV-15.

<sup>275</sup> Palini’s Posthearing Brief, Exhibit 2.

<sup>276</sup> Palini’s Prehearing Brief at 5.

<sup>277</sup> CR/PR at Table IV-12.

<sup>278</sup> Original Report at E-4.

<sup>279</sup> Original Report at E-4; First Review Report at IV-29.

<sup>280</sup> CR at I-3-4; PR at I-2.

<sup>281</sup> We note that ILVA is not subject to the antidumping duty order and is subject to only a 2.45 percent ad valorem countervailing duty margin. Palini’s Prehearing Brief at 9, citing to Certain Cut-To-Length Plate from Italy: Notice of Amended Final Determination Pursuant to Final Court Decision and Partial Revocation of Order, 70 Fed. Reg. 51,013 (August 29, 2005).

In public statements, ILVA has ascribed the success of its Taranto steel plant *inter alia*, to its ability to supply the following markets: national market (mainly), Mediterranean market, European market, and global market.<sup>282</sup>

Moreover, public statements by other Italian producers also reflect that they follow a local supply strategy. Metinvest Holding owns two Italian producers – Ferriera Valsider and Trameal; together, they accounted for \*\*\* percent of Italian production in 2010.<sup>283</sup> On Metinvest’s website, it states that it is “well-positioned to capitalize on growth in the domestic and regional markets and will further strengthen our positions in these markets.”<sup>284</sup> Metinvest has not exported subject merchandise from Italy to the United States.<sup>285</sup>

Verona accounted for \*\*\* percent of Italian capacity in 2010.<sup>286</sup> It has “an ambitious growth strategy in Europe,” and it has invested more than 530 million euros in its European steel facilities, “clearly demonstrating its faith in the industrial facilities and long term strategic plans of the European businesses.” Its service centers are in Europe.<sup>287</sup> Finally, Italian producer Marcegaglia accounted for \*\*\* percent of Italian capacity in 2010.<sup>288</sup> It stated that 83 percent of its business or “turnover” of all of its products, including plate, takes place in Italy or Europe.<sup>289</sup> While these statements are not specific to CTL plate, they reflect these companies’ focus on European markets which is further supported by the export data on the record.

Demand in Italy’s preferred markets is large enough to absorb its supply of CTL plate. Based on \*\*\* data on reversing mill plate, production in Italy is forecast to remain flat, increasing by only \*\*\* short tons from 2011 to 2013, while consumption is forecast to increase by \*\*\* short tons.<sup>290</sup> Production in Europe is forecast to increase by \*\*\* short tons from 2011 to 2013, while consumption is forecast to increase by \*\*\* short tons.<sup>291</sup> Eurofer anticipates that steel consumption in Europe will increase by two percent in 2012, and that industrial activity in the construction sector – the European Union’s largest steel

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<sup>282</sup> Palini’s Prehearing Brief, Exhibit 4. The domestic industry quotes ILVA as stating the following: “In Europe, demand for coils is low, but the company is also trying to sell outside Europe, taking advantage of the current weakness of the euro against the dollar.” ArcelorMittal’s Posthearing Brief, Exhibit 12, Steel Business Briefing. That statement relates specifically to coiled plate, which is not subject merchandise.

<sup>283</sup> CR/PR at Table IV-12.

<sup>284</sup> Palini’s Prehearing Brief, Exhibit 4.

<sup>285</sup> CR at IV-18 n.21; PR at IV-14 n.21.

<sup>286</sup> CR/PR at Table IV-12.

<sup>287</sup> Palini’s Prehearing Brief, Exhibit 4.

<sup>288</sup> CR/PR at Table IV-12.

<sup>289</sup> Palini’s Posthearing Brief, Exhibit 13 at 13. Record evidence also indicates that Trasteel has a new mill that began production in May 2011; the company intends to sell 40 percent of the new mill’s 2011 production domestically, and it is considering exports to the European Union, the Middle East, and North Africa, all of which is consistent with a local supply strategy. \*\*\*. Palini’s Posthearing Brief, Response to Commissioner Questions, CBI Attachment A. The domestic industry asserts that the new mill will have substantial additional capacity by the end of 2012. Nucor’s Prehearing Brief at 56. The CEO of Trameal reported, however, that this second stage of capacity expansion would occur only “if the market allows.” ArcelorMittal’s Prehearing Brief, Exhibit 12, Metal Bulletin, July 12, 2010. We find that these expansion plans are too indefinite at this point to affect our analysis. In any event, we would expect additional capacity would be directed to Trameal’s regional markets following the local supply strategy outlined for the original plant facilities.

<sup>290</sup> CR/PR at Tables IV-24 and IV-26.

<sup>291</sup> CR/PR at Tables IV-24 and IV-26.

consuming sector – is forecast to rise 2.8 percent in 2012.<sup>292</sup> \*\*\*.<sup>293</sup> Moreover, \*\*\* data reflect some modest increases in consumption in the Middle East and in Africa during 2011.<sup>294</sup>

European transaction prices were higher than U.S. prices in the second half of 2010, although they fell relative to U.S. prices in 2011.<sup>295</sup> The limited volume of subject merchandise from Italy that has entered the U.S. market in the review period has been at much higher average unit values than the domestic like product.<sup>296</sup> Given the strong local supply strategies of the Italian producers, the likely low volumes of subject merchandise from Italy, the essential parity of U.S. prices to European prices, and the high unit values of the recent imports, we do not anticipate that any differential between U.S. prices and European prices will attract subject merchandise from Italy to the U.S. market in significant volumes.

The Italian industry's heavy focus on the EU market which has been and likely will continue to be an area of further growth, the fact that Italian imports to the United States were declining in the last year of the original period examined and their relative lack of interest in the U.S. market since then, and the absence of a consistent U.S. price advantage all support our conclusion that any likely increase in subject imports from Italy upon revocation would be relatively small in the context of the U.S. market. Consequently, we conclude that likely subject import volume would not be significant upon revocation.<sup>297</sup>

## 2. Likely Price Effects of Subject Imports

We incorporate by reference our discussion in section V.C.2. above concerning the importance of price in purchasing decisions. Purchasers did not perceive substantial quality distinctions between the domestic like product and subject imports from Italy. A majority of purchasers reported that the domestic like product and subject imports from Italy were comparable with regard to whether overall quality meets industry standards.<sup>298</sup>

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<sup>292</sup> Palini's Posthearing Brief, Exhibit 1, Attachment A at 8-9, 15.

<sup>293</sup> CR at IV-41 n.40; PR at IV-26 n.40.

<sup>294</sup> Nucor's Prehearing Brief, Exhibit 6A. Domestic producers argue that the recent financial crisis in Europe will significantly reduce regional demand for CTL plate and force Italian producers to seek out new market opportunities. See, e.g., SSAB's Posthearing Brief at 14; Nucor's Posthearing Brief, Exhibit 1, p.30. We note that this argument is entirely speculative based on the current record which, as noted above, forecasts increased demand in Europe for reversing mill plate in the reasonably foreseeable future. CR/PR at Table IV-26; Palini's Posthearing Brief, Exhibit 1, Attachment A at 8.

<sup>295</sup> CR/PR at Table IV-28.

<sup>296</sup> CR/PR at Table C-1.

<sup>297</sup> In our examination of likely subject import volume, we have also examined several other considerations.

We examined inventories of the subject merchandise. Although the inventory data for Italy are incomplete, reported inventories are minor (\*\*\* short tons in 2010). CR/PR at Table IV-18. Accordingly, the record does not contain any evidence of inventory overhang that would indicate a potential surge of imports into the United States in the event of revocation.

We also examined the potential for product shifting. In the original investigations, Palini and ILVA reported that they did not produce other merchandise on the same equipment used to produce CTL plate and there is no evidence that this has changed. Original Report at VII-9. There is also no evidence that the other Italian producers have the capacity to product shift.

We also recognize that since 2009 producers in Italy have been subject to a 12 percent general tariff rate in Brazil on their export of hot-rolled plate and heavy plate. CR at IV-19, PR at IV-15. We do not find that this impediment to their exports suggests a likely significant diversion of CTL plate to the U.S. market since Brazil and South America are not important export markets for Italian producers.

<sup>298</sup> CR/PR at Table II-10.

In the original investigations, subject imports from Italy undersold the domestic like product in 27 out of 35 observations. In the first reviews, subject imports undersold the domestic like product in eight out of ten observations.

We incorporate by reference our discussion in section V.C.2. concerning pricing trends for the domestic like product observed during the period of review. There were only two pricing observations reported for subject imports from Italy. In those observations, the subject imports oversold the domestic like product in one instance and undersold it in the other.<sup>299</sup> The AUVs of the limited quantities of subject imports from Italy were consistently higher than the AUVs of the domestic like product throughout the period of review.<sup>300</sup>

We have previously found that there could be some increase in subject imports from Italy upon revocation of the orders under review, but that this would constitute only a modest increase from the small volume of subject imports from Italy present in the U.S. market during the period of review. Even should these additional imports be priced in the same manner as the imports from Italy during the original period of investigation, this would result in a mixed incidence of overselling and underselling. In light of the likely modest amounts of subject imports from Italy and projected moderate growth in U.S. demand for CTL plate, such imports would be unlikely to have significant price effects. We find at the likely prevailing volumes, any underselling by subject imports from Italy would likely not be significant, and would be unlikely to have significant price-depressing and -suppressing effects.

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

We incorporate by reference our discussion in section V.D.3. above concerning the current condition of the domestic industry, as well as our findings that the domestic industry is not currently vulnerable.

In view of our findings regarding the likely volume and price effects of subject imports from Italy, we conclude that subject imports from Italy would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investments if the orders are revoked. In light of projected demand growth for CTL plate in the United States, the relatively small additional volumes of subject imports from Italy that would be likely upon revocation should be insufficient to take any significant market share from the domestic industry. Moreover, because these imports are unlikely significantly to undersell the domestic like product or have other significant price effects, they are unlikely to cause any significant declines in the domestic industry's revenues or financial performance. We accordingly determine that revocation of the antidumping duty and countervailing duty orders on subject imports from Italy is unlikely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

## **E. Japan**

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

Subject imports from Japan maintained a very small presence in the U.S. market during the period of review. There were \*\*\* subject imports from Japan in 2005. During the next four years subject imports increased from very small levels reaching a period peak of \*\*\* short tons in 2009, before declining to \*\*\* short tons in 2010; subject imports were \*\*\* short tons in interim 2010 and there were

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<sup>299</sup> CR/PR at Table V-10.

<sup>300</sup> CR/PR at Table C-1.

\*\*\* imports from Japan in interim 2011.<sup>301</sup> Throughout the period of review, subject imports from Japan accounted for \*\*\* percent of apparent U.S. consumption.<sup>302</sup>

Overall, we find that Japanese producers have some ability to increase subject imports in the event of revocation, but have limited incentive to do so. Japanese producers reported 15.8 million short tons of CTL plate capacity in 2010, up incrementally from 14.3 million short tons in 2005.<sup>313</sup> Japanese producers reported no plans to add any significant capacity to their CTL plate operations in the reasonably foreseeable future.<sup>314</sup>

Japanese producers have operated at a high capacity utilization rate throughout the period of review. Except for the recession year of 2009, the Japanese industry used over 90 percent of available capacity in each year. In 2010, capacity utilization was 92.1 percent, and in interim 2011 it was 97.6 percent.<sup>315</sup> High utilization rates limit the ability to increase exports through greater production.<sup>316</sup> We recognize that Japanese producers have recently maintained some excess capacity, including 1.3 million short tons in 2010 and 348,000 short tons (annualized) in interim 2011.<sup>317</sup> As discussed below, however, we find that market conditions do not indicate that the Japanese industry would be likely to utilize available capacity in the foreseeable future to increase significantly exports of CTL plate to the United States.

During the period of review, the industry in Japan exported between 21.4 and 28.9 percent of its annual shipments. We observe, however, that throughout the period of review, Japan's exports have been consistently and overwhelmingly focused on the Asian market. The percentage of export shipments that reporting Japanese producers directed to Asian markets ranged between 86.6 and 92.0 percent on an annual basis during the period of review.<sup>318</sup>

We find that the Japanese producers' strong focus on Asian export markets is likely to continue in the reasonably foreseeable future. The Asian market, including China, is the world's largest market for CTL plate; according to \*\*\*, in 2010 consumption of CTL plate in Asia was approximately \*\*\* greater than consumption in North America.<sup>319</sup> Moreover, \*\*\* projects that the growth in CTL plate consumption that occurred in Asia during the period of review will continue into the reasonably foreseeable future.<sup>320</sup> This is in distinct contrast to the circumstances during the period examined in the original investigations. In 1998, because of a financial crisis in Asia, CTL plate consumption dropped sharply in Asia while it continued to increase in North America.<sup>321</sup> From 2011 to 2013, however,

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<sup>301</sup> CR/PR at Table C-1.

<sup>302</sup> CR/PR at Table I-1.

<sup>313</sup> Although the Japanese producers increased their capacity by approximately 1.5 million short tons during the period of review, they also increased their production by 900,000 short tons during this period.

<sup>314</sup> Japanese Respondents' Posthearing Brief at 4 & CR/PR at Table IV-22.

<sup>315</sup> CR/PR at Table IV-17.

<sup>316</sup> We recognize that Japanese producers reported operating at 101.1 percent utilization in 2008, indicating the ability to exceed reported capacity, at least briefly. CR/PR at Table IV-17.

<sup>317</sup> CR/PR at Table IV-17.

<sup>318</sup> CR/PR at Table IV-17. When home market shipments are factored in, the share of total Japanese producer shipments that left Asia over the period of review becomes very small, between 1.2 percent and 3.1 percent of total shipments per year. CR/PR at Table IV-17. The upper figure in this range may actually be overstated, as it includes some exports to Middle Eastern countries that are in Asia. See Japanese Respondents' Posthearing Brief, Responses to Hearing Questions at 4-5.

<sup>319</sup> CR/PR at Table IV-25

<sup>320</sup> CR/PR at Table IV-26.

<sup>321</sup> CR at I-3 n.6, PR at I-2 n.6.



consumption of CTL plate in Asia, including China, is projected to grow by over \*\*\* short tons, compared to growth of \*\*\* short tons in North America over that same period. The size, projected growth, and proximity to Japan of the Asian market provides a strong incentive for Japanese producers to continue to direct their shipments, as well as any unused capacity, to that market rather than the smaller and less quickly growing U.S. market.

Moreover, Japanese producers have significant long-term relationships with customers in their Asian export markets. Japanese Respondents have documented that \*\*\* percent of their 2010 exports were to customers with whom they have memoranda of understanding, reflecting long-term supply relationships.<sup>322</sup> Although the record does not indicate that these arrangements are tantamount to contractual commitments to purchase fixed quantities of Japanese CTL plate, the existence of numerous such long-term arrangements indicates that Japanese producers would likely continue to focus on maintaining and increasing supplies to these customers, rather than to direct their efforts to supplying the U.S. market, where sales are predominantly on the spot market.

Japanese producers achieved strong growth in their exports to Asia during the period of review. Exports of CTL plate from Japan to Asia increased from 2.8 million short tons in 2005 to 3.7 million short tons in 2010.<sup>323</sup> We find that the trend in growth of exports to Asia is likely to persist in the reasonably foreseeable future, given the durable nature of many of the Japanese industry's customer-supplier relationships and projected growth in Asian markets.<sup>324</sup>

An important indicator of the likely strong Asian demand conditions is the robust Asian shipbuilding sector. The large majority of Japanese producers' exports throughout the period were shipped to Asian shipbuilders, which are likely to continue to increase their consumption of CTL plate during the reasonably foreseeable future. In 2010, out of \*\*\* short tons of Japanese exports, \*\*\* short tons went to the Asian shipbuilding industry.<sup>325</sup> \*\*\* of the CTL plate for shipbuilding exported by Japanese producers consisted of higher-strength steel rather than ordinary-strength steel, based on American Bureau of Shipping ("ABS") definitions.<sup>326</sup> The domestic industry claims that there will be an imminent "collapse" in demand for shipbuilding plate, forcing Japanese producers to seek out other export markets.<sup>327</sup> Record evidence, however, establishes that demand in Asia for CTL plate for shipbuilding over the period of review was at its \*\*\* and is projected to \*\*\*.<sup>328</sup> Moreover, the existing

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<sup>322</sup> Japanese Respondents' Posthearing Brief, Responses to Hearing Questions at 45. Japanese producers indicated that the \*\*\* figure did not include other shipments to long-term customers with which the producer did not have a memorandum of understanding.

<sup>323</sup> CR/PR at Table IV-17.

<sup>324</sup> CR/PR at Table IV-26. Domestic interested parties argue that Chinese CTL plate production will displace Japanese producers in their key export markets. Although it is true that Chinese capacity to produce CTL plate has grown, record evidence shows that China has added capacity \*\*\*. Japanese Respondents' Posthearing Brief at Exhibit 1, p. 34. If domestic producers' displacement claim were correct, we would have expected to have seen at least some evidence of significant displacement of Japanese CTL plate during the period of review. Instead, Japanese exports to Asia have grown by nearly 800,000 short tons during the period. Japanese producers have also focused more heavily on those segments of the CTL plate market where their product quality and technology provide them a competitive advantage, thus limiting direct competition with China. Hearing Tr. at 162-163, 165-166 (Aoyama).

<sup>325</sup> CR/PR at Table IV-19.

<sup>326</sup> CR/PR at Table IV-19; Email from \*\*\*, EDIS Doc. 464431.

<sup>327</sup> See, e.g., SSAB's Posthearing Brief at 9-12.

<sup>328</sup> CR/PR at Figure IV-3.



backlog alone, based on the present order book, would support production of new ships at a high level through 2013, even if there were no more ship orders placed at Asian shipyards after June 2011.<sup>329</sup>

Finally, we do not find that there is a substantial price incentive for Japanese producers to divert significant quantities of CTL plate from other markets to the United States. With respect to the Japanese home market, published data do not show a consistent pattern of higher U.S. market prices than Japanese home market prices.<sup>331</sup> For Japanese exports, \*\*\* data generally show U.S. market prices to have been higher than Japanese export prices. We observe, however, that it is not clear that the \*\*\* data cover the kind of shipbuilding plate, most of higher-strength grades, that comprise the majority of Japanese exports of CTL plate. Moreover, as discussed earlier, the AUVs of Japanese producers' shipments to markets outside of Asia have consistently been higher than the AUVs of U.S. producers shipments.<sup>332</sup> Despite these high AUVs, Japanese producers have never shipped more than 3.0 percent of their shipments to these non-Asian markets. The record thus establishes that Japanese producers ship only moderate amounts of higher-value CTL plate products to markets outside of Asia, and that they rely predominantly on serving nearby and growing Asian markets. This strategy does not suggest that Japanese producers would export large volumes of CTL plate to the United States if the order were revoked.<sup>333</sup>

Accordingly, the Japanese industry's heavy focus on Asian markets which have been and likely will continue to be areas of further export growth, the lack of any new plate mill facilities, and the absence of large annual increases in Japanese exports to individual non-Asian markets during the period of review, indicate that any likely increase in subject imports from Japan upon revocation would be relatively small in the context of the U.S. market. Consequently, we conclude that likely subject import volume would not be significant upon revocation.<sup>334</sup>

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<sup>329</sup> CR/PR at Figure IV-2. Accordingly, domestic producers' arguments on this subject, which are based on a data set that assumes that there will be no new ship orders, are misplaced.

<sup>331</sup> MEPS and \*\*\* data show, over the period of 2005 to October 2011, a mixture of higher Japanese home-market prices and higher U.S. market prices. CR/PR at Tables IV-28 (MEPS), IV-29 (\*\*\*).

<sup>332</sup> CR/PR at Tables IV-17 & IV-18. \*\*\*. CR/PR at Table IV-29 (Note). \*\*\*. Japanese Respondents' Posthearing Brief at 10-11.

<sup>333</sup> In particular, we observe that relatively strong EU prices for CTL plate have not drawn in exports from Japan. MEPS pricing data show that CTL plate prices \*\*\*. CR/PR at Table IV-28. In fact, Japanese exports to the EU have never amounted to more than \*\*\* percent of their shipments. CR/PR at Table IV-17. This consideration provides further support for our conclusion that, to the extent that Japanese producers do increase exports to the United States, notwithstanding their historic and likely continued focus on Asian export markets, any such increase is unlikely to be significant.

<sup>334</sup> In our examination of likely subject import volume, we have also examined several other considerations.

We examined inventories of the subject merchandise. During the period of review, inventory levels for Japanese producers remained relatively stable, actually declining slightly during the period. CR/PR at Table IV-17. As a ratio to production, Japanese producers' inventory levels are rather small. In any event, the record does not contain any evidence of inventory overhang that would indicate a potential surge of imports into the United States in the event of revocation.

We also examined the potential for product shifting. The large majority of Japanese producers' capacity is dedicated to CTL plate, and Japanese producers reported no production of hot-rolled sheet and strip or hot-rolled plate in coils. CR/PR at Table IV-18.

We also recognize that producers in Japan have been subject to antidumping duties in Thailand on their exports of hot-rolled steel not in coils (which includes CTL plate), and that since June 2009, they have been subject to a 12 percent general tariff rate in Brazil on their export of hot-rolled plate and heavy plate. CR at IV-23, PR at IV-17. We do not find that these impediments to their exports suggest a likely significant diversion of CTL plate to the U.S. market.

## 2. Likely Price Effects of Subject Imports

We incorporate by reference our discussion in section V.C.2. above concerning the importance of price in purchasing decisions. Purchasers did not perceive substantial quality distinctions between the domestic like product and subject imports from Japan. A majority of purchasers reported that the domestic like product and subject imports from Japan were comparable in the factors of overall quality meets industry standards and overall quality exceeds industry standards.<sup>335</sup>

There is no history of pervasive underselling by subject imports from Japan. In the original investigations, subject imports from Japan oversold the domestic like product in 25 out of 40 observations.<sup>336</sup> During the first reviews, subject imports from Japan oversold the domestic like product in five out of six observations.<sup>337</sup>

We incorporate by reference our discussion in section V.C.2. concerning pricing trends for the domestic like product observed during the period of review. There were no quarterly pricing observations for subject imports from Japan in these reviews. The AUVs of the limited quantities of subject imports from Japan during this period of review were consistently higher than the AUVs for the domestic like product.<sup>338</sup>

In light of our finding that likely subject import volume would not be significant, and the historic pattern of pricing of subject imports from Japan, which even during the original period examined were more likely to oversell than undersell the domestic like product, we find that significant underselling by subject imports from Japan is unlikely if the order is revoked. Because of the lack of likely significant volumes or likely significant underselling, we further find that upon revocation subject imports from Japan are not likely to have significant price-depressing or -suppressing effects.

## 3. Likely Impact of Subject Imports

We incorporate by reference our discussion in section V.C.3. above concerning the current condition of the domestic industry, as well as our findings that the domestic industry is not currently vulnerable and that improvements in the condition of the domestic industry during the period of review are not significantly related to the existence of the orders under review.

In view of our findings regarding the likely volume and price effects of subject imports from Japan, we conclude that subject imports from Japan would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investments if the orders are revoked. In light of projected demand growth for CTL plate in the United States, the relatively small additional volumes of subject imports from Japan likely upon revocation would be insufficient to take any significant market share from the domestic industry. Moreover, because these imports are unlikely significantly to undersell the domestic like product or have other significant adverse price effects, they are unlikely to cause any significant deterioration in the domestic industry's revenues or financial performance. We accordingly determine that revocation of the antidumping duty order on subject imports from Japan is unlikely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

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<sup>335</sup> CR/PR at Table II-7.

<sup>336</sup> CR/PR at Table V-10.

<sup>337</sup> CR/PR at Table V-10.

<sup>338</sup> CR/PR at Table C-1.

## **CONCLUSION**

For the above-stated reasons, we determine that revocation of the antidumping and countervailing duty orders on CTL plate from India, Indonesia, and Korea 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 and countervailing duty orders on CTL plate from Italy, and the antidumping duty order on CTL plate from Japan, 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 CHARLOTTE R. LANE

Based on the record in these five-year reviews, I determine under section 751(c) of the Tariff Act of 1930, as amended (the Act), that revocation of the antidumping and countervailing duty orders on cut-to-length carbon-quality steel plate (“CTL plate”) from India, Indonesia, Italy, and Korea, and of the antidumping duty order on CTL plate from Japan, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>1</sup>

### I. BACKGROUND

Effective February 1, 2000, the Commission determined that an industry in the United States was being materially injured by reason of imports of CTL plate from France, India, Indonesia, Italy, Japan, and Korea that were being sold at less than fair value (LTFV), and of CTL plate from France, India, Indonesia, Italy, and Korea that were being subsidized by their respective governments.<sup>2</sup> Commerce issued antidumping duty orders on CTL plate from France, India, Indonesia, Italy, Japan, and Korea and countervailing duty orders on CTL plate from France, India, Indonesia, Italy, and Korea, effective February 3, 2000.<sup>3</sup> The Commission’s determination respecting subject imports from India was the subject of appeal, and was sustained by the Court of International Trade (“CIT”). Certain Commerce determinations were the subject of a WTO challenge by the European Union, following which Commerce revoked, pursuant to section 129 of the Uruguay Round Agreements Act, the countervailing duty order on France.<sup>4</sup>

On January 3, 2005, the Commission instituted its first five-year review of the orders and, on April 8, 2005, determined that it would proceed to conduct full reviews. In November 2005, the Commission determined that revocation of the antidumping and countervailing duty orders on CTL plate from India, Indonesia, Italy, and Korea, and of the antidumping duty order on CTL plate from Japan, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>5</sup> The Commission also determined that revocation of the antidumping duty order on CTL plate from France would not be likely to lead to continuation or

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<sup>1</sup> Commissioner Charlotte R. Lane filed these views with the Office of the Secretary of the U.S. International Trade Commission on December 7, 2011.

<sup>2</sup> Certain Cut-to-Length Carbon Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-388-391 (Final) and 731-TA-816-821 (Final), USITC Pub. 3273 (Jan. 2000) (“Original Determination”) (Commissioner Askey dissenting from affirmative determinations respecting subject imports from France).

<sup>3</sup> 65 Fed. Reg. 6585 (Feb. 10, 2000) (antidumping duty orders); 65 Fed. Reg. 6587 (Feb. 10, 2000) (countervailing duty orders).

<sup>4</sup> 68 Fed. Reg. 64858 (Nov. 18, 2003). The countervailing duty order on France was also the subject of protracted litigation before the CIT and Federal Circuit, the ultimate outcome of which was the retroactive application of the order’s revocation with respect to all entries of the French producer GTS Industries S.A. after July 26, 1999 (Commerce’s publication of its preliminary countervailing duty determination). 69 Fed. Reg. 57266 (Sept. 24, 2004).

Separately, pursuant to a changed circumstances antidumping administrative review of the order on Japan, in which the domestic parties expressed no interest in the continuation of the order with respect to particular abrasion-resistant steel products, Commerce had revoked the order in part insofar as it covered such products. 68 Fed. Reg. 9975 (Mar. 3, 2003).

<sup>5</sup> Cut-to-Length Carbon Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Reviews), USITC Pub. 3816 (Nov. 2005) (“First Reviews”). Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissented from the determinations with respect to these countries. See Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson.

recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>6</sup> No party appealed these determinations.

On November 1, 2010, the Commission instituted the present reviews pursuant to section 751(c) of the Act to determine whether revocation of the countervailing duty orders on CTL plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on CTL plate from India, Indonesia, Italy, Japan, and Korea would likely lead to the continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time.<sup>7</sup>

The Commission received seven responses to its notice of institution. On behalf of the domestic industry, the Commission received a joint response from ArcelorMittal USA (“ArcelorMittal”), Nucor Corp. (“Nucor”), SSAB North America Division (“SSAB”), Evraz NA Oregon Steel Mills (“Evraz Oregon”), and Evraz NA Claymont (“Evraz Claymont”) (collectively “domestic interested parties”), domestic producers of CTL plate. JFE Steel Corporation (“JFE”), Nippon Steel Corporation (“Nippon”) and Sumitomo Metal Industries, Ltd. (“Sumitomo”) (collectively “Japanese Respondents”), producers of the subject merchandise in Japan, each responded separately to the notice of institution. Evraz Palini e Bertoli S.p.a. (“Palini”), a producer of the subject merchandise in Italy, also responded to the notice as did Dongkuk Steel Mill Co., Ltd. (“Dongkuk”), a producer of the subject merchandise in Korea. Champions Pipe and Supply, Inc. and Tellin Enterprises, Inc., importers of subject Japanese merchandise, filed a joint response to the notice as well.<sup>8</sup> The Commission did not receive any responses from foreign producers or exporters with respect to the orders on CTL plate from India<sup>9</sup> and did not receive a usable questionnaire response from foreign producers or exporters with respect to the orders on CTL plate from Indonesia.<sup>10</sup>

On February 4, 2011, the Commission determined to conduct full reviews pursuant to section 751(c)(5) of the Act.<sup>11 12</sup> The Commission found that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group responses with respect to Italy, Japan and Korea were adequate, but that the respondent interested party group responses with respect to India and Indonesia were inadequate. The Commission decided, however, to conduct full reviews concerning CTL plate imports from India and Indonesia to promote administrative efficiency in light of its decision to conduct full reviews with respect to CTL plate from Italy, Japan and Korea.

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<sup>6</sup> I dissented from this determination with respect to France. I cumulated the subject imports from France with those from India, Indonesia, Italy, Japan, and Korea and found that revocation of the antidumping and countervailing duty orders on all six countries would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

<sup>7</sup> 75 Fed. Reg. 67108 (Nov. 1, 2010).

<sup>8</sup> Tellin subsequently withdrew from these reviews and ceased participating as a party. See Confidential Staff Report (“CR”) at I- 31 n.45, Public Staff Report (“PR”) at I-25 n.45.

<sup>9</sup> CR at IV-11 n.15.

<sup>10</sup> CR at IV-14, PR at IV-11.

<sup>11</sup> 19 U.S.C. § 1675(c)(5).

<sup>12</sup> 76 Fed. Reg. 22725 (Apr. 22, 2011).



## 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.”<sup>13</sup> 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.”<sup>14</sup> The Commission’s practice in five-year reviews is to look to 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.<sup>15</sup>

Commerce has defined the scope of the antidumping and countervailing duty orders in these five-year reviews as follows:

(1) Universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250mm, and of a nominal or actual thickness of not less than 4 mm, which are cut-to-length (not in coils) and without patterns in relief), of iron or non-alloy-quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils).<sup>16</sup>

Covered products are of

rectangular, square, circular or other shape and of rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process (*i.e.*,

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<sup>13</sup> 19 U.S.C. § 1677(4)(A).

<sup>14</sup> 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. Department 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., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>15</sup> *See, e.g., Stainless Steel Sheet and Strip from Germany, Italy, Japan, Korea, Mexico, and Taiwan*, Inv. Nos. 701-TA-382 and 731-TA-798-803 (Second Review), USITC Pub. 4244 (July 2011) at 6; *Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom*, Inv. Nos. AA1921-197 (Second Review), 701-TA-319, 320, 325-27, 348, and 350 (Second Review), and 731-TA-573-74, 576, 578, 582-87, 612, and 614-618 (Second Review), USITC Pub. 3899 (January 2007) at 31, n.117; *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 (December 2005) at 8-9; *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 (July 2003) at 4; *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 (February 2003) at 4.

<sup>16</sup> The weight limits for certain elements are also specified--

(1) Iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, 0.40 percent of lead, 1.25 percent of nickel, 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium.

76 Fed. Reg. at 12322 (antidumping duty orders) & 12702 (countervailing duty orders).

products which have been ‘worked after rolling’)—for example, products which have been beveled or rounded at the edges.<sup>17</sup>

Steel products meeting the identified physical characteristics are included within the scope whether or not painted, varnished or coated with plastic or other non-metallic substances. Also included are high strength, low alloy (HSLA) steels (steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum).<sup>18</sup>

Specifically excluded from the scope are the following:

(1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion-resistant steels (i.e., USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.<sup>19</sup>

CTL plate is used for welded load-bearing and structural applications. Common applications include bridgework, heavy machinery and machinery parts, transmission towers and other load bearing structures, mobile equipment, and heavy transportation equipment such as railroad cars, ships, and barges.<sup>20</sup>

In the original investigations, the Commission found a single domestic like product corresponding to the scope. In the final phase of those investigations, the Commission considered one like product issue, whether grade X-70 CTL plate constituted a separate like product from other types of CTL plate products.<sup>21</sup> The Commission analyzed the issue under its traditional six-factor test. The Commission concluded that grade X-70 plate is not clearly distinct from all other types of CTL plate, and constitutes part of a continuum of CTL plate products included within the scope of the investigations. The Commission therefore adopted a single domestic like product definition, which included grade X-70 plate, microalloy steel plate, and plate cut from coils, co-extensive with the scope.<sup>22</sup>

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<sup>17</sup> Id.

<sup>18</sup> Id.

<sup>19</sup> The order on Japan includes additional exclusions for two specified abrasion-resistant steels. Id.

<sup>20</sup> CR at I-25-26, II-1, PR at I-22, II-1.

<sup>21</sup> In the preliminary phase of the original investigations, the Commission stated that it would not revisit its determination in Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final), USITC Pub. 3076 at 5-9 (Dec. 1997), that the domestic like product included plate cut from coils but did not include coiled plate. The Commission thus found that plate cut from coils did not constitute a separate like product. Certain Cut-to-Length Carbon Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea and Macedonia, Inv. Nos. 701-TA-387-392 (Preliminary) and 731-TA-815-822 (Preliminary), USITC Pub. 3181 (Apr. 1999) at 5-6 n.21.

The Commission also addressed whether microalloy CTL plate should be treated as a separate domestic like product. The Commission found that the differences between microalloy and non-alloy CTL plate were not so pronounced as to constitute clear dividing lines, whereas other alloy steel plate showed marked differences from both non-alloy and microalloy CTL plate. The Commission thus did not define microalloy as a separate domestic like product. USITC Pub. 3181 at 6-7. The Commission did not reconsider this issue in the final phase of the original investigations.

<sup>22</sup> Original Determination at 5-7.

In the first five-year reviews, the Commission found that there was nothing in the record that would warrant revisiting its domestic like product finding from the original determination.<sup>23</sup> The Commission noted that no party to the reviews took issue with the Commission's domestic like product definition from the original investigation, and, in fact, the parties expressed their concurrence with that definition in their responses. Accordingly, the Commission continued to define a single domestic like product consisting of all domestically produced CTL plate that corresponds to the scope description, including grade X-70 plate, microalloy plate and plate cut from coils.<sup>24</sup>

In my opinion, no new facts have been presented to warrant a like product definition that is different from that reached by the Commission in the original determination and the first five-year reviews of CTL plate. Moreover, domestic interested parties and Palini have stated that they agree with the Commission's prior definition of the domestic like product, and Japanese respondents and Dongkuk have not raised any issues regarding the Commission's prior like product determinations.<sup>25</sup> Accordingly, I continue to define a single domestic like product consisting of all domestically produced CTL plate that corresponds to the scope description, including X-70 plate, microalloy plate and plate cut from coils.

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

Section 771(4)(A) of the Act defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."<sup>26</sup>

In the original investigations, the Commission considered whether the domestic industry should include toll and non-toll processors that changed a non-like product, coiled plate, into the domestic like product, CTL plate. Such processing is performed by steel service centers, using domestic or imported coiled plate as an input, uncoiling it, and cutting it to length to form CTL plate.<sup>27</sup>

The Commission found that processors invest a significant amount of capital in relatively sophisticated processing operations, account for a significant percentage of overall employment of the U.S. industry, and their manufacturing equipment and processes are the same as that used by the domestic mills to produce CTL plate from coiled plate. Based on the significance of their production-related activities, the Commission concluded that processors were properly considered a part of the domestic industry, and noted that this conclusion was consistent with its determination in the 1997 CTL plate

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<sup>23</sup> First Reviews at 6.

<sup>24</sup> First Reviews at 6.

<sup>25</sup> I note that as of October 7, 2011, the domestic industry has asked Commerce to partially revoke the order on a subcategory of plates (API 2W CTL plate) produced by Thermo Mechanical Control Processing. See ArcelorMittal's Prehearing Brief at 4 n.4. According to ArcelorMittal, there was no domestic production or any subject imports of this product during the period of review, and there were very limited nonsubject imports of this product; thus, this potential exclusion has no impact on my analysis. As of November 22, the date the record closed, this request was still pending at Commerce.

<sup>26</sup> 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed.Cir. 1996).

<sup>27</sup> Original Determination at 8-10.

investigations to include processors in the domestic industry.<sup>28</sup> The Commission therefore defined the domestic industry to include all domestic producers of CTL plate, including processors.<sup>29</sup>

In the first five-year reviews, the Commission stated that no party objected to the definition of the domestic industry from the original determination, and no evidence was presented that would support such an objection. Accordingly, the Commission once again defined the domestic industry to include all producers of CTL plate, including processors.

No new facts have been presented to warrant a conclusion different from that reached by the Commission in the original investigations and the first reviews. Moreover, no party raised any objections to this domestic industry definition. I therefore define the domestic industry to include all producers of the domestic like product, including processors.

I must also determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Act. That provision of the statute 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.<sup>30</sup> Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.<sup>31</sup> The purpose of the provision is to exclude domestic producers that substantially benefit from their relationships with foreign exporters.<sup>32</sup>

In the original determinations, the Commission found that in no instance did appropriate circumstances exist to exclude any of the various domestic producers from the domestic industry.<sup>33</sup> In the first reviews, no party sought the exclusion of data from any related domestic producer.<sup>34</sup> After examining all the facts and data on the record, the Commission again determined that appropriate circumstances did not exist to warrant the exclusion of any firm from the domestic industry as a related party.

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<sup>28</sup> Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final), USITC Pub. 3076 (Dec. 1997) at 9-12.

<sup>29</sup> Original Determination at 10.

<sup>30</sup> 19 U.S.C. § 1677(4)(B).

<sup>31</sup> Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), aff'd without opinion, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude the related parties include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, *i.e.* whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and (3) the position of the related producers vis-a-vis the rest of the industry, *i.e.* whether inclusion or exclusion of the related party will skew the data for the rest of the industry. *See, e.g., Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. *See, e.g., Melamine Institutional Dinnerware from China, Indonesia, and Taiwan*, Inv. Nos. 731-TA-741-743 (Final), USITC Pub. 3016 (Feb. 1997) at 14 n.81.

<sup>32</sup> USEC, Inc. v. United States, 132 F. Supp.2d 1, 12 (Ct. Int'l Trade 2001).

<sup>33</sup> Original Determination at 10-13.

<sup>34</sup> In the first reviews, two U.S. mills were related to firms from subject countries by virtue of corporate ties. Each of these companies thus individually accounted for a small percentage of mill production, and an even smaller percentage of total domestic production (mills and processors). Two domestic producers also reported importing subject imports during the period examined. First Reviews at 7-8 n.30.

In these reviews, Evraz Claymont and Evraz Oregon, which are both under the direct control of one corporate entity, Evraz Inc., NA., are both \*\*\* by Evraz Group S.A., the same parent company that \*\*\* the Italian producer Palini. The Evraz U.S. companies \*\*\*.<sup>35</sup>

While domestic producers Evraz Claymont and Evraz Oregon are related to Italian producer Palini, and would appear \*\*\*, I nonetheless find that appropriate circumstances do not exist to exclude either producer from the domestic industry. Evraz Oregon and Evraz Claymont together account for a \*\*\* percent share of the domestic industry and collectively would be the \*\*\* largest share of domestic production of CTL plate.<sup>36</sup> Neither company \*\*\*.<sup>37</sup> Both companies also \*\*\* continuation of the orders. Moreover, no party has argued for the exclusion from the domestic industry of either Evraz U.S. entity. Finally, there is no indication that either Evraz Claymont's or Evraz Oregon's affiliation with a subject producer and an importer of subject merchandise has benefitted its performance compared to that of other domestic producers during the period of review.<sup>38</sup>

Based on the available facts, and the lack of any contention of the parties to the contrary, I find that appropriate circumstances do not exist to warrant the exclusion of any producers from the domestic industry as a related party under the Act. Accordingly, I define the domestic industry as all U.S. producers of CTL plate.

### III. CUMULATION

#### A. Overview

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.<sup>39</sup>

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

In these reviews, the statutory requirement that all reviews be initiated on the same day is satisfied as Commerce initiated the five reviews on November 1, 2010.<sup>40</sup>

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<sup>35</sup> CR at I-33 n.47, PR at I-27 n.47; Palini's Posthearing Brief at Exh. 2; SSAB, Evraz Claymont and Evraz Oregon's Posthearing Brief at A-1.

<sup>36</sup> CR/PR at Table I-8.

<sup>37</sup> See CR/PR at Table III-10.

<sup>38</sup> See CR/PR at Tables III-13 (showing that Evraz Claymont's financial performance was \*\*\*, and that Evraz Oregon's financial performance was \*\*\*).

<sup>39</sup> 19 U.S.C. § 1675a(a)(7).

<sup>40</sup> 75 Fed. Reg. 67082 (Nov. 1, 2010).



## B. Likelihood of No Discernible Adverse Impact

As in the first reviews, there were a number of foreign producers that did not provide information to the Commission, notwithstanding the Commission's requests for data. With respect to CTL plate producers in Japan, four Japanese firms reportedly accounting for \*\*\* percent of reversing plate mill and Steckel plate mill capacity in Japan in 2010 provided responses to the Commission's questionnaires.<sup>41</sup> No responses to the Commission's questionnaires were received from producers of CTL plate from India<sup>42</sup> and an incomplete response was received from one producer in Indonesia.<sup>43</sup> The Commission received a response to its questionnaires from one Italian producer, accounting for \*\*\* percent of total Italian capacity in 2010 according to \*\*\*.<sup>44</sup> With respect to Korea, the Commission received a questionnaire response from one producer, reportedly accounting for \*\*\* percent of reversing plate mill capacity in Korea in 2010 (a substantial share of non-POSCO production).<sup>45</sup> As the record contains limited information with respect to certain foreign industries, I rely upon available information when appropriate.<sup>46</sup>

### 1. India

Domestic interested parties argue that subject imports from India would likely have a discernible adverse impact if the orders were revoked.<sup>47</sup> I note that no party has alleged that subject imports from India would not have a likely discernible adverse impact if the orders were revoked.

During the original investigations, subject imports from India increased from 38,081 short tons in 1996 to 137,735 short tons in 1998 – an increase of 261.7 percent. During this period, the share of U.S. consumption of such imports increased from 0.5 percent in 1996 to 1.4 percent in 1998. India's share of total U.S. imports of CTL plate increased from 2.0 percent in 1996 to 6.4 percent in 1998.<sup>48</sup> India's

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<sup>41</sup> CR at IV-22 n.25, PR at IV-16 n.25. In the original investigations, five firms, accounting for an estimated 90 percent of Japanese production of CTL plate in 1998, provided data in response to the Commission's questionnaires. Id. In the first reviews, no Japanese producers provided data in response to the Commission's questionnaires. Id.

<sup>42</sup> CR at IV-11, PR at IV-9-10. During the original investigations, one major Indian producer, Steel Authority of India, Ltd., provided questionnaire data. Id. In the first reviews, no producer of CTL plate in India participated. Id.

<sup>43</sup> CR at IV-14, PR at IV-11-12. During the original investigations, three producers of CTL plate in Indonesia provided questionnaire data. Id. In the first reviews, no producer of CTL plate in Indonesia participated. Id.

<sup>44</sup> CR/PR at Table IV-12. Two firms responded to the Commission's questionnaires in the original investigations, CR at IV-17, PR at IV-13-14 and one responded in the first reviews. Id.

<sup>45</sup> CR at IV-28 n.32, PR at IV-21 n.32. In the original investigations, there were reportedly two producers and none responded to the Commission's questionnaire in the first reviews. CR at IV-28, PR at IV-20-21.

<sup>46</sup> Section 776 of the Act 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 other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782(i) are applicable only to Commerce. 19 U.S.C. § 1677m(i). See Titanium Metals Corp., 155 F. Supp. 2d at 765 ("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 a Commission investigation.").

<sup>47</sup> See, e.g., ArcelorMittal's Prehearing Brief at 6-10, Nucor's Prehearing Brief at 7 & Exh. 1 at 2-4.

<sup>48</sup> CR/PR at Table I-1.



production capacity for CTL plate was \*\*\* short tons in \*\*\*; its capacity utilization was \*\*\* percent in 1998.<sup>49</sup>

After the antidumping and countervailing duty orders were imposed on India in 2000, U.S. imports of CTL plate from that country declined more than 77 percent between 1999-2000, to 1,485 short tons. In 2003, there were no imports of CTL plate into the United States from India.<sup>50</sup> The highest level of imports after 1999 occurred in interim 2005, with imports of 1,722 short tons, representing less than 0.05 percent of U.S. consumption.<sup>51</sup>

In the original investigations, the record indicated that hot-rolled sheet, strip and coiled plate are produced on the same equipment used to produce CTL plate. Hot-rolled production in India increased during the first reviews.<sup>52</sup>

In light of the above, and indications that India was expanding its capacity, as well as the prevailing conditions of competition in the U.S. market, the Commission did not find that subject imports from India would likely have no discernible adverse impact if the orders were revoked.<sup>53</sup>

During the instant period of review – beginning five years after the orders were imposed – subject imports from India increased from 3,856 short tons in 2005 to 6,542 short tons in 2006, then decreased to 1,167 short tons in 2007 before falling to 310 short tons in 2008, then to 165 short tons in 2010, and to 32 short tons in 2010.<sup>54</sup> During this period, the share of U.S. consumption of such imports, as measured by quantity, was 0.1 percent in 2005 and 2006, and 0 percent during the remainder of the period of review.<sup>55</sup> India's share of total U.S. imports of CTL plate, as measured by quantity, was 0.5 percent in 2005 and 2006, 0.1 percent in 2007 and 0 percent during the remainder of the period examined.<sup>56</sup> However, India's production capacity figures for CTL plate during the period of review show quite a different trend. Evidence in the record indicates that India's capacity grew substantially: from \*\*\* short tons in 2005 to \*\*\* short tons in 2006, then to \*\*\* short tons in 2007, to \*\*\* short tons in 2008, to \*\*\* short tons in 2009, and to \*\*\* short tons in 2010<sup>57</sup> – an increase of greater than \*\*\* percent over the period.

In view of the current prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), I do not find that subject imports from India, with a history of rapid increases in volume and underselling of the domestic like product,<sup>58</sup> ongoing plate capacity increases and the ability to shift production,<sup>59</sup> would likely have no discernible adverse impact if the orders were revoked.

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<sup>49</sup> Original Investigations Confidential Staff Report, INV-X-004 (Jan. 4, 2000) at Table VII-2.

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

<sup>51</sup> First Reviews Confidential Staff Report, INV-CC-180 (Oct. 21, 2005) at Table C-1A.

<sup>52</sup> First Reviews at 12.

<sup>53</sup> First Reviews at 11.

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

<sup>55</sup> CR/PR at Table I-1.

<sup>56</sup> CR/PR at Table IV-1.

<sup>57</sup> CR/PR at Table IV-7.

<sup>58</sup> See USITC Pub. 3816 at 31. In the original investigations, subject imports from India undersold the domestic like product in 24 of 26 price comparisons with an average margin of underselling of 9.5 percent. CR/PR at Table V-10. In the first reviews and the current reviews, there were no price data reported for subject imports from India.

<sup>59</sup> See USITC Pub. 3816 at 30-31.

## 2. Indonesia

According to the domestic interested parties, subject imports from Indonesia would likely have a discernible adverse impact if the orders were revoked.<sup>60</sup> I note that no party has alleged that subject imports from Indonesia would not have a likely discernible adverse impact if the orders were revoked. During the original period of investigation, subject imports from Indonesia increased from 13,667 short tons in 1996 to 168,098 short tons in 1998.<sup>61</sup> In the first reviews, the volume of subject imports from Indonesia declined irregularly from 39,553 short tons in 1999 to 627 short tons in 2004.<sup>62</sup> In the current reviews, the volume of subject imports from Indonesia declined irregularly from 2,682 short tons in 2005 to 0 short tons in 2010 based on official Commerce import statistics.<sup>63</sup> Based on published data, CTL plate capacity in Indonesia has remained steady at \*\*\* short tons throughout this period of review.<sup>64</sup> Published reports also indicate that exports of CTL plate from Indonesia have increased during the period of review, from 390,345 in 2005 to 794,233 in 2008, before declining to 449,502 in 2010.<sup>65</sup> Additionally, in the first reviews, the record indicated that Indonesian producer Krakatau could shift its production from its primary products (other flat products) to CTL plate.<sup>66</sup>

In the original investigations, subject imports from Indonesia undersold the domestic like product in all 39 comparisons with an average margin of underselling of 13.1 percent.<sup>67</sup> In the first reviews, subject imports from Indonesia undersold the domestic like product for both pricing comparisons.<sup>68</sup> In the current reviews, there were no price data reported for subject imports of CTL plate from Indonesia.

In light of the current prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), I do not find that subject imports from Indonesia, with their history of rapid increases in volume and underselling of the domestic like product,<sup>69</sup> along with evidence of steady

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<sup>60</sup> See, e.g., ArcelorMittal's Prehearing Brief at 10-15, Nucor's Prehearing Brief at 7 & Exh. 1 at 5-6.

<sup>61</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Indonesia was 1.7 percent in 1998. Indonesia's production capacity for CTL plate was \*\*\* short tons in 1998, up from \*\*\* short tons in 1996; its capacity utilization at the height of its exports to the United States in 1998, was \*\*\* percent. Original Investigations Confidential Staff Report at Table VII-3.

<sup>62</sup> CR/PR at Table I-1. In 2000, 2002, and 2003, there were no imports of CTL plate into the United States from Indonesia. The highest level of imports during the period for which data were collected occurred in 1999 with imports, representing \*\*\* percent of U.S. consumption. The record indicated that Krakatau, the largest steelmaker in Indonesia, expanded its production by 29 percent from 2002 to 2003. First Reviews at 12.

<sup>63</sup> CR/PR at Table C-1. There were no imports of CTL plate from Indonesia in interim 2010 or interim 2011.

<sup>64</sup> CR/PR at Table IV-10. Domestic interested parties have asserted that Gunawan is scheduled to increase its current capacity by 30 percent by 2013 and the Krakatau has begun a joint venture with POSCO to build a CTL plate plant in Indonesia with a scheduled capacity of 1.5 million tons predicted to be on line by the end of 2013. ArcelorMittal's Prehearing Brief at 13.

<sup>65</sup> CR/PR at Table IV-11.

<sup>66</sup> First Reviews at 12. \*\*\* provided the Commission with an incomplete questionnaire response during these reviews in which it reported that its overall capacity for hot-rolled products in 2010 was \*\*\* tons, and that it did not intend to export CTL plate to the United States. CR at IV-14, PR at IV-12.

<sup>67</sup> CR/PR at Table V-10.

<sup>68</sup> CR/PR at Table V-10.

<sup>69</sup> Original Investigations Confidential Staff Report at Table V-15 (underselling demonstrated in 39 of 39 quarters, with an average underselling margin of 13.1 percent). The limited data available in the first reviews showed underselling in both of the quarters for which comparisons were available, with margins of underselling of \*\*\* percent for product 1 and \*\*\* percent for product 2. First Reviews Confidential Staff Report at Tables V-1 - V-2.

substantial capacity, increased exports and the ability to shift production, would likely have no discernible adverse impact if the orders were revoked.

### 3. Italy

Domestic interested parties argue that subject imports from Italy would likely have a discernible adverse impact on the domestic industry if the orders were revoked.<sup>70</sup> The sole participating Italian producer argues to the contrary.<sup>71</sup>

The volume of subject imports from Italy increased during the original investigation, from 17,003 short tons in 1996 to 80,766 short tons in 1998.<sup>72</sup> In the first reviews, the volume of subject imports from Italy increased irregularly from 11,396 short tons in 1998 to a period high of 29,130 short tons in 2004.<sup>73</sup> In the current period of review, subject imports from Italy to the United States declined irregularly from 9,215 short tons in 2005 to 718 short tons in 2010 based on official Commerce statistics.<sup>74</sup> However, according to \*\*\*, Italian production capacity increased from \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>75</sup> Moreover, exports of CTL plate from Italy increased irregularly from 1.3 million short tons in 2005 to 1.9 million short tons in 2010.<sup>76</sup>

In the current reviews, the Commission received a response to its questionnaires from one Italian producer: Palini, accounting for \*\*\* percent of total Italian capacity in 2010 according to \*\*\*<sup>77</sup> and, by its own estimates, accounting for approximately \*\*\* percent of current Italian production of CTL plate.<sup>78</sup> Palini reported that its capacity \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>79</sup> Palini's capacity utilization decreased from \*\*\* percent in 2005 to \*\*\* percent in 2010, and was \*\*\* percent in interim

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<sup>70</sup> See, e.g., ArcelorMittal's Prehearing Brief at 15-19, Nucor's Prehearing Brief at 7 & Exh. 1 at 7-9.

<sup>71</sup> Palini states that during the period of review, imports from Italy were present in the U.S. market only episodically and then only in insignificant quantities, accounting for less than one-tenth of one percent of U.S. apparent consumption. Palini's Prehearing Brief at 3. Nonetheless, subject imports from Italy were present in every year of the period of review, and increased over 200 percent between 2006 and 2007, and over 1,300 percent between 2008 and 2009. See CR/PR at Table I-1.

Moreover, Palini states that it shares common ownership with two U.S. producers, Evraz Claymont and Evraz Oregon, and that all new sales of CTL plate to North America will be negotiated and executed via Evraz NA. Palini's Posthearing Brief at Att. 2. Because there is a \*\*\* of Evraz's U.S. and Italian facilities in terms of plate thickness, Palini argues that it is not likely that it will ship any plate to the United States in the foreseeable future. While the Evraz U.S. companies now \*\*\*, both \*\*\* continuation of the orders. See CR/PR at Table I-8. In addition, as I noted above, Palini accounts for a mere fraction of subject Italian capacity and production. Nearly \*\*\* percent of plate capacity in Italy belongs to producers with no affiliation to U.S. producers. See CR/PR at Table IV-12.

<sup>72</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Italy was 0.8 percent in 1998.

<sup>73</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Italy was 0.4 percent in 2004.

<sup>74</sup> CR/PR at Table C-1. Subject imports from Italy were 429 short tons in interim 2010 as compared to 428 short tons in interim 2011.

<sup>75</sup> CR/PR at Table IV-13. Italy's reported plate capacity during the original investigations was \*\*\* short tons, with capacity utilization fluctuating from a low of \*\*\* percent (\*\*\*) to a high of \*\*\* percent (\*\*\*)

<sup>76</sup> CR/PR at Table IV-13.

<sup>77</sup> CR/PR at Table IV-12.

<sup>78</sup> CR at IV-17, PR at IV-13.

<sup>79</sup> CR/PR at Table IV-15. Palini's reported capacity \*\*\* during the first reviews, from \*\*\* short tons in 1999 to \*\*\* short tons in 2004.

2010 as compared to \*\*\* percent in interim 2011.<sup>80</sup> Palini's commercial shipments were split almost equally between CTL plate in the less than one inch category and CTL plate in the one inch but less than four inch category.<sup>81</sup> Exports accounted for between \*\*\* percent and \*\*\* percent of Palini's total shipments during the period of review, and the \*\*\* of Palini's exports were shipped to the European Union.<sup>82</sup>

Although subject imports from Italy declined between 2005 and 2010 based on official Commerce statistics, I am mindful of the fact that Palini's capacity increased over the same period, while

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<sup>80</sup> Palini's capacity utilization during the first reviews remained above \*\*\* percent at all times. First Reviews at 13.

<sup>81</sup> CR at IV-8, PR at IV-8. U.S. producers' commercial CTL plate shipments are predominantly in these two categories. See CR/PR at Table IV-4 (in 2010, 3,376,581 short tons of CTL plate in the less than one inch category and \*\*\* short tons of CTL plate in the one inch or greater but less than four inch category were shipped by U.S. producers, while \*\*\* short tons of CTL plate in the four inch or greater category were shipped by U.S. producers).

<sup>82</sup> CR/PR at Table IV-15. Palini's exports increased from \*\*\* short tons in 2005 to \*\*\* short tons in 2010. Id. Palini also argues that there is ample evidence in the record and from public sources to show that the marketing strategies of the entire Italian plate industry are focused on the EU, other European countries and nearby geographic regions in the Middle East and North Africa. Palini's Posthearing Brief at 2. Palini states that the other five producers of CTL plate in Italy all ship the vast majority of their CTL plate within Italy and to other members of the EU, which Palini argues should be considered a "Single Market" for purposes of this proceeding. Palini's Prehearing Brief at 5-10; Palini's Posthearing Brief at 2-5. Palini argues that these facts are consistent with a "local market" strategy, which resulted in no discernible impact of subject imports from Italy during the period of review and would result in no discernible impact on the domestic industry if the orders on Italy are revoked. Although evidence in the record does indicate that Italian producers are focused on Europe as a major market for Italian CTL plate, see CR/PR at Table IV-14, only approximately \*\*\* of Palini's production throughout the period of review was exported \*\*\*. CR at IV-19, PR at IV-15. Moreover, evidence in the record indicates that a new Italian plate producer started production in May 2011. See Nucor's Prehearing Brief at Exh. 2C (new plant plans to expand capacity to 600,000-700,000 tons by the end of 2012). In view of Italy's increasing capacity and increasing exports, see CR/PR at Table IV-13, and its history of rapidly increasing imports to the United States, it is likely that Italian CTL plate producers would shift some of these exports to the U.S. market upon revocation of the order. This is even more likely in view of the fact that prices in the EU are somewhat volatile. While they were higher at the beginning of the period of review, they have fluctuated during the period and have been significantly lower than U.S. prices throughout 2011. CR/PR at Table IV-28. In addition, evidence in the record indicates that there has recently been a "significant slowdown" in European steel demand in the second half of 2011, with further slowdowns expected in 2012. See Nucor's Posthearing Brief at 9. ILVA, the largest Italian producer, recently stated that it is "trying to sell outside of Europe." See ArcelorMittal's Posthearing Brief at Exh. 12.

I note that Palini argues that ILVA shipped no plate to the United States during the period of review despite the fact that it is not subject to any antidumping duty order and its countervailing duty rate is only 2.38 percent. Palini's Posthearing Brief at 2. The Commission has rejected the argument that low margins over most of the period of review establishes that subject imports will not increase significantly or have significant price effects if the orders are revoked, noting that the statute merely says the Commission "may" consider the margins and that the statute "does not mandate that we consider the actual margins that existed over the period of review." Further, "the discipline of the orders, which impose a deposit rate for subject imports until such time as the actual duties owed are finalized by Commerce through the statutory annual review mechanism, may themselves affect the pricing and volume of subject imports. It has long been established, for example, that the pendency of the investigation, or the suspension of liquidation for the subject imports, can have a restraining effect on subject import volume and pricing even when duties have not yet been collected." Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom, Inv. Nos. 701-TA-381-382 (Review) and 731-TA-397-804 (Review), USITC Pub. 3788 (July 2005), at 14 n.85, citing 19 U.S.C. §§ 1675a(6), 1677(35)(C)(iv); SAA at 887. See also Polychloroprene Rubber from Japan, Inv. No. AA-1921-129 (Second Review), USITC Pub. 3786 (June 2005), at 9 (noting that the antidumping finding had a restraining effect on exports to the United States, notwithstanding a zero percent margin). I find that the orders have had such a restraining effect in this instance.

its capacity utilization decreased. Palini's exports, which accounted for approximately \*\*\* of its total shipments during the period of review, increased as well. Information in the record shows that CTL plate capacity and exports for the remainder of the industry – some \*\*\* percent – followed the same pattern.

In the original investigations, subject imports from Italy undersold the domestic like product in 27 of 35 price comparisons with an average margin of underselling of 16 percent.<sup>83</sup> In the first reviews, subject imports from Italy undersold the domestic like product in 8 of 10 comparisons.<sup>84</sup> In the current reviews, the limited pricing data show that imports from Italy undersold the domestic like product in one of two price comparisons.<sup>85</sup>

In light of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), I do not find that subject imports from Italy, with their history of rapid increases in volume and underselling of the domestic like product, their ongoing presence in the U.S. market and evidence of plate capacity expansion and export orientation, would likely have no discernible adverse impact if the orders were revoked.

#### 4. Japan

Domestic interested parties argue that subject imports from Japan would likely have a discernible adverse impact if the order were revoked.<sup>86</sup> Japanese respondents contend that imports from Japan have been negligible during the period of review, representing less than 0.3 percent of apparent U.S. consumption and less than 4 percent of total imports.<sup>87</sup> Moreover, the imports from Japan during the period of review have been specialized CTL plate with substantially higher unit values than the CTL plate supplied by the domestic industry<sup>88</sup> and, upon revocation of the order, any increase in Japanese imports is likely to be negligible and only involve specialized CTL plate that is generally not available from U.S. producers.<sup>89</sup> Japanese respondents argue that they have been operating at close to maximum capacity utilization level throughout the period, and that Japanese producers are focused on their growing home and regional Asian export markets for CTL plate, which account for virtually all of their CTL plate shipments.<sup>90</sup> They contend that given their significant competitive advantages in supplying CTL plate for key CTL plate end uses such as shipbuilding and energy-related applications, as well as their long-term and stable relationships with key customers in Asia, Japanese producers have no incentive to shift sales of CTL plate to the United States.<sup>91</sup> Finally, Japanese respondents argue that domestic interested parties' contention that if the order is revoked Japanese imports will "flood" the market is the exact same argument that they made in the CORE and hot-rolled steel cases before the Commission involving Japan,

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<sup>83</sup> CR/PR at Table V-10.

<sup>84</sup> CR/PR at Table V-10.

<sup>85</sup> CR/PR at Table V-10.

<sup>86</sup> See, e.g., ArcelorMittal's Prehearing Brief at 19-24, Nucor's Prehearing Brief at 7 & Exh. 1 at 9-13.

<sup>87</sup> Japanese Respondents' Prehearing Brief at 46.

<sup>88</sup> Japanese Respondents' Prehearing Brief at 46-48.

<sup>89</sup> Japanese Respondents' Prehearing Brief at 48.

<sup>90</sup> Japanese Respondents' Prehearing Brief at 48.

<sup>91</sup> Japanese Respondents' Prehearing Brief at 48.



and yet the experiences since those orders were revoked show no significant increases in the quantities or types of imports of either product from Japan.<sup>92</sup>

In the original investigations, the volume of subject imports from Japan increased from 24,328 short tons in 1996 to 288,398 short tons in 1998.<sup>93</sup> In the first reviews, the volume of subject imports from Japan declined irregularly from a \*\*\* short tons in 1999 to \*\*\* short tons in 2004.<sup>94</sup> Based on questionnaire responses and proprietary Customs data in these reviews,<sup>95</sup> subject imports from Japan increased irregularly in the current period of review from \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>96</sup> Reported Japanese production capacity increased from 14.3 million short tons in 2005 to 15.8 million short tons in 2010, and was 7.7 million short tons in interim 2010 as compared to 7.4 million short tons in interim 2011. Capacity utilization remained relatively high throughout the period of review, ranging between 83.4 and 101.1 percent; capacity utilization was 92.4 percent in interim 2010 as compared to 97.6 percent in interim 2011.<sup>97</sup> The vast majority of reported Japanese CTL plate shipments were less than one inch thick (\*\*\* percent), followed by the equal to one inch but less than four inch category (\*\*\* percent) and greater than or equal to four inch category (\*\*\* percent).<sup>98</sup>

Exports from Japanese producers increased irregularly from 22.0 percent of shipments in 2005 to a full year period high of 28.9 percent in 2010.<sup>99</sup> Almost \*\*\* percent of Japanese exports of CTL plate

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<sup>92</sup> Japanese Respondents' Prehearing Brief at 48-49. As is generally the case in original investigations, Commission determinations in five-year reviews are *sui generis*, and references to determinations or reviews concerning other products are usually of little utility. See American Bearing Manufacturers Association v. United States, 350 F. Supp. 2d 1100, 1122 (Ct. Int'l Trade 2004) ("the Commission acted properly in disregarding its findings from a review concerning different subject imports and a different industry altogether."); see also Softwood Lumber from Canada, Inv. No. 701-TA-312 (First Remand), USITC Pub. 2689 (October 1993) at 11-12 ("We agree with the panel that a comparison of the performance of the . . . domestic industry . . . with that of some other industry, for the purpose of determining whether the industry under investigation [sic] is materially injured, or whether material injury is by reason of imports, is inappropriate."). Rather, each investigation and each industry is *sui generis*. See, e.g., Nippon Steel Corp. v. United States, 19 CIT ---, Slip Op. 95-57 at 11 (April 3, 1995); Kern-Liebers USA, Inc. v. United States, 19 CIT---, Slip Op. 95-9 at 25 (January 27, 1995), *aff'd sub nom. United States Steel Group v. United States*, 96 F. 3d 1352 (Fed. Cir. 1996).

<sup>93</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Japan was \*\*\* percent in 1998.

<sup>94</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Japan was \*\*\* percent in 2004.

<sup>95</sup> CR/PR at IV-1 n.3.

<sup>96</sup> CR/PR at Table I-1. Subject imports from Japan were \*\*\* short tons in interim 2010 as compared to \*\*\* short tons in interim 2011. CR/PR at Table C-1.

<sup>97</sup> CR/PR at Table IV-17. Reported Japanese capacity utilization was \*\*\* percent in 1998 and was not available during the first reviews. First Reviews at 14.

<sup>98</sup> CR/PR at Table IV-4. The limited volume of U.S. importers' imports of CTL plate from Japan in 2010 were \*\*\*. CR/PR at Table IV-4. More than one-half (65.8 percent) of CTL plate commercial shipments by U.S. producers were in the less than one inch category. CR/PR at Table IV-4.

<sup>99</sup> CR/PR at Table IV-17. In interim 2010, exports accounted for \*\*\* percent of shipments as compared to \*\*\* percent of shipments in interim 2011.



were to the shipbuilding industry.<sup>100</sup> The largest export market for CTL plate from Japan was Asia, accounting for nearly 90 percent of total exports.<sup>101</sup>

In the original investigations, subject imports from Japan undersold the domestic like product in 15 out of 40 price comparisons by an average margin of 7.9 percent.<sup>102</sup> Subject imports from Japan undersold the domestic like product in one of six pricing comparisons during the first reviews.<sup>103</sup> There were no price data reported for imports from Japan during the current reviews.

In view of the foregoing, and in light of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), I do not find that subject imports from Japan, with their history of rapid increases in volume, increased imports and capacity, and export orientation,<sup>104</sup> would likely have no discernible adverse impact if the order were revoked.<sup>105</sup>

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<sup>100</sup> CR/PR at Table IV-19. Evidence in the record indicates that although by June 2011 the world order book for shipbuilding increased 55 percent since 2005, orders in Japan fell 21 percent during the same period. CR at IV-37 n.37, PR at IV-23 n.37. Weighing the latter statistic against \*\*\*, CR at IV-38, PR at IV-24, along with the fact that the limited quantity of imports of subject Japanese plate during the period of review were within the less than one inch category and competing directly with the domestic like product, and that these imports increased substantially toward the end of the full year period, I cannot conclude that should the order be revoked, Japanese producers will not continue to increase shipments of subject CTL plate to the United States market. I note that although Japanese respondents made similar arguments regarding specialized plate in the first reviews, see First Reviews Confidential Staff Report at IV-40, the Commission did not find that subject imports from Japan would likely have no discernible adverse impact if the order were revoked. In fact, in the original investigations the Commission found that shipbuilding plate comprises commodity plate. Original Determination at 16. I also note that U.S. producers also compete in the shipbuilding segment of the market. See CR/PR at Table II-4 (4.8 percent of U.S. producers' shipments to specified end use markets in 2010).

<sup>101</sup> CR/PR at Table IV-17. I note that production of reversing mill plate is projected to increase significantly in Asia between 2011 and 2015, CR/PR at Table IV-24, while consumption is projected to increase at a lesser extent. See CR/PR at Table IV-26.

<sup>102</sup> CR/PR at Table V-10.

<sup>103</sup> CR/PR at Table V-10.

<sup>104</sup> I do not find that any significant increased exports of subject plate from Japan would be met with increased Asian demand. Evidence in the record shows that from 2009-10, Asian CTL plate capacity increased by \*\*\* metric tons, while Asian consumption increased by only \*\*\* metric tons. See Japanese Respondents' Posthearing Brief, Exh. 1 at 57, 92.

I also note that since 2003, producers in Japan have been subject to antidumping duties in Thailand on their exports of hot-rolled steel not in coils (which includes CTL plate). Since June 2009, producers in Japan have been subject to a 12 percent general tariff rate in Brazil on their exports of hot-rolled plate and heavy plate. CR at IV-23, PR at IV-16-17.

<sup>105</sup> Further, evidence in the record indicates that transport infrastructure was affected to a greater degree than steel production as a result of the earthquake and tsunami on March 11, 2011. See CR at IV-23, PR at IV-16-17. While Japanese producers argued that reconstruction of the affected areas is expected to result in increased demand for CTL plate (in particular, construction-related end uses, such as building, bridges, tanks, and replacement of other damaged infrastructure), Nucor cited news articles from April and July 2011 that indicated there will not be an increase in demand resulting from the earthquake and tsunami. See id.

## 5. Korea

Domestic interested parties argue that subject imports from Korea would likely have a discernible adverse impact if the order were revoked.<sup>106</sup> Dongkuk, the sole Korean producer that responded to the Commission's questionnaire,<sup>107</sup> argues that while subject imports from Korea continued to be imported into the United States in relatively large quantities from 2004 to 2008, they withdrew from the U.S. market as conditions there deteriorated and as demand in Korea grew.<sup>108</sup> Dongkuk also argues that it competes with nonsubject Korean producer POSCO,<sup>109</sup> and the fact that POSCO has chosen \*\*\*, establishes that there is ample demand in the Korean market for all Korean producers.<sup>110</sup>

In the original investigations, the volume of subject imports from Korea increased from 28,495 short tons in 1996 to \*\*\* short tons in 1998.<sup>111</sup> In the first reviews, the volume of subject imports from Korea declined irregularly from a \*\*\* short tons in 1999 to \*\*\* short tons in 2004.<sup>112</sup> Based on official Commerce statistics, subject imports from Korea declined irregularly in the current period of review from \*\*\* short tons in 2004 to \*\*\* short tons in 2010.<sup>113</sup> However, while subject CTL plate imports from Korea were \*\*\* short tons in interim 2010, they were \*\*\* short tons in interim 2011.<sup>114</sup> Reported Korean production capacity, which pertains solely to Dongkuk, \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>115</sup> <sup>116</sup> The vast majority of reported Korean CTL plate shipments were less than one inch thick (\*\*% percent), followed by the equal to one inch but less than four inch category (\*\*% percent) and greater than or equal to four inch category (\*\*% percent).<sup>117</sup> Exports from Dongkuk increased irregularly from \*\*% percent of shipments in 2005 to \*\*% percent in 2010.<sup>118</sup>

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<sup>106</sup> See, e.g., ArcelorMittal's Prehearing Brief at 24-31, Nucor's Prehearing Brief at 7 & Exh. 1 at 14-17.

<sup>107</sup> Dongkuk is believed to account for a substantial portion of subject Korean production of CTL plate. CR at IV-28, PR at IV-20-21.

<sup>108</sup> Dongkuk's Posthearing Brief, Att. 1 at 1-1.

<sup>109</sup> POSCO has received *de minimis* margins and has never been subject to the orders.

<sup>110</sup> Dongkuk's Posthearing Brief, Att. 1 at 1-2.

<sup>111</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Korea was \*\*% percent in 1998.

<sup>112</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Korea was \*\*% percent in 2004.

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

<sup>114</sup> CR/PR at Table IV-1. I note that nonsubject imports from Korea (POSCO) totaled \*\*\* short tons in interim 2010 as compared to \*\*\* short tons in interim 2011. Id.

<sup>115</sup> In the original investigations, Korea's production capacity for CTL plate reportedly was \*\*\* at approximately \*\*\* short tons during this period. Original Investigations Confidential Staff Report at Table VII-6. The Commission did not receive information on total production capacity for the Korean industry in the first reviews.

<sup>116</sup> CR/PR at Table IV-21. \*\*\* reported that Korean production capacity for CTL plate, excluding POSCO, was approximately \*\*\* short tons in 2010. CR/PR at Table IV-20. The capacity reported for Hyundai Steel of \*\*\* represented only the 2010 effective capacity of Hyundai's new mill, which started up during 2010 and has a total annual capacity of 1.7 million short tons. CR at IV-28 n.32, PR at IV-21 n.32. Moreover, Hyundai is building a second plate mill that will double its capacity and has announced that it will upgrade its first mill, increasing its capacity by 500 thousand metric tons and bringing its total capacity to 3.9 million short tons after 2013. Id.

<sup>117</sup> CR/PR at Table IV-4.

<sup>118</sup> CR/PR at Table IV-21. In interim 2010, exports accounted for \*\*% percent of shipments as compared to \*\*% percent of shipments in interim 2011.

In the original investigations, subject imports from Korea undersold the domestic like product in 23 of 41 price comparisons by an average margin of 10.5 percent.<sup>119</sup> Subject imports from Korea undersold the domestic like product in 44 of 52 price comparisons during the first reviews.<sup>120</sup> In the current reviews, subject imports from Korea undersold the domestic like product in 36 of 61 price comparisons by an average margin of 9.5 percent.<sup>121</sup>

In light of the current prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed below), I do not find that subject imports from Korea, with their history of rapid increases in volume and underselling of the domestic like product,<sup>122</sup> a substantial ongoing presence in the U.S. market, plate capacity increases, and export orientation, would likely have no discernible adverse impact if the orders were revoked.<sup>123</sup>

## **B. Likelihood of Reasonable Overlap of Competition**

In assessing likely competition, the Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product. These factors are as follows: (1) fungibility; (2) sales or offers in the same geographic markets; (3) common or similar channels of distribution; and (4) simultaneous presence. Only a “reasonable overlap” of competition is required.<sup>124</sup> In five-year reviews, the relevant inquiry is whether there likely would be competition upon revocation of the orders, even if none currently exists because the subject imports are absent from the U.S. market.

*Fungibility.*<sup>125</sup> In the original investigations, the Commission found that U.S. CTL plate was “highly” interchangeable with CTL plate produced in subject countries. The Commission rejected arguments by respondents that their imports were only “niche” products sold in types and thicknesses that did not overlap with those of the U.S. producers, finding instead that most sales of CTL plate occurred in

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<sup>119</sup> CR/PR at Table V-10.

<sup>120</sup> CR/PR at Table V-10.

<sup>121</sup> CR/PR at Table V-10.

<sup>122</sup> Original Investigations Confidential Staff Report at Table V-15 (underselling demonstrated in 23 of 41 quarters, with an average underselling margin of 10.5 percent).

<sup>123</sup> As I explained above in my discussion of no discernible adverse impact with respect to subject CTL plate imports from Japan, I do not find that increased Asian consumption will absorb a significant increase in exports from Korea.

<sup>124</sup> See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (CIT 1996); Wieland Werke, AG, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); United States Steel Group v. United States, 873 F. Supp. 673, 685 (CIT 1994), aff’d, 96 F.3d 1352 (Fed. Cir. 1996). I note, however, that there have been investigations in which the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), aff’d sub nom. Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

<sup>125</sup> I note that, with respect to fungibility, my analysis does not require such similarity of products that a perfectly symmetrical fungibility is required and that this factor would be better described as an analysis of whether subject imports from each country and the domestic like product could be substituted for each other. See Separate Views of Commissioner Charlotte R. Lane, Certain Lightweight Thermal Paper from China, Germany, and Korea, Inv. Nos. 701-TA-451 and 731-TA-1126-1128 (Preliminary), USITC Pub. 3964 (Nov. 2007).

commodity grades and in overlapping thicknesses.<sup>126</sup> In the first reviews, the Commission found that the U.S. product and subject imports were sufficiently fungible.<sup>127</sup>

In these reviews, the record indicates that although there may be some differences between domestic and imported CTL plate, overall there is a “moderate to high degree of substitution between CTL plate produced in the United States and the subject countries and other import sources.”<sup>128</sup> The majority of purchasers reported that the domestic and subject products were comparable for price, extension of credit, minimum quantity requirements, packaging, product consistency, quality meets industry standards, quality exceeds industry standards, quality meets customer specifications, and product range.<sup>129</sup> Producers, importers, and purchasers were also asked to assess how interchangeable CTL plate from the United States is with CTL plate from both subject and nonsubject countries. The majority of market participants reported that the CTL plate from the United States and from other countries are “always or frequently” interchangeable.<sup>130</sup>

In addition, 65.8 percent of CTL plate commercial shipments by U.S. producers are in the less than one inch category.<sup>131</sup> The same holds true for the CTL plate commercial shipments by the subject producers in Japan (\*\*\*) percent) and \*\*\* (\*\*\*) percent), whereas the sole responding producer in \*\*\* reported \*\*\* percent of its shipments in this category. With respect to reported U.S. imports, \*\*\* imports from Japan were in the less than one inch category and \*\*\* percent of imports from Korea were in the greater than or equal to four inch category.<sup>132</sup> As the Commission found in the first reviews, in these current reviews I find that the U.S. product and subject imports are sufficiently fungible with each other and the domestic like product to find a reasonable degree of overlap.

*Common or Similar Channels of Distribution.* In the original investigations, U.S. mills shipped 56.4 of their CTL plate to distributors and service centers, and U.S. processors shipped 71.8 percent of their CTL plate to end users.<sup>133</sup> U.S. importers shipped the majority of their CTL plate to distributors and service centers, except for imports from Italy, which were shipped primarily to end users.

In the first reviews, the Commission found that U.S. producers shipped slightly more than one-half of their CTL plate to distributors and service centers, while importers shipped well over one-half of their CTL plate to distributors and service centers.<sup>134</sup> The Commission also found that the distribution channels did not appear to have shifted in this period for the reported subject imports, with the exception of imports from Japan, which were shipped \*\*\* in 1999, but were shipped only to \*\*\* in 2004 under the discipline of the antidumping duty order.<sup>135</sup>

In the current reviews, U.S. producers and importers sell CTL plate to distributors, service centers, and end users. U.S. producers usually shipped slightly more than one-half of their CTL plate to distributors, while importers shipped \*\*\* of their subject merchandise from Italy and Korea to distributors.<sup>136</sup> Once again, the very limited amount of subject imports from Japan were shipped \*\*\* to

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<sup>126</sup> Original Determination at 15.

<sup>127</sup> First Reviews at 16-17.

<sup>128</sup> CR at II-22, PR at II-14.

<sup>129</sup> CR/PR at Table II-10.

<sup>130</sup> CR/PR at Table II-11.

<sup>131</sup> CR/PR at Table IV-4.

<sup>132</sup> CR at IV-8, PR at IV-8.

<sup>133</sup> Original Determination at I-8.

<sup>134</sup> First Reviews at 18.

<sup>135</sup> First Reviews at 18.

<sup>136</sup> CR/PR at Table II-1.

end users, a shift that took place after the imposition of the antidumping duty orders.<sup>137</sup> As the Commission found in the first reviews, I find the channels of distribution to be such that there is a reasonable degree of overlap.

*Same Geographic Markets.* In the original investigations, the record indicated that many domestic plants were located in the “Pennsylvania-Ohio-Illinois corridor; others are scattered throughout the country in such places as Alabama, California, Texas, and Utah. . . . Importers reported that their primary markets are the Gulf Coast, the Great Lakes region, the East Coast and the West Coast.”<sup>138</sup>

In the first reviews, the record indicated that CTL plate production occurred throughout the United States and that CTL plate was shipped nationwide.<sup>139</sup> U.S. producers and importers as a whole reported nationwide sales, although most individual firms reported that sales were concentrated in particular regions.<sup>140</sup> Importers and producers served each of the six geographic markets identified in the staff report.<sup>141</sup>

In the current reviews, U.S. producers and importers, as a whole, reported nationwide sales. The majority of the responding producers reported selling to all regions within the contiguous United States, and five of 12 responding importers reported selling CTL plate nationwide.<sup>142</sup> The remaining seven importers reported serving primarily the Pacific Coast, Central Southwest, Midwest, and Northeast Regions.<sup>143</sup> I find the geographic markets to be such that there is a reasonable degree of overlap.

*Simultaneous Market Presence.* In the original investigations as well as the first reviews, both the domestic like product and imports from each subject country were present in the U.S. market throughout the period examined.<sup>144</sup>

In these reviews, the domestic like product and imports from Italy and Korea were present in every month of the period for which data were collected.<sup>145</sup> Imports from India were present in each year, but less than six months of each year from 2008 to 2010.<sup>146</sup> Imports from Indonesia were present in only a few months for each year from 2005 to 2008, before exiting the market completely in October 2008.<sup>147</sup> Imports from Japan were present to varying degrees in each year except for 2005 and the first half of 2011.<sup>148</sup> I find there to be sufficient overlap in terms of simultaneous market presence.<sup>149</sup>

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<sup>137</sup> CR/PR at Table II-1.

<sup>138</sup> Original Determination at II-1.

<sup>139</sup> First Reviews at 18.

<sup>140</sup> First Reviews at 18.

<sup>141</sup> CR/PR at Table II-2.

<sup>142</sup> CR at II-3, PR at II-2.

<sup>143</sup> CR at II-3, PR at II-2. Only two of the 12 responding firms imported CTL plate from the subject countries. \*\*\* reported selling plate from \*\*\* to the Central Southwest, Pacific Coast, and Northeast regions, whereas \*\*\* reported selling plate from \*\*\* to the Central Southwest, Pacific Coast, Midwest, and Northeast Regions. CR at II-3 n.2, PR at II-3 n.2.

<sup>144</sup> Original Determination at 18, First Reviews at 18-19.

<sup>145</sup> CR/PR at Table IV-5. The monthly data on Korea, compiled from official statistics, includes nonsubject imports from POSCO, although the information on subject imports from Korea that was reported to the Commission \*\*\*. CR/PR at Tables IV-5, IV-21.

<sup>146</sup> CR/PR at Table IV-5.

<sup>147</sup> CR/PR at Table IV-5.

<sup>148</sup> CR/PR at Table IV-5.

<sup>149</sup> In five-year reviews, the order may have affected the marketing and distribution patterns of the product in question. The relevant inquiry thus is whether there would likely be competition even if there are no current imports from a subject country. See generally, *Cheflene Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade



Based on the traditional four competition factors that the Commission considers, I conclude that subject imports from the subject countries likely would be sufficiently fungible, move primarily in the same channels of distribution, be simultaneously present in the market, and compete in the same geographic market if the orders were revoked. I note that no party has presented arguments to the contrary.

However, Japanese respondents argue that subject imports from Japan should not be cumulated with other subject imports because of differences in factors such as capacity utilization, AUVs, patterns of underselling/overselling, and export markets.<sup>150</sup> Many of the arguments proffered by the Japanese respondents refer to what they perceive to be significant differences between them and other subject CTL plate producers that were present in the original investigations and first reviews.<sup>151</sup> Yet in the first reviews, I declined to find that these differences were so compelling as to convince me to decline to exercise my discretion to cumulate subject Japanese CTL plate imports with other subject CTL plate imports. There is no evidence in the record of these reviews that would compel me to make a different finding.

I do not find any significant or compelling other considerations that would lead me to conclude that the conditions of competition related to the subject imports from any one country are so dissimilar from the conditions of competition affecting subject imports from the other four countries that I should decline to exercise my discretion to cumulate all subject imports. In accordance with the above, I exercise my discretion to cumulate subject imports from all five subject countries: India, Indonesia, Italy, Japan, and Korea.<sup>152</sup>

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2002) (“The statute and legislative history are clear: the Commission is not required to find that subject imports currently compete in the U.S. market.”). Cf. SAA at 888 (regional industry). See also, e.g., Hot-Rolled Carbon Quality Steel Products from Brazil, Japan and Russia, Inv. Nos. 701-TA-384 and 731-TA-806-808 (Second Review), USITC Pub. 4237 (June 2011) at 15 (“Although the volume of subject imports from Brazil was extremely low during the period of review, the domestic like product and imports from all three subject countries were simultaneously present in the U.S. market during five of the six years of the period of review. Additionally, the focus is on likely competition in the event of revocation. As we found in the discussion of no discernible adverse impact, upon revocation subject imports from Brazil would likely return to the U.S. market in at least small quantities, indicating a likelihood of simultaneous presence.”); Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand, Inv. Nos. 701-TA-432 and 731-TA-1024-28 (Review) and AA1921-188 (Third Review), USITC Pub. 4114 (November 2009) at 18 (rejecting the argument “that there is not a reasonable overlap of competition between Mexican imports and the domestic like product because Mexican PC strand has largely been absent from the U.S. market since the imposition of the orders”); Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and -882 (Review), USITC Pub. 3933 (July 2007) at 16; Granular Polytetrafluoroethylene Resin from Italy and Japan, Inv. Nos. 731-TA-385-86 (Second Review), USITC Pub. 3823 (December 2005) at 13-14. (“While subject imports from Japan currently consist of niche products, the current composition of subject imports is affected by the discipline of the antidumping duty orders and thus not necessarily indicative of likely post-revocation behavior.”) (finding a likely reasonable overlap of competition).

<sup>150</sup> See, e.g., Japanese Respondents’ Prehearing Brief at 50-58.

<sup>151</sup> See First Reviews at 28-32; see also Original Determination at 14-18; First Reviews Confidential Staff Report at IV-32 - IV-36; First Reviews Revisions to Confidential Staff Report, INV-CC-187 at IV-32.

<sup>152</sup> When I do not find that the subject imports would be likely to have no discernible adverse impact on the domestic industry if the orders were revoked, and find that such imports would be likely to compete with each other and with the domestic like product in the U.S. market, I cumulate such imports unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted. Based on the record in these reviews, I find no such condition or propensity with respect to the subject imports.



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

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

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order 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.”<sup>153</sup> 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.”<sup>154</sup> Thus, the likelihood standard is prospective in nature.<sup>155</sup> 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.<sup>156 157</sup>

The Act states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>158</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>159</sup>

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

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<sup>153</sup> 19 U.S.C. § 1675a(a).

<sup>154</sup> 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.

<sup>155</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>156</sup> See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”, *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>157</sup> I note that, consistent with my views in Pressure Sensitive Plastic Tape From Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), I do not concur with the U.S. Court of International Trade’s interpretation of “likely,” but 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.

<sup>158</sup> 19 U.S.C. § 1675a(a)(5).

<sup>159</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>160</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>161</sup> 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.<sup>162</sup>

In evaluating the likely volume of imports of subject merchandise if the order under review were revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>163</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>164</sup>

In evaluating the likely price effects of subject imports if the order under review were revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports in relation 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.<sup>165</sup>

In evaluating the likely impact of imports of subject merchandise if the order 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.<sup>166</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, I have considered the extent to which any improvement in the state of the domestic industry is

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<sup>160</sup> 19 U.S.C. § 1675a(a)(1).

<sup>161</sup> 19 U.S.C. § 1675a(a)(1). I note that Commerce made no duty absorption findings.

<sup>162</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>163</sup> 19 U.S.C. § 1675a(a)(2).

<sup>164</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>165</sup> 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.

<sup>166</sup> 19 U.S.C. § 1675a(a)(4).

related to the orders at issue and whether the industry is vulnerable to material injury if the orders were revoked.<sup>167</sup>

As discussed above, the Commission received seven responses to its notice of institution: a joint response from domestic interested parties, one from an Italian subject producer, three from Japanese producers, one from a Korean subject producer, and a joint response from importers regarding Japanese subject imports. The Commission received no responses from foreign producers or exporters with respect to the orders on subject merchandise from India or Indonesia. Accordingly, when appropriate in these reviews, I have relied on the facts otherwise available, which consist of information from the original investigations and the first reviews, as well as information obtained in these reviews, including information from the domestic interested parties and participating respondents, and information available from published sources.<sup>168</sup>

## **B. Conditions of Competition**

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>169</sup>

In the original investigations, the Commission highlighted several conditions of competition pertinent to its analysis of the domestic CTL plate market. The Commission found that demand in most sectors had generally increased since 1996. The Commission found that the industry had undergone considerable consolidation over the period examined, added significant capacity and increased production, although some producers experienced setbacks and delays in bringing new capacity on line.<sup>170</sup> The Commission further found that the costs of raw materials for CTL plate showed differing trends, with the costs of coal and iron ore relatively stable while the cost of scrap fell dramatically in 1998.<sup>171</sup> The shares of apparent consumption accounted for by total imports, both subject and nonsubject, decreased from 1996 to 1997 following the affirmative determinations in the antidumping investigations of CTL plate from China, Russia, South Africa, and Ukraine, and then increased in 1998. The Commission further noted that nonsubject market share decreased over the period while subject import market share increased.<sup>172</sup>

In the first reviews the Commission found that overall demand for CTL plate remained largely dependent upon the demand for a variety of end-use applications, including construction, railcars,

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<sup>167</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885, 19 U.S.C. § 1675a(a)(4).

<sup>168</sup> 19 U.S.C. § 1677e(a) authorizes the Commission to “use the facts otherwise available” in reaching a determination when (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to 19 U.S.C. § 1677m(I). The verification requirements in 19 U.S.C. § 1677m(I) are applicable only to Commerce. See Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750, 765 (Ct. Int’l Trade 2002) (“the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of Commission investigations.”).

<sup>169</sup> 19 U.S.C. § 1675a(a)(4).

<sup>170</sup> Original Determination at 20.

<sup>171</sup> Original Determination at 20-21.

<sup>172</sup> Original Determination at 21.

agriculture and industrial machinery, oil and gas, and shipbuilding. The Commission found that demand declined during the early portion of the period, but increased in 2004 and it was projected to grow in 2005. The Commission noted that the domestic industry continued to restructure during this period, and that the domestic industry's capacity fluctuated as capacity losses from the closure of mills such as Geneva Steel and Gulf States were offset by the ramping up of production by Nucor and IPSCO, and the reactivation of Mittal's Burns Harbor plate mill.<sup>173</sup>

The Commission further noted that imports from the cumulated subject countries declined overall after the imposition of the orders, and that there were 29 outstanding antidumping and countervailing duty orders and two suspended investigations covering the subject product. The Commission found a high degree of substitutability between CTL plate produced in the United States and the subject countries. Finally, the Commission noted that global CTL plate consumption had grown since 1999, with China generating much of the growth, but that after a period of tight supply and record prices in 2004, global supply and demand trends appeared to be changing as China transitioned from a net importer of steel to a net exporter of steel as China's production was forecast to exceed its consumption in 2005.<sup>174</sup>

The following conditions of competition during the period for which data were collected are relevant to my determination in these five-year reviews.

*Demand.* The record indicates that U.S. demand for CTL plate is affected by changes in overall U.S. economic activity and, as explained above, because it is an intermediate product, its demand is derived from demand in the sectors in which it is used. Quarterly real growth in U.S. GDP fluctuated between 2005 and 2007, then declined steeply from the latter half of 2008 through the first half of 2009. Since 2007, the economic decline contributed to lower demand for CTL plate, but some sectors have started to recover.<sup>175</sup>

Two common applications for plate are construction and energy development and transmission. The value of total U.S. construction put in place, on a monthly basis, decreased irregularly during January 2005-September 2011. Total U.S. construction fell by 24 percent from January 2005 to September 2011. It decreased 37 percent from a period high of \$1,213 billion in March 2006 to \$763 billion in March 2011, but beginning in April 2011, total construction has irregularly increased through September 2011. Nonresidential construction increased from \$464 billion in January 2005 to \$700 billion in March 2009 before falling to \$551 billion in September 2011, representing a net increase of 19 percent over the period.<sup>176</sup>

With regard to energy transmission, the miles of approved natural gas pipeline projects increased from 2005 to 2007, before falling in 2008 and 2009. The number of additions to natural gas pipelines has steadily increased since, but has not returned to its 2008 level.<sup>177</sup>

Also, wind energy represents a small, but growing, application for CTL plate. Wind turbine installations increased from 2005 to 2009 and then fell by 50 percent in 2010. Growth in the wind energy sector has resumed in the second half of 2011, and new construction is expected to continue through 2017.<sup>178</sup> The outlook for wind turbine manufacturing in the United States is partially dependent upon federal and state policies. Although a variety of federal laws and policies have encouraged both wind and energy production as well as the use of U.S.-produced equipment to generate that energy, some of these

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<sup>173</sup> First Reviews at 25-26.

<sup>174</sup> First Reviews at 26-27.

<sup>175</sup> CR at II-14, PR at II-9.

<sup>176</sup> CR at II-15, PR at II-10.

<sup>177</sup> CR at II-16, PR at II-10.

<sup>178</sup> The U.S. wind industry is currently experiencing its busiest quarter since 2008. As of October 2011, there were over 8,482MW wind projects under construction involving over 90 separate projects in the United States. CR at II-17 n.9, PR at II-11 n.9.

policies are subject to change at the end of 2011, and others are scheduled to expire in 2012. Future decisions about these policies might affect the extent to which wind turbine manufacturing will continue to grow in the United States.<sup>179</sup>

When asked how demand for CTL plate has changed within the United States since 2005, the majority of producers, importers, and purchasers reported that demand for CTL plate has fluctuated since 2005 and has followed the overall trend of the economy with strong demand prior to early-mid-2008, a collapse in 2009, and a slow recovery through 2010.<sup>180</sup> Apparent U.S. consumption of CTL plate increased irregularly from 6.8 million short tons in 2005 to 8.0 million short tons in 2008, and then decreased to 4.4 million short tons in 2009, before increasing to 6.0 million short tons in 2010. Apparent U.S. consumption was 3.5 million short tons in January-June 2011 compared with 3.0 million short tons in January-June 2010.<sup>181</sup>

*Supply.* As in the prior reviews, the U.S. market continues to be supplied by domestic production as well as by subject and nonsubject imports. The domestic industry is the largest source of supply, reaching a share of 91.8 percent of apparent U.S. consumption in 2009, before declining to 90.7 percent in 2010.<sup>182</sup>

Since 2005, the U.S. industry has experienced initial growth in production capacity from the restart of idled capacity, followed by changes in ownership and consolidation, as well as new investment, generally in heat-treating facilities.<sup>183</sup> With the downturn in the U.S. economy, however, several U.S. mills idled facilities, either periodically or for an extended period, with operations only beginning to recover in 2010 or 2011.<sup>184</sup> The domestic industry now consists of 10 mills, with \*\*\* accounting for the vast majority of mill production, as well as five known processors, or service centers, that responded to the Commission's request for information. Two producers, Evraz Claymont and Evraz Oregon, are related to Italian producer Palini.<sup>185</sup> Capacity and production fluctuated throughout the period for which data were collected. The industry's overall capacity increased 15.2 percent between 2005 and 2010, which corresponds to the restarts and acquisitions reported by domestic mills and processors. All firms reported a decline in production in 2009, and all but two firms reported increases in production in 2010. The largest increases and decreases in production during the period for which data were collected involved the largest firms. \*\*\* represented the majority of the production declines in 2009. In addition, these \*\*\* large producers also represented the majority of the increase in production in 2010.<sup>186</sup>

Cumulated subject imports declined irregularly over the period, rising to their highest level in 2006 before falling to their lowest full year level in 2010.<sup>187</sup> Subject import market share followed the same trend, and ranged from \*\*\* percent to \*\*\* percent of apparent U.S. consumption over the period.<sup>188</sup> At the same time, nonsubject imports accounted for between \*\*\* percent and \*\*\* percent of apparent

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<sup>179</sup> CR at II-17 & n.9, PR at II-11 & n.9.

<sup>180</sup> CR at II-19, PR at II-13.

<sup>181</sup> CR at II-13, PR at II-8.

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

<sup>183</sup> Heat treatment lines permit the production of steel that meets additional specifications, but do not change the basic rolling capacity of the mill. CR/PR at III-1 n.1.

<sup>184</sup> CR/PR at III-1.

<sup>185</sup> \*\*\*. The policy of the Evraz companies is \*\*\*. CR/PR at Table I-8; CR at I-33 & n.47, PR at I-27 & n.47.

<sup>186</sup> CR at III-7, PR at III-2-3 & CR/PR at Table III-4.

<sup>187</sup> See CR/PR at Table IV-1.

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



U.S. consumption.<sup>189</sup> I note that exports from India, Indonesia, Italy, Japan, and Korea all are subject to antidumping duty measures in third-country markets and/or a 12 percent general tariff in Brazil covering the subject product.<sup>190</sup>

*Substitutability.* As in the original investigations and first reviews, the record continues to indicate that domestic manufacturers produce a wide variety of grades and types of CTL plate within the scope of these investigations, and that there is some variation among the grades and types of CTL plate that have been imported from the individual subject countries. Nonetheless, the record indicates that, overall, there is a moderate to high degree of substitution between CTL plate produced in the United States and the subject countries and other import sources.<sup>191</sup>

*Global Market Conditions.* Global consumption of reversing mill plate generally increased over the period for which data are available, despite a sharp overall decline in 2009. Certain markets expanded in 2009: principally China, but also the Commonwealth of Independent States, India and Indonesia. Between 2007 and 2010, consumption increased by \*\*\* percent, despite a setback in consumption during the economic recession of 2008-09. Most of the increase occurred in East and Southeast Asia, primarily in China. Global consumption is forecasted to increase during 2011-15, with growth in all regions and the greatest consumption increase in China.<sup>192</sup>

The demand for shipbuilding is an indicator of demand for CTL plate, particularly in Asia. Shipbuilding is a primary end use for CTL plate produced in Japan and Korea. The three largest countries in which shipbuilding occurs are Japan, Korea and China, which represented 92 percent of world shipbuilding deliveries in 2010. Over the period examined there has been a large increase in new ship construction, with global orders for new shipbuilding more than doubling between 2005-08. New orders for shipbuilding based on global totals began to fall starting in 2009, but remained above their 2005 levels; they are forecasted to fall below 2005 levels by 2014.<sup>193</sup>

I find that these conditions in the CTL plate market provide me with a reasonable basis on which to assess the effects of revocation of the orders.

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<sup>189</sup> CR/PR at Table I-1.

<sup>190</sup> CR at IV-13, IV-16, IV-19, IV-23, IV-29, PR at IV-21-22.

<sup>191</sup> CR at II-22, PR at II-14; see also CR/PR at Table II-10 (product range of U.S. product generally superior or comparable to imports), Table IV-4, CR at II-24 nn.17-18, PR at II-16 nn.17-18.

<sup>192</sup> CR at IV-34 - IV-35, PR at IV-22.

<sup>193</sup> CR at IV-37 - IV-38, PR at IV-24-25.



**C. Revocation of the Orders on the Cumulated Subject Countries Is Likely to Lead to a Continuation or Recurrence of Material Injury in the Reasonably Foreseeable Future**

**1. Likely Volume of Subject Imports**

In the original investigations, the Commission found that the volume and market share of subject imports had increased significantly over the period of investigation, with subject import volume increasing by 318.4 percent and subject import market share more than tripling.<sup>194</sup> Though the increase in subject imports had initially been at the expense of nonsubject imports, with the domestic industry gaining market share in 1997, the Commission found that domestic producers had lost market share to subject imports in 1998, and particularly in the second half of 1998.<sup>195</sup> The Commission acknowledged that the domestic industry had experienced “sporadic problems” meeting demand during the period, but rejected the respondents’ argument that these occurrences evidenced a supply shortage that pulled subject imports into the U.S. market.<sup>196</sup>

In the first five-year reviews, the Commission noted that cumulated subject imports had declined significantly following imposition of the orders, but had increased in the most recent period.<sup>197</sup> The Commission noted several factors indicated that subject producers had the ability and incentive to increase exports to the United States to significant levels if the orders were revoked. First, prior to imposition of the orders, subject producers from the cumulated countries demonstrated the ability to rapidly increase exports to the United States. Since the imposition of the orders, subject producers from the cumulated countries maintained a presence in the United States, albeit at greatly reduced volumes, showing that they have distributors or customers in place for their product. Second, despite limitations in the scope of coverage on foreign production, the data collected and information available showed considerable production and capacity increases in the subject countries over the period of review.<sup>198</sup>

Third, the Commission found that subject producers would be likely to shift to the United States some of their exports that have been destined for other export markets, as the United States was an attractive market due to generally higher prices than in other markets, and with additional capacity in China expected to come on line and shift the supply/consumption balance in that country, cumulated subject producers that rely on that market (all but Italy), likely would need to shift shipments to some degree to alternative markets in the reasonably foreseeable future.<sup>199</sup> Finally, the Commission noted that exports of subject merchandise from India, Indonesia, Italy, Japan, and Korea were subject to

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<sup>194</sup> Original Determination at 21 (cumulated subject import volume increased from 274,859 short tons in 1996, or 3.3 percent of U.S. apparent consumption, to 1.15 million short tons in 1998, or 11.7 percent of U.S. apparent consumption).

<sup>195</sup> Original Determination at 22-23.

<sup>196</sup> Original Determination at 22-23.

<sup>197</sup> First Reviews at 27-28. While the majority of the Commission cumulated only subject imports from India, Indonesia, Italy, Japan, and Korea, I also cumulated subject imports from France. Consequently, I found that the majority’s discussion of likely volume and price effects, as well as likely impact, if the orders on the five countries were revoked, would only be strengthened when likely imports from France were included in the analysis. Accordingly, I found that revocation of the orders on all six countries would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. First Reviews at 27 n.182.

<sup>198</sup> First Reviews at 28-29.

<sup>199</sup> First Reviews at 30.

antidumping duties in third-country markets, further increasing the attractiveness of the U.S. market were the orders to be revoked.<sup>200</sup>

During these reviews, cumulated subject imports rose from \*\*\* short tons in 2005 to \*\*\* short tons in 2006, before falling to \*\*\* short tons in 2007, to \*\*\* short tons in 2008, to \*\*\* short tons in 2009 and to \*\*\* short tons in 2010.<sup>201</sup> Their share of apparent U.S. consumption followed a similar trend, rising from \*\*\* percent in 2005 to \*\*\* percent in 2006, then falling to \*\*\* percent in 2007, to \*\*\* percent in 2008, to \*\*\* percent in 2009 and to \*\*\* percent in 2010.<sup>202</sup> During this time, total apparent U.S. consumption fluctuated, and was lowest in 2009 before increasing somewhat in 2010, but not to the level present at the beginning of the period of review.<sup>203</sup>

As the Commission noted in the prior reviews, subject imports from the cumulated subject countries surged 845 percent in the three full years prior to the imposition of the orders and gained 8.9 percentage points of market share overall, a significant portion of which was at the expense of the domestic industry in 1998. Producers in the subject countries have the demonstrated ability to increase exports to the United States rapidly without the restraining effects of the orders. Moreover, producers from each country have continued to ship subject merchandise after the orders were imposed – 11 years ago.<sup>204</sup> The ongoing presence of subject imports in the U.S. market, although dramatically reduced due to the restraining effect of the orders, demonstrates the continued importance of the U.S. market to subject producers in the face of expanding global demand, and further shows that subject imports already have distributors or customers in place for their product.

In addition, the information available in the record shows that cumulated subject capacity has increased significantly over the period of review, from \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>205</sup> In the first reviews, the Commission stated that the subject producers from the cumulated countries reported the availability of 3,044,597 short tons of unused production in 1998, which was equivalent to 39 percent of U.S. apparent consumption in 2004.<sup>206</sup> This amount was equivalent to nearly 50 percent of U.S. apparent consumption in 2010.<sup>207</sup>

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<sup>200</sup> First Reviews at 31.

<sup>201</sup> CR/PR at Table I-1.

<sup>202</sup> CR/PR at Table I-1.

<sup>203</sup> Total apparent U.S. consumption was 6,845,135 short tons in 2005, climbing to 8,378,675 short tons in 2006, to 7,963,203 short tons in 2007, then rising slightly to 7,988,590 short tons in 2008, then falling abruptly to 4,367,759 short tons in 2009, before climbing to 5,929,950 short tons in 2010. CR/PR at Table I-1.

<sup>204</sup> First Reviews at 28. I note that there were no subject imports from Indonesia at the end of the period of review. See CR/PR at Table I-1. However, U.S. imports from Indonesia dropped to zero for three of the first five years for which data were collected after the orders were imposed, then resumed and continued for another five years. Once they resumed, they increased from 627 short tons in 2004 to 2,682 short tons in 2005. CR/PR at Table I-1. Although the sole Indonesian producer that responded to the Commission's questionnaire stated in its incomplete response that it did not intend to export CTL plate to the United States, it is only one of at least four subject Indonesian producers. CR at IV-14, PR at IV-11-12. There is no indication in the record that subject Indonesian CTL plate will not be imported into the United States in the reasonably foreseeable future.

<sup>205</sup> See CR/PR at Tables IV-7, IV-10, IV-13, IV-16. These figures do not include subject Korean plate, as data for 2005 are not available. However, subject Korean CTL plate capacity was reported to be \*\*\* short tons in 2010. CR/PR at Table IV-20.

<sup>206</sup> First Reviews at 28.

<sup>207</sup> See CR/PR at Table I-1.

The evidence in the record also shows increased production for the cumulated subject countries since the period of the first reviews.<sup>208</sup> CTL plate production, for all countries except Indonesia, increased from \*\*\* short tons in 2004<sup>209</sup> to \*\*\* short tons in 2010.<sup>210</sup> This increased production reflects the significant capacity added since the period of the original investigations as well as since the period examined in the first reviews.

During the first reviews, the Commission found that subject producers would be likely to shift to the United States some of their exports that were destined for other export markets. The subject producers were at least moderately export-oriented in the original investigations.<sup>211</sup> I make the same finding in these present reviews, as exports from all subject countries increased between 2005 and 2010.<sup>212</sup>

As I explained above, a significant number of these exports continue to enter the United States, even with the orders in place. Upon revocation of the orders, it is likely that the subject producers will shift even more of their exports to the U.S. market. Throughout the period of review, hot-rolled plate prices in the United States have been consistently higher than prices in Japan or South Korea. Whereas average prices in the European Union were higher at the beginning of the period of review, they have fluctuated during the period and have been significantly lower than U.S. prices throughout 2011.<sup>213</sup>

In addition, global plate capacity (including reversing mill and Steckel plate) is likely to grow steadily through 2015, from \*\*\* short tons in 2011 to \*\*\* short tons in 2012, to \*\*\* short tons in 2013, and to \*\*\* short tons in 2014.<sup>214</sup> Production of reversing mill plate alone in the cumulated subject countries is predicted by \*\*\* to increase steadily in the reasonably foreseeable future: from \*\*\* short tons in 2011 to \*\*\* short tons in 2012, to \*\*\* short tons in 2013, to \*\*\* short tons in 2014, and to \*\*\* short tons in 2015.<sup>215</sup> The forecast for apparent consumption of reversing mill plate in the United States in 2015 is \*\*\* short tons.<sup>216</sup>

In the prior reviews the Commission explained that, primarily because of growth in China, global CTL plate capacity was likely to grow at a rapid pace relative to global consumption.<sup>217</sup> This trend is expected to continue in the reasonably foreseeable future. Chinese production of reversing mill plate is expected to grow from \*\*\* short tons in 2011 to \*\*\* short tons in 2015.<sup>218</sup> Evidence in the record indicates that increased production in China will lead to saturation of that market.<sup>219</sup> As a result, the producers that rely on the Chinese market will need to shift their sales to other markets. As the United

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<sup>208</sup> 2005 CTL plate production data for all subject countries except Japan are not available. I note that reported CTL plate production for subject Japanese producers increased from \*\*\* short tons in 2005 to \*\*\* short tons in 2010. CR/PR at Table IV-17.

<sup>209</sup> First Reviews Confidential Staff Report at IV-25, IV-32, IV-35, and IV-37. Note that the data for Korea include POSCO.

<sup>210</sup> See CR/PR at Tables IV-7, IV-13, IV-17, IV-20. Indonesian plate production totaled \*\*\* short tons in 2010, decreasing from \*\*\* short tons in 2007. CR/PR at Table IV-10.

<sup>211</sup> First Reviews at 29.

<sup>212</sup> See CR/PR at Tables IV-7, IV-10, IV-13, IV-17, IV-20.

<sup>213</sup> CR/PR at Table IV-28.

<sup>214</sup> CR/PR at Table IV-22.

<sup>215</sup> CR/PR at Table IV-24.

<sup>216</sup> CR/PR at Table IV-26.

<sup>217</sup> First Reviews at 30.

<sup>218</sup> CR/PR at Table IV-24.

<sup>219</sup> In 2015, \*\*\* estimates consumption of reversing mill plate in China will be only \*\*\* short tons, while production of reversing mill plate is estimated reach \*\*\* short tons in that year. See CR/PR at Tables IV-24, IV-26.

States has historically been an attractive market, it is likely that revocation of the orders will lead to significantly increased imports if the orders are revoked.

In the first reviews, the Commission found that the potential for product shifting existed in the subject countries, particularly for India and Indonesia, as producers in those countries could easily shift from producing nonsubject hot-rolled sheet, strip or coiled product on the same equipment used to produce CTL plate. The incentive to do so was present as plate prices had moved above hot-rolled and other prices since early 2005.<sup>220</sup> In these instant reviews, there is no evidence in the record that the potential for product shifting does not exist in the subject countries. Moreover, plate prices are once again above hot-rolled and other prices.<sup>221</sup>

In addition, as I noted above, exports from India, Indonesia, Italy, Japan, and Korea all are subject to antidumping duties in third-country markets and/or a 12 percent general tariff in Brazil covering the subject product.<sup>222</sup>

In view of the demonstrated ability of the CTL plate industries in each of the cumulated subject countries to increase imports into the U.S. market rapidly, their continued, albeit limited, presence in the market during the period of review, their substantial production capacity and production, reliance on export markets (despite barriers), and their incentives to increase imports into the United States in the absence of the orders, I find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant.

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

In the original investigations, the Commission found that subject imports had undersold the domestic like product in 62.7 percent of pricing product comparisons, and oversold the domestic like product in only 37.3 percent of comparisons, with the instances and severity of underselling increasing in 1998.<sup>223</sup> The Commission also found that subject import AUVs had declined throughout the period of investigation and had been lower than domestic producers' AUVs, except in 1996 and the first half of 1999.<sup>224</sup> Given that subject imports were highly substitutable for the domestic like product, except in certain specialized applications, the Commission concluded that the increase in undersold subject imports had significantly contributed to the depression of domestic producer prices.<sup>225</sup>

In the first five-year reviews, the Commission noted that there was a degree of product differentiation in the market, yet common grades remained prevalent.<sup>226</sup> The Commission found a fairly high degree of substitutability between CTL plate produced in the United States and the cumulated subject countries, and that price remained an important factor in purchasing decisions. The Commission noted that subject imports from the cumulated countries undersold the domestic like product in 55 of 70 available quarterly comparisons. Given the likely significant volume of imports, the importance of price in the CTL plate market, the substitutability of subject imports and the domestic like product, the price effects of low-priced imports in the original investigations, the underselling by subject imports during the period of review, and the incentive that exists for subject imports to enter the U.S. market, the Commission found a likelihood of significant negative price effects from the subject imports. The Commission concluded that, if the orders were revoked, significant volumes of subject imports from

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<sup>220</sup> First Reviews at 30-31.

<sup>221</sup> See, e.g., "Plate Imports Lose Steam, Domestic Tags Soften," American Metals Market, Oct. 13, 2011.

<sup>222</sup> CR at IV-13, IV-16, IV-19, IV-23, and IV-29, PR at IV-11, IV-13, IV-15, IV-17, and IV-21-22.

<sup>223</sup> Original Determination at 24.

<sup>224</sup> Original Determination at 24.

<sup>225</sup> Original Determination at 23-24.

<sup>226</sup> First Reviews at 31.

India, Indonesia, Italy, Japan, and Korea likely would significantly undersell the domestic product and gain market share and likely would have significant depressing or suppressing effects on the prices of the domestic like product.<sup>227</sup>

The record in these reviews indicates that there continues to be a degree of product differentiation in the market, although common grades predominate.<sup>228</sup> As I stated above, there is a moderate to high degree of substitutability between CTL plate produced in the United States and the cumulated subject countries; price remains an important factor in purchasing decisions.<sup>229</sup>

For these reviews, the Commission collected pricing data on six CTL plate products. Sale prices of all U.S.-produced CTL plate products fluctuated during the period of review, but increased substantially from their 2005 levels. Overall, prices of all U.S.-produced CTL plate fell by 40 to 57 percent between the third quarter of 2008 and the third quarter of 2009. Beginning in 2010, prices of all U.S.-produced CTL plate have generally increased through the second quarter of 2011.<sup>230</sup> At least some of these increases are due to increased raw material costs, as these costs accounted for a weighted average 61.3 percent of the total cost of goods sold during the period for which data were collected. Whereas the prices of iron ore and coal, two of the major inputs in CTL plate, remained relatively stable during 2005-07, they began to rise in 2008, with coal prices increasing by 83 percent and iron ore increasing by 42 percent between January 2005 and June 2011. During that period, the price of iron and steel scrap increased by 107 percent, with prices fluctuating between 2005-07 before rising steeply, then declining sharply, in 2008, and steadily increasing since 2009.<sup>231</sup> Energy costs are another important factor in CTL plate production, and electricity costs increased substantially over the period, while natural gas prices fluctuated.<sup>232</sup> 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.<sup>233</sup>

The pricing data collected by the Commission are somewhat limited, however, as pricing comparisons between countries are possible for only pricing products 1 through 3. Prices of the subject imports undersold the domestic product in 37 of 63 product comparisons, with margins of underselling ranging from \*\*\* percent to \*\*\* percent.<sup>234</sup>

Pricing data compiled by Management Engineering & Production Services (“MEPS”) show that the United States remains an attractive market for producers of CTL plate. These data indicate that U.S. prices for hot-rolled plate from 2005 to 2011 \*\*\* and, toward the end of this period, have often been significantly higher than average prices in the EU.<sup>235</sup>

Given the likely significant volume of imports, the importance of price in the CTL plate market, the substitutability of subject imports and the domestic like product, the price effects of low-priced subject imports in the original investigations, the underselling by subject imports during the period of review, and the incentive that exists for subject imports to enter the U.S. market, I find a likelihood of significant negative price effects from the subject imports upon revocation of the orders. I conclude that, if the orders were revoked, significant volumes of cumulated subject imports likely would significantly

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<sup>227</sup> First Reviews at 31-32.

<sup>228</sup> See, e.g., CR at II-23 - II-24 & nn.17-18, PR at II-16 & nn.17-18.

<sup>229</sup> CR/PR at Table II-7.

<sup>230</sup> CR at V-7, PR at V-6; CR/PR at Tables V-2 - V-7.

<sup>231</sup> CR/PR at V-1.

<sup>232</sup> CR at V-2, PR at V-2.

<sup>233</sup> CR at V-3, PR at V-3.

<sup>234</sup> CR/PR at Table V-10.

<sup>235</sup> CR/PR at Table IV-28.



undersell the domestic product and gain market share, and likely would have significant depressing or suppressing effects on the prices of the domestic like product.

### 3. Likely Impact of Subject Imports

In the original investigations, the Commission found that the domestic industry's operating and financial performance had deteriorated towards the end of the period examined,<sup>236</sup> as subject import volume and market share rapidly increased. Between the first half of 1998 and the first half of 1999, domestic industry sales volumes and values had declined significantly, cash flow had become negative, gross profits had declined 96 percent, and operating income had decreased from positive \$97.4 million to negative \$63.6 million.<sup>237</sup> Domestic industry capital expenditures, employment, hours worked, and wages had declined over the period examined, and particularly in the first half of 1999.<sup>238</sup> The Commission concluded that the subject imports had caused present material injury to the domestic industry based on the correlation of these adverse domestic industry trends to the increase in subject import volume and market share and the decline in subject import AUVs.<sup>239</sup>

Following imposition of the orders, subject imports declined and the domestic industry gained market share. Domestic producers' production, U.S. shipments and net sales declined through 2001, then generally recovered in 2002 and 2003, and showed dramatic improvement in 2004.<sup>240</sup> The Commission found that the industry improved its efficiency and productivity through consolidation, restructuring and reductions in labor costs. Despite these improvements made by the industry itself, the Commission noted that the industry lost money during most of the period and most recently in 2003, when its operating margin was negative 7.0 percent, and apparent U.S. consumption was at its lowest level of the period.<sup>241</sup> The industry thus experienced five years of poor financial performance, 1999 to 2003, followed by profitable performance at the end of the period. The Commission concluded that based on the industry's recent financial performance, it did not find that the industry was currently vulnerable to injury by virtue of being in a weakened state.<sup>242</sup>

The Commission stated that the conditions that enabled the industry to realize profits at the end of the period, however, were not likely to continue into the reasonably foreseeable future.<sup>243</sup> The Commission stated that the industry, which operated with high fixed costs to begin with, required prices that are considerably higher than historical averages in order to cover increased costs and maintain its profitability. The Commission noted that apparent U.S. consumption of plate was forecasted only to grow modestly for the foreseeable future and the tight supply that had marked the global market, which had contributed to high U.S. prices at the end of the period, was shifting as China became a net exporter rather than a net importer of the subject product.<sup>244</sup>

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<sup>236</sup> Original Determination at 25-26 (domestic industry capacity and sales had increased with demand through 1998).

<sup>237</sup> Original Determination at 26.

<sup>238</sup> Original Determination at 26.

<sup>239</sup> Original Determination at 26 (for example, the Commission found that domestic industry orders had declined dramatically between the first half of 1998 and the second half of 1998, when two-thirds of 1998 subject imports had entered the U.S. market).

<sup>240</sup> First Reviews at 33.

<sup>241</sup> First Reviews at 33.

<sup>242</sup> First Reviews at 33.

<sup>243</sup> First Reviews at 33-34.

<sup>244</sup> First Reviews at 34.



The Commission found that any growth in U.S. consumption would not be sufficient to absorb the likely significant increase in subject imports if the orders were revoked.<sup>245</sup> It concluded that the volume and price effects of the subject imports would necessarily have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These reductions, in turn, would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, the Commission concluded that, if the orders were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>246</sup>

In these reviews, domestic producers' capacity increased irregularly over the period examined, from 8,352,058 short tons in 2005 to 9,624,269 short tons in 2010, an increase of 15.2 percent. However, production fell irregularly over the period, from 6,526,649 short tons in 2005 to 6,075,718 short tons in 2010. As a result, capacity utilization fell irregularly from 78.1 percent in 2005 to 63.1 percent in 2010.<sup>247</sup> U.S. shipments declined irregularly as well: from 6,049,832 short tons in 2005 to 5,378,921 short tons in 2010. However, U.S. producers' market share rose from 88.4 percent in 2005 to 90.7 percent in 2010.<sup>248</sup>

As the industry experienced some restructuring during the period of review, and in part because of the economic downturn, the number of production and related workers fluctuated, but decreased overall during the period: from 3,647 in 2005 to 3,339 in 2010. The number of hours they worked declined from 7,451 in 2005 to 6,466 in 2010, and wages paid fell from \$218,529,000 in 2005 to \$217,688,000 in 2010.<sup>249</sup> Productivity increased, however: from 792.9 short tons produced per 1,000 hours in 2005 to 857.2 short tons produced per 1,000 hours in 2010.<sup>250</sup>

Total net sales quantities increased steadily from 2005 to 2009, before plummeting by nearly half in 2009.<sup>251</sup> The increased sales led to operating profits in excess of \$1 billion from 2005 to 2008, followed by a notable decline in profitability that led to an operating loss in 2009. These declines affected all eight reporting mills. In 2010, the domestic industry returned to positive operating income.<sup>252</sup> The operating income levels in 2010 and in 2011 (annualized) were still below those achieved between 2005 and 2008, however.<sup>253</sup>

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<sup>245</sup> First Reviews at 34.

<sup>246</sup> First Reviews at 34.

<sup>247</sup> CR/PR at Table I-1.

<sup>248</sup> CR/PR at Table I-1.

<sup>249</sup> CR/PR at Table III-11. In late 2008, ArcelorMittal's Gary plant and Burn Harbor facilities implemented a layoff minimization plan. This plan enabled them to lay off less than 500 workers and keep 900 workers working a 32-hour work week. In 2009, during the economic downturn, production declined at Nucor's Tuscaloosa facility. Production workers' pay was cut roughly in half because wages are based in large part on Nucor's production. CR at III-17, PR at III-8.

<sup>250</sup> CR/PR at Table III-11.

<sup>251</sup> Total net sales increased from 6,151,120 short tons in 2005 to 7,416,533 short tons in 2008, then decreased to 4,371,914 short tons in 2009, rising to 5,819,533 short tons in 2010. They totaled 2,881,800 short tons in interim 2010 and 3,363,750 short tons in interim 2011. CR/PR at Table III-12.

<sup>252</sup> Operating income was \$1.0 billion in 2005, \$1.4 billion in 2006, \$1.2 billion in 2007, \$1.5 billion in 2008, a loss of \$174.6 million in 2009, and positive operating income of \$65.5 million in 2010. It was a loss of \$4.3 million in interim 2010 and positive operating income of \$319.3 million in interim 2011. CR/PR at Table III-12; see also CR/PR at Table III-13 (showing operating incomes/losses for individual firms).

<sup>253</sup> CR at III-18, PR at III-9.

The cost of goods sold fluctuated during the period of review.<sup>254</sup> This was due primarily to changes in raw material costs.<sup>255</sup>

Aggregate capital expenditures increased irregularly from 2005 to 2010, and were higher in interim 2011 than in interim 2010. Aggregate research and development expenses followed the same trend.<sup>256</sup>

In view of the fluctuations throughout the period of review in many of the major indicators of condition of the industry, and because many of these indicators are still lower at the end of the period than the beginning despite the gains exhibited, I find the industry to be vulnerable to injury.<sup>257</sup>

The CTL plate industry operates with high fixed costs. As the Commission found in the first reviews, the industry requires prices that are considerably higher than historical averages in order to cover increased costs and maintain its profitability.<sup>258</sup> U.S. hot-rolled plate prices have fluctuated in 2011, and have been declining since July of this year.<sup>259</sup> Apparent U.S. consumption of reversing mill plate is forecast to grow by only \*\*\* tons between 2011 and 2015.<sup>260</sup> Yet reversing mill plate production by the cumulated subject countries is expected to grow by \*\*\* short tons during the same period.<sup>261</sup>

I find that any growth in U.S. consumption would not be sufficient to absorb the likely significant increase in subject imports if the orders were revoked. As I discussed above, revocation of the antidumping and countervailing duty orders would be likely to lead to a significant increase in the volume of subject imports that would undersell the domestic like product and significantly suppress or depress U.S. prices. I find that these volume and price effects of the subject imports would necessarily have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These reductions, in turn, would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, I conclude that, if the orders were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

I note that nonsubject imports decreased irregularly over this period of review: from \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>262</sup> Consequently, nonsubject import market share declined from \*\*\* percent in 2005 to \*\*\* in 2010.<sup>263</sup> While nonsubject imports were higher in interim 2011 than in interim 2010,<sup>264</sup> their market share actually declined.<sup>265</sup> Thus, I find that nonsubject imports are unlikely

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<sup>254</sup> The cost of goods sold was \$3.3 billion in 2005, \$3.9 billion in 2006, \$4.3 billion in 2007, \$5.6 billion in 2008, \$3.0 billion in 2009, and \$4.1 billion in 2010. It was \$2.0 billion in interim 2010 and \$2.6 billion in interim 2011. CR/PR at Table III-12.

<sup>255</sup> CR at III-23, PR at III-11.

<sup>256</sup> CR/PR at Table III-15.

<sup>257</sup> I find this to be the case even though the third quarter data I requested show certain gains experienced by the domestic industry. See CR at III-22 n.19, PR at III-11 n.19. This short-term improvement does not persuade me that the domestic industry is not in a weakened state. For instance, \*\*\*, *id.*, the operating income margin was 23.2 percent in 2005, 25.6 percent in 2006, 20.8 percent in 2007, and 20.4 percent in 2008. CR/PR at Table III-12.

<sup>258</sup> First Reviews at 34. In 2010, the cost of goods sold was 22.7 percent higher than in 2005. CR/PR at Table III-12.

<sup>259</sup> CR/PR at Table IV-28.

<sup>260</sup> CR/PR at Table IV-26.

<sup>261</sup> CR/PR at Table IV-24.

<sup>262</sup> CR/PR at Table IV-1.

<sup>263</sup> CR/PR at Table C-1.

<sup>264</sup> Nonsubject imports were \*\*\* short tons in interim 2010 as compared with \*\*\* short tons in interim 2011. CR/PR at Table IV-1. I note that \*\*\* of the increased nonsubject imports was due to increased imports from POSCO, the nonsubject Korean producer. POSCO's imports totaled \*\*\* short tons in interim 2010 as compared to

to prevent cumulated subject imports from increasing their penetration of the U.S. market significantly upon revocation of the orders.

### CONCLUSION

For the foregoing reasons, I find that revocation of the antidumping duty orders on subject imports of CTL plate from India, Indonesia, Italy, Japan, and Korea would be likely to lead to continuation or recurrence of material injury in the United States within a reasonably foreseeable time. I also determine that revocation of the countervailing duty orders on subject imports of CTL plate from India, Indonesia, Italy, and Korea would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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\*\*\* short tons in interim 2011. Id.

<sup>265</sup> Nonsubject import market share, as measured by quantity, was \*\*\* percent in interim 2010 as compared to \*\*\* percent in interim 2011. CR/PR at Table C-1.



**CONCURRING AND DISSENTING 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 (the Act), that revocation of the countervailing duty orders on cut-to-length carbon-quality steel plate (“CTL plate”) from India, Indonesia, and Korea and the antidumping duty orders on CTL plate from India, Indonesia, Japan, and Korea would be likely to lead to continuation or recurrence of material injury to an industry in the United States within the reasonably foreseeable future. Further, based on the record in these reviews, I determine that revocation of the antidumping and countervailing duty orders on CTL plate from Italy would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within the reasonably foreseeable future. Thus, I concur with the Commission’s affirmative determinations as to CTL plate from India, Indonesia, and Korea, and with its negative determination as to CTL plate from Italy. I dissent, however, and make an affirmative determination with respect to CTL plate from Japan.

I join the Views of the Commission with respect to the background, domestic like product, domestic industry, and legal standards sections. I have exercised my discretion to cumulate imports of subject merchandise from India, Indonesia, Korea, and Japan. I have found that imports of subject merchandise from Italy are likely to have no discernible adverse impact on the domestic industry and have therefore not cumulated them with imports of subject merchandise from the other countries under review.

**I. CUMULATION**

**A. Overview**

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.<sup>1</sup>

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

In these reviews, the statutory requirement that all reviews be initiated on the same day is satisfied as Commerce initiated the five reviews on November 1, 2010.<sup>2</sup> As explained below, I have found no likely discernible adverse impact only with respect to Italy.

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<sup>1</sup> 19 U.S.C. § 1675a(a)(7).

<sup>2</sup> 75 Fed. Reg. 67082 (Nov. 1, 2010).

## B. Likelihood of No Discernible Adverse Impact

### 1. Italy

I find that imports of subject merchandise from Italy are likely to have no discernible adverse impact on the domestic industry if the orders on Italy are revoked. Italy has never been a significant participant in the U.S. market for CTL plate. Italian producers are focused on their home and regional markets, and demand in Europe is expected to grow notwithstanding the current uncertainty in the market. Italian producers will likely continue to focus on their home and regional markets even if the orders are revoked.

In 1998, the last full year of the original investigations, Italy held the smallest share of the U.S. market of any subject country, 0.8 percent measured both by quantity and value.<sup>3</sup> The volume of subject merchandise from Italy was low during the first review period, ranging from 278 short tons in 2002 to 29,130 short tons in 2004, with a market share of 0.4 percent in 2004.<sup>4</sup> Over the current review period, subject imports from Italy decreased irregularly from 9,215 short tons in 2005 to only 718 short tons in 2010. They were 429 short tons in interim (January to June) 2010 and 428 short tons in interim 2011. In most years of the review period, subject merchandise from Italy accounted for 0.4 percent of total imports or less.<sup>5</sup> In most months of the review period, imports of subject merchandise from Italy were less than 100 short tons.<sup>6</sup>

Italian producers maintain an intense focus on their home market, the European market, and regional markets. This focus is consistent with the need to cut transportation costs and meet customers' demands for shorter lead times.<sup>7</sup> Global Trade Atlas data reflect that only 2.21 percent of Italian CTL plate shipments to customers outside Italy were to markets outside the European Union, the European Free Trade Association countries, and other nearby geographic markets.<sup>8</sup> The top ten markets for exports from Italy were all in Europe or the Middle East.<sup>9</sup>

Two Italian exporters provided data in the original investigations – Palini e Bertoli, SpA (“Palini”) and ILVA. At the time of the original investigations, these two producers accounted for approximately \*\*\* percent of all Italian CTL plate production.<sup>10</sup> In the aggregate, they accounted for over half of Italian capacity in 2010.<sup>11</sup> They are not likely to export above minimal levels, if at all, to the United States in the reasonably foreseeable future.

Palini was a much larger exporter than ILVA in the original investigations, and its exports increased during the periods covered therein.<sup>12</sup> Palini has changed ownership since the first reviews, and it is now part of the Evraz group of companies (“Evraz Group”).<sup>13</sup> The Evraz Group applies a local supply

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<sup>3</sup> CR/PR at Table I-1. OINV Memorandum INV-X-004 dated January 4, 2000, Staff Report in Inv. Nos. 701-TA-387-391 and 731-TA-816-821 (Final) (“Original Staff Report”) at Table IV-6a.

<sup>4</sup> CR/PR at Table I-1.

<sup>5</sup> CR/PR at Table IV-1.

<sup>6</sup> CR/PR at Table IV-5, n.1.

<sup>7</sup> Transcript of USITC Hearing held October 19, 2011 (“Tr.”) at 157 (Mr. Waite).

<sup>8</sup> Palini Prehearing Brief, Exhibit 3.

<sup>9</sup> The top ten markets for exports from Italy over the review period were Germany, France, Turkey, Austria, Spain, Slovenia, Poland, Switzerland, Hungary, and Egypt. CR/PR at Table IV-14.

<sup>10</sup> Original Staff Report at VII-9.

<sup>11</sup> CR/PR at Table IV-12.

<sup>12</sup> Original Staff Report at E-4; OINV Memorandum INV-CC-180 dated October 21, 2005, Staff Report in Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Review) (“First Review Staff Report”) at IV-29. In 1998, at a time when subject merchandise from Italy held a 0.8 percent share by value of the U.S. market, Palini accounted for a \*\*\* percent share by value of the U.S. market, while ILVA held a \*\*\* percent share. Original Staff Report at E-4.

<sup>13</sup> In 2003, Palini was owned by \*\*\*. First Review Staff Report at IV-29. Evraz purchased Palini in 2005. Palini Prehearing Brief at 4.



strategy. \*\*\*.<sup>14</sup> Palini applies this Evraz Group strategy in Europe. In 2010, \*\*\* percent of Palini's shipments were to Italy, and \*\*\* percent of its shipments were to the European Union. Adding these percentages together, \*\*\* percent of its shipments were to Europe. In contrast, Palini exported \*\*\* CTL plate to the United States in 2010 or interim 2011.<sup>15</sup> Two other Evraz companies – U.S. producers Evraz Claymont and Evraz Oregon – are available to supply the U.S. market.

ILVA, the other Italian respondent in the original investigations and currently the largest producer of CTL plate in Italy, is part of the Riva Group. It accounted for \*\*\* percent of Italian CTL plate capacity in 2010.<sup>16</sup> During the original investigations, the volume of ILVA's exports to the United States decreased, and in 1998 ILVA's exports were "less than \*\*\* of the amount they were in 1996."<sup>17</sup> ILVA's decrease in exports to the United States occurred prior to the filing of the petitions in 1999 or the issuance of the orders in 2000.<sup>18</sup> Its lack of interest in the U.S. market has persisted. ILVA has not exported material amounts of subject merchandise to the United States during the current review period, even though it is restrained by only a 2.45 percent ad valorem countervailing duty margin.<sup>19</sup> The record reflects that ILVA also applies a local supply strategy. ILVA produces plate and other steel products at a plant in Taranto, Italy. It has ascribed the success of that plant to, among other things, its ability to primarily supply first its national market, then its Mediterranean market, then its European market, and then the global market.<sup>20</sup>

Based on their public statements, other Italian producers have also employed a local supply strategy. Metinvest Holding owns two Italian producers, Ferriera Valsider and Trameal. Together, they accounted for \*\*\* percent of Italian production in 2010.<sup>21</sup> Metinvest's website states that it is "well-positioned to capitalize on growth in the domestic and regional markets and will further strengthen our positions in these markets."<sup>22</sup> Metinvest's business offices are all in Europe and Israel.<sup>23</sup> Metinvest \*\*\* from Italy to the United States.<sup>24</sup>

Trasteel, which is distinct from Metinvest's Trameal, has a new plate mill that began production in May 2011. The company intends to sell 40 percent of the mill's 2011 production domestically, and it is considering exports to the European Union, the Middle East, and North Africa.<sup>25</sup>

Verona accounted for \*\*\* percent of Italian capacity in 2010.<sup>26</sup> It has "an ambitious growth strategy in Europe," and it has invested more than 530 million euros in its European steel facilities,

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<sup>14</sup> Palini's Posthearing Brief, Exhibit 2.

<sup>15</sup> CR/PR at Table IV-15.

<sup>16</sup> CR/PR at Table IV-12.

<sup>17</sup> First Review Staff Report at IV-29.

<sup>18</sup> CR at I-3-4; PR at I-2.

<sup>19</sup> Palini Prehearing Brief at 9, citing to Certain Cut-To-Length Plate from Italy: Notice of Amended Final Determination Pursuant to Final Court Decision and Partial Revocation of Order, 70 Fed. Reg. 51,013 (August 29, 2005).

<sup>20</sup> Palini Prehearing Brief, Exhibit 4. Steel Business Briefing quotes an unnamed source close to ILVA as stating the following: "In Europe, demand for coils is low, but the company is also trying to sell outside Europe, taking advantage of the current weakness of the euro against the dollar." ArcelorMittal Posthearing Brief, Exhibit 12. That statement relates specifically to coils, not cut-to-length plate, the subject merchandise.

<sup>21</sup> CR/PR at Table IV-12.

<sup>22</sup> Palini Prehearing Brief, Exhibit 4.

<sup>23</sup> Palini Prehearing Brief, Exhibit 4.

<sup>24</sup> CR at IV-18, n.21.

<sup>25</sup> Nucor Prehearing Brief, Exhibit 2C. \*\*\*. Palini Posthearing Brief, Response to Commissioner Questions, Exhibit 2, CBI Attachment A. The domestic industry asserts that the new mill will have substantial additional capacity by the end of 2012. Nucor Prehearing Brief at 56. However, the CEO of Trasteel, Massimo Bolfo, told MetalBulletin that this second stage would occur "if the market allows." ArcelorMittal Posthearing Brief, Exhibit 12, Metal Bulletin, July 12, 2010. I find that these expansion plans are too indefinite at this point to affect my analysis.

<sup>26</sup> CR/PR at Table IV-12.

“clearly demonstrating its faith in the industrial facilities and long term strategic plans of the European businesses.” Its service centers are in Europe.<sup>27</sup>

Marcegaglia accounted for \*\*\* percent of Italian capacity in 2010.<sup>28</sup> It stated that 83 percent of its business or “turnover” of all of its products, including plate, takes place in Italy or Europe.<sup>29</sup>

Although most of these public statements are not specific to plate, they reflect the Italian companies’ focus on European markets, which is further supported by the export data on the record.<sup>30</sup>

Supply of CTL plate by Italian producers is likely to be met by demand in their predominant markets. Capacity in Italy is not forecast to increase in the near future.<sup>31</sup> Based on \*\*\* data on reversing mill plate, production in Italy is forecast to remain steady, increasing by only \*\*\* short tons from 2011 to 2013, while consumption is forecast to increase by \*\*\* short tons.<sup>32</sup> Production in Europe is forecast to increase by \*\*\* short tons from 2011 to 2013, while consumption is forecast to increase by \*\*\* short tons.<sup>33</sup> Eurofer, the European Steel Association, anticipates that steel consumption in Europe will increase by two percent in 2012 and that industrial activity in the construction sector – the European Union’s largest steel consuming sector – will rise 2.8 percent in 2012.<sup>34</sup> \*\*\*.<sup>35</sup> Moreover, \*\*\*.<sup>36</sup>

European transaction prices were initially lower and then higher than U.S. prices in 2010, but they fell relative to U.S. prices in 2011.<sup>37</sup> Although subject merchandise from Italy undersold the domestic like product in the majority of comparisons in the original investigations and first reviews, the average unit values of the limited volume of subject merchandise from Italy in these reviews have been much higher than those of the domestic industry. The limited price comparisons show one instance of underselling and one of overselling.<sup>38</sup> Given the strong local supply focus of the Italian producers, the likely low volumes of subject merchandise from Italy, the recent competitiveness of European prices with U.S. prices in late 2010, and the high unit values of the recent imports, I do not anticipate that any differential between U.S. prices and European prices will attract significant volumes of subject merchandise from Italy to the U.S. market upon revocation. Thus, I do not find that subject merchandise from Italy would likely have adverse price effects on the domestic industry.

Finally, as I discuss later in the opinion, the U.S. industry’s financial condition is mixed, with strengths and weaknesses. One of those strengths is the dominant market share of the domestic industry –

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<sup>27</sup> Palini Prehearing Brief, Exhibit 4.

<sup>28</sup> CR/PR at Table IV-12.

<sup>29</sup> Palini Posthearing Brief, Exhibit 13 at 13.

<sup>30</sup> Domestic Producer ArcelorMittal argues that several of the Italian producers indicate publicly that they are interested in expanding sales to the Americas, intend to increase their exports or pursue global markets. ArcelorMittal Posthearing Brief, Responses to Commissioner Questions at 40. Based on the record, including the export data and the public statements by the producers, I find that the primary focus of the CTL plate Italian producers is on their home market and regional markets in Europe, the Middle East, and North Africa.

<sup>31</sup> CR/PR at Table IV-22.

<sup>32</sup> CR/PR at Table IV-24 and Table IV-26. Most CTL plate is hot-rolled on a reversing plate mill, but some CTL plate is rolled on a Steckel mill. CR at I-27-28; PR at I-23-24.

<sup>33</sup> CR/PR at Table IV-24 and Table IV-26.

<sup>34</sup> Palini Posthearing Brief, Responses to Commissioner Questions, Exhibit 1, Attachment A at 8-9, 15. Domestic producers argue that the recent financial crisis in Europe will significantly reduce regional demand for CTL plate and force Italian producers to seek out new market opportunities. See, e.g., SSAB’s Posthearing Brief at 14; Nucor’s Posthearing Brief, Exhibit 1, p.30. I do not agree, given that Eurofer forecasts some mild growth in investment and machinery in the domestic European Union market for 2012. Palini Posthearing Brief, Exhibit 1, Attachment A at 8. Furthermore, \*\*\* also forecasts increased demand for reversing mill plate in Italy and in Europe from 2011 to 2013. CR/PR at Table IV-26.

<sup>35</sup> CR at IV-41, n.40; PR at IV-27, n. 40.

<sup>36</sup> Nucor Prehearing Brief, Exhibit C, Exhibit 6A at 57, 58.

<sup>37</sup> CR/PR at Table IV-28.

<sup>38</sup> CR/PR at Table V-10 &, n.1. CR/PR at C-1.

90.7 percent by quantity of the U.S. market in 2010 – a condition that is highly unlikely to be disturbed in the event of revocation of the orders concerning Italy.<sup>39</sup> In addition, the industry’s profitability has recovered substantially from the low levels experienced during the depths of the recession.

Based on the foregoing, I find that subject imports from Italy are likely to have no discernible adverse impact on the domestic industry if the orders on Italy are revoked. Therefore, I do not cumulate imports of subject merchandise from Italy with subject merchandise from any other subject country.

## 2. India

During the original investigations, subject imports from India increased from 38,081 short tons in 1996 to 137,735 short tons in 1998 – an increase of 261.7 percent. During that period, the share of U.S. consumption of such imports increased from 0.5 percent in 1996 to 1.4 percent in 1998. India’s share of total U.S. imports of CTL plate increased from 2.0 percent in 1996 to 6.4 percent in 1998.<sup>40</sup> India’s production capacity for CTL plate was \*\*\* short tons in \*\*\*, and its capacity utilization was \*\*\* percent in 1998.<sup>41</sup>

In the first review period after the orders were imposed, U.S. imports of CTL plate from India declined more than 77 percent between 1999 and 2000, to 1,485 short tons. In 2003, there were no imports of CTL plate into the United States from India.<sup>42</sup> The highest level of imports between 1999 and interim 2005 occurred in interim 2005, with imports of 1,722 short tons, representing less than 0.05 percent of U.S. consumption.<sup>43</sup> The Commission found in the first reviews that Indian producers had the ability to shift their production of other products to CTL plate.<sup>44</sup>

During the period examined in this review, subject imports from India increased from 3,856 short tons in 2005 to 6,542 short tons in 2006, then decreased to 1,167 short tons in 2007 before falling to 310 short tons in 2008, 165 short tons in 2009, and 32 short tons in 2010.<sup>45</sup> Evidence in the record indicates that India’s capacity grew substantially from \*\*\* short tons in 2005 to \*\*\* short tons in 2010<sup>46</sup> – an increase of greater than \*\*\* percent over the period.<sup>47</sup>

In the original investigations, subject imports from India undersold the domestic like product in 24 of 26 price comparisons, with an average margin of underselling of 9.5 percent.<sup>48</sup> In the first reviews and the current reviews, there were no price data reported for subject imports from India.

In view of the currently prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed in section II.A. below), as well as the circumstances and behavior of the Indian industry, I do not find that subject imports from India would likely have no discernible adverse impact if the orders were revoked.

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<sup>39</sup> CR/PR at Table C-1.

<sup>40</sup> CR/PR at Table I-1.

<sup>41</sup> Original Investigations Confidential Staff Report, INV-X-004 (Jan. 4, 2000) at Table VII-2. These data are based on the questionnaire of one Indian producer, SAIL, believed to account for \*\*\* percent of Indian CTL plate production and \*\*\* percent of such exports to the United States at the time of the original investigations. *Id.* at VII-5.

<sup>42</sup> CR/PR at Table I-1.

<sup>43</sup> First Reviews Confidential Staff Report, INV-CC-180 (Oct. 21, 2005) at Table C-1A.

<sup>44</sup> *See* USITC Pub. 3816 at 30-31.

<sup>45</sup> CR/PR at Table I-1.

<sup>46</sup> CR/PR at Table IV-7.

<sup>47</sup> *See* USITC Pub. 3816 at 31.

<sup>48</sup> CR/PR at Table V-10.

### 3. Indonesia

During the original period of investigation, subject imports from Indonesia increased from 13,667 short tons in 1996 to 168,098 short tons in 1998.<sup>49</sup> In the first reviews, the volume of subject imports from Indonesia declined irregularly from 39,553 short tons in 1999 to 627 short tons in 2004.<sup>50</sup> Additionally, in the first reviews, the record indicated that Indonesian producer Krakatau could shift its production from its primary products (other flat products) to CTL plate.<sup>51</sup> In the current reviews, the volume of subject imports from Indonesia declined irregularly from 2,682 short tons in 2005 to zero short tons in 2010 based on official Commerce import statistics.<sup>52</sup> Based on published data, CTL plate capacity in Indonesia has remained steady at \*\*\* short tons throughout the current review period.<sup>53</sup> Global Trade Atlas data indicate that exports of CTL plate from Indonesia increased during the period of review, from 390,345 short tons in 2005 to 794,233 short tons in 2008, before declining to 449,502 short tons in 2010.<sup>54</sup>

In the original investigations, subject imports from Indonesia undersold the domestic like product in all 39 comparisons, with an average margin of underselling of 13.1 percent.<sup>55</sup> In the first reviews, subject imports from Indonesia undersold the domestic like product in two pricing comparisons.<sup>56</sup> In the current reviews, there were no price data reported for subject imports of CTL plate from Indonesia.

In view of the currently prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed in section II.A. below), as well as the circumstances and behavior of the Indonesian industry, I do not find that subject imports from Indonesia would likely have no discernible adverse impact if the orders were revoked.

### 4. Japan

In the original investigations, the volume of subject imports from Japan increased from 24,328 short tons in 1996 to 288,398 short tons in 1998.<sup>57</sup> In the first reviews, the volume of subject imports

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<sup>49</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Indonesia was 1.7 percent in 1998. Indonesia's production capacity for CTL plate was \*\*\* short tons in 1998, up from \*\*\* short tons in 1996; its capacity utilization at the height of its exports to the United States in 1998 was \*\*\* percent. Original Investigations Confidential Staff Report at Table VII-3.

<sup>50</sup> CR/PR at Table I-1. In 2000, 2002, and 2003, there were no imports of CTL plate into the United States from Indonesia. The highest level of imports during the period occurred in 1999, with imports representing 0.5 percent of U.S. consumption. The record indicated that Krakatau, the largest steelmaker in Indonesia, expanded its production by 29 percent from 2002 to 2003. First Reviews at 12.

<sup>51</sup> First Reviews at 12. \*\*\* provided the Commission with an incomplete questionnaire response during the current reviews, in which it reported that its overall capacity for hot-rolled products in 2010 was \*\*\* tons and that it did not intend to export CTL plate to the United States. CR at IV-14, PR at IV-12.

<sup>52</sup> CR/PR at Table I-1. There were no imports of CTL plate from Indonesia in interim 2010 or interim 2011.

<sup>53</sup> CR/PR at Table IV-10. Domestic interested parties have asserted that Gunawan is scheduled to increase its current capacity by 30 percent by 2013. ArcelorMittal's Prehearing Brief at 13.

<sup>54</sup> CR/PR at Table IV-11.

<sup>55</sup> CR/PR at Table V-10. Original Investigations Confidential Staff Report at Table V-15 (underselling demonstrated in 39 of 39 quarters, with an average underselling margin of 13.1 percent).

<sup>56</sup> CR/PR at Table V-10. The limited data available in the first reviews showed underselling in both of the quarters for which comparisons were available, with margins of underselling of \*\*\* percent for product 1 and \*\*\* percent for product 2. First Reviews Confidential Staff Report at Tables V-1 - V-2.

<sup>57</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Japan was 2.9 percent in 1998.

from Japan declined irregularly from a \*\*\* short tons in 1999 to \*\*\* short tons in 2004.<sup>58</sup> Based on questionnaire responses and adjusted official Commerce statistics in the current reviews, subject imports from Japan increased irregularly from \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>59</sup> Reported Japanese production capacity increased from 14.3 million short tons in 2005 to 15.8 million short tons in 2010. It was 7.7 million short tons in interim 2010 and 7.4 million short tons in interim 2011. Capacity utilization remained relatively high throughout the period of review, ranging between 83.4 and 101.1 percent.<sup>60</sup>

Exports from Japanese producers increased irregularly from 22.0 percent of shipments in 2005 to a full-year period high of 28.9 percent in 2010.<sup>61</sup> Almost \*\*\* percent of Japanese exports of CTL plate were to the shipbuilding industry.<sup>62</sup> The largest export market for CTL plate from Japan was Asia, accounting for nearly 90 percent of total exports.<sup>63</sup>

In the original investigations, subject imports from Japan undersold the domestic like product in 15 out of 40 price comparisons, by an average margin of 7.9 percent.<sup>64</sup> Subject imports from Japan undersold the domestic like product in one of six pricing comparisons during the first reviews.<sup>65</sup> There were no pricing data reported for imports from Japan during the current reviews.

In view of the prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed in section II.A. below), as well as the circumstances and behavior of the Japanese industry, I do not find that subject imports from Japan, would likely have no discernible adverse impact if the order were revoked.<sup>66</sup>

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<sup>58</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Japan was \*\*\* percent in 2004.

<sup>59</sup> CR/PR at Table I-1. Subject imports from Japan were \*\*\* short tons in interim 2010 and \*\*\* short tons in interim 2011. CR/PR at Table C-1.

<sup>60</sup> CR/PR at Table IV-17. Reported Japanese capacity utilization was \*\*\* percent in 1998 and was not available during the first reviews. First Reviews at 14.

<sup>61</sup> CR/PR at Table IV-17. In interim 2010, exports accounted for 29.6 percent of shipments and 32.1 percent of shipments in interim 2011.

<sup>62</sup> CR/PR at Table IV-19. Although \*\*\* data forecast that consumption of CTL plate for shipbuilding in Asia will increase through 2013, it is forecast to decline in 2014. CR/PR at Figure IV-3. Furthermore, orders for shipbuilding in Japan fell 21 percent from 2005 to 2011. CR at IV-37 n.37, PR at IV-23 n.37. Imports of CTL plate from Japan increased over the review period, and U.S. producers compete to a limited extent in the shipbuilding segment of the market. See CR/PR at Table II-4 (4.8 percent of U.S. producers' shipments in 2010). Taking all of these data into account, I find that Japanese producers will likely seek additional sales in the U.S. market if the orders are revoked.

<sup>63</sup> CR/PR at Table IV-17. I do not find that any significant increase in exports of subject plate from Japan (or for that matter, Korea), will be met with increased Asian demand. Capacity in Asia is expected to be significantly larger than production in Asia from 2011 to 2013. Compare Table IV-22 to Table IV-24 (data on China and other Asian countries combined). I also note that, since 2003, producers in Japan have been subject to antidumping duties in Thailand on their exports of hot-rolled steel not in coils (which includes CTL plate) CR at IV-23, PR at IV-17.

<sup>64</sup> CR/PR at Table V-10.

<sup>65</sup> CR/PR at Table V-10.

<sup>66</sup> Further, evidence in the record indicates that transport infrastructure was affected to a greater degree than steel production as a result of the earthquake and tsunami on March 11, 2011. See CR at IV-23, PR at IV-16-17. Although Japanese producers argued that reconstruction of the affected areas is expected to result in increased demand for CTL plate (in particular, construction-related end uses, such as buildings, bridges, tanks, and replacement of other damaged infrastructure), Nucor cited news articles from April and July 2011 that demand in Japan is recovering slowly from the earthquake and tsunami, and that any increase in demand resulting from it would be "disappointing." Nucor Posthearing Brief, Answers to Commissioner Questions at 21 and articles cited therein.



## 5. Korea

In the original investigations, the volume of subject imports from Korea increased from 28,495 short tons in 1996 to \*\*\* short tons in 1998.<sup>67</sup> In the first reviews, the volume of subject imports from Korea declined irregularly from a \*\*\* short tons in 1999 to \*\*\* short tons in 2004.<sup>68</sup> Based on adjusted official Commerce statistics, subject imports from Korea declined irregularly in the current period of review from \*\*\* short tons in 2004 to \*\*\* short tons in 2010.<sup>69</sup> However, while subject CTL plate imports from Korea were at \*\*\* short tons in interim 2010, they were at \*\*\* short tons in interim 2011.<sup>70</sup> Reported Korean production capacity, which pertains solely to Dongkuk, \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>71</sup> Exports from Dongkuk increased irregularly from \*\*\* percent of shipments in 2005 to \*\*\* percent in 2010.<sup>72</sup>

In the original investigations, subject imports from Korea undersold the domestic like product in 23 of 41 price comparisons by an average margin of 10.5 percent.<sup>73</sup> Subject imports from Korea undersold the domestic like product in 44 of 52 price comparisons during the first reviews.<sup>74</sup> In the current reviews, subject imports from Korea undersold the domestic like product in 36 of 61 price comparisons by an average margin of 9.5 percent.<sup>75</sup>

In view of the current prevailing conditions of competition in the U.S. market, including the general interchangeability of CTL plate from different sources and the importance of price considerations to purchasers (discussed in section II.A. below), as well as the circumstances and behavior of the Korean industry, I do not find that subject imports from Korea, would likely have no discernible adverse impact if the orders were revoked.<sup>76</sup>

### B. Likelihood of Reasonable Overlap of Competition

In assessing likely competition, the Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product. These factors are as follows: (1) fungibility; (2) sales or offers in the same geographic markets; (3) common or similar channels of distribution; and (4) simultaneous presence.

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<sup>67</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Korea was \*\*\* percent in 1998.

<sup>68</sup> CR/PR at Table I-1. The share of U.S. consumption of CTL plate held by subject imports from Korea was \*\*\* percent in 2004.

<sup>69</sup> CR/PR at Table IV-1.

<sup>70</sup> CR/PR at Table IV-1. I note that nonsubject imports from Korea (POSCO) totaled \*\*\* short tons in interim 2010 and \*\*\* short tons in interim 2011. Id.

<sup>71</sup> CR/PR at Table IV-21. \*\*\* reported that Korean production capacity for CTL plate, excluding POSCO, was approximately \*\*\* short tons in 2010. CR/PR at Table IV-20. The capacity reported for Hyundai Steel of \*\*\* represented only the 2010 effective capacity of Hyundai's new mill, which started up during 2010 and has a total annual capacity of 1.7 million short tons. Hyundai is bringing a second mill on line by the end of 2013 which will bring its capacity to 3.3 million short tons. CR at IV-28 n.32, PR at IV-21 n.32.

<sup>72</sup> CR/PR at Table IV-21. Exports accounted for \*\*\* percent of shipments in interim 2010 and \*\*\* percent in interim 2011.

<sup>73</sup> CR/PR at Table V-1. Original Investigations Confidential Staff Report at Table V-15 (underselling demonstrated in 23 of 41 quarters, with an average underselling margin of 10.5 percent).

<sup>74</sup> CR/PR at Table V-10.

<sup>75</sup> CR/PR at Table V-10.

<sup>76</sup> As I explained above in my discussion of no discernible adverse impact with respect to subject CTL plate imports from Japan, I do not find that any significant increase in exports of subject plate from Japan or Korea will be met with increased Asian demand.



Only a “reasonable overlap” of competition is required.<sup>77</sup> In five-year reviews, the relevant inquiry is whether there likely would be competition upon revocation of the orders, even if none currently exists because the subject imports are absent from the U.S. market.

I assess likely competition with respect to imports of subject merchandise from India, Indonesia, Japan, and Korea. I do not include imports of subject merchandise from Italy in this analysis due to my determination of no likely discernible adverse impact with respect to those imports.

*Fungibility.* In these reviews, the record indicates that although there may be some differences between domestic and imported CTL plate, there is a “moderate to high degree of substitution between CTL plate produced in the United States and the subject countries and other import sources.”<sup>78</sup> The majority of purchasers reported that the domestic and subject products were comparable in terms of price, quality, product range, and several other factors.<sup>79</sup> The majority of market participants reported that CTL plate, whether from the United States or from other countries, is “always or frequently” interchangeable.<sup>80</sup>

In addition, 65.8 percent of commercial shipments by U.S. producers are in the less than one inch category.<sup>81</sup> The same holds true for U.S. commercial shipments of the subject products from Japan (\*\* percent) and \*\*\* (\*\* percent). With respect to reported U.S. imports, \*\*\* imports from Japan were in the less than one inch category, and \*\*\* percent of imports from Korea were in the greater than or equal to four inch category.<sup>82</sup> I find that the U.S. product and the imports of subject merchandise are sufficiently fungible with each other and the domestic like product to warrant finding a likely reasonable degree of overlap in the event of revocation.

*Common or Similar Channels of Distribution.* In the original investigations, U.S. mills shipped 56.4 percent of their CTL plate to distributors and service centers and U.S. processors shipped 71.8 percent of their CTL plate to end users, while U.S. importers shipped the majority of their CTL plate from India, Indonesia, Japan, and Korea to distributors and service centers. In the current reviews, U.S. producers usually shipped slightly more than one-half of their CTL plate to distributors, with the remainder shipped to end users, while importers shipped \*\*\* of their subject merchandise from Korea to distributors.<sup>83</sup> The very limited quantity of subject imports from Japan was shipped \*\*\* to end users.<sup>84</sup> No responding importer reported U.S. shipments of CTL plate from India and Indonesia in the current reviews. I find that the domestic like product and the cumulated imports of subject merchandise would likely overlap to a reasonable degree in their channels of distribution in the event of revocation.

*Same Geographic Markets.* In the current reviews, U.S. producers and importers, as a whole, reported nationwide sales. The majority of the responding producers reported selling to all regions within the contiguous United States, and five of 12 responding importers reported selling CTL plate nationwide.<sup>85</sup> The remaining seven importers reported serving primarily the Pacific Coast, Central Southwest, Midwest, and Northeast Regions.<sup>86</sup> I find that the U.S. product and the imports of subject

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<sup>77</sup> See *Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (CIT 1996); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (CIT 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996).

<sup>78</sup> CR at II-22, PR at II-14.

<sup>79</sup> CR/PR at Table II-10.

<sup>80</sup> CR/PR at Table II-11.

<sup>81</sup> CR/PR at Table IV-4.

<sup>82</sup> *Id.*

<sup>83</sup> CR/PR at Table II-1.

<sup>84</sup> CR/PR at Table II-1.

<sup>85</sup> CR at II-3, PR at II-2.

<sup>86</sup> CR at II-3, PR at II-2. Only two of the 12 responding firms imported CTL plate from the subject countries. \*\*\* reported selling plate from \*\*\* to the Central Southwest, Pacific Coast, and Northeast regions, whereas \*\*\* reported selling plate from \*\*\* to the Central Southwest, Pacific Coast, Midwest, and Northeast Regions. CR at II-3

merchandise would likely overlap to a reasonable degree in their geographic markets in the event of revocation.

*Simultaneous Market Presence.* In these reviews, the domestic like product and imports from Korea were present in the U.S. market in every month of the period.<sup>87</sup> Imports from India were present every year, but they were present in fewer than six months of each year from 2008 to 2010.<sup>88</sup> The presence of imports from Indonesia fluctuated from 2005 to 2008, before exiting the market in October 2008.<sup>89</sup> Imports from Japan were present to varying degrees except in 2005 and the first half of 2011.<sup>90</sup> I find that, in the event of revocation, there would be substantially simultaneous market presence of the U.S. product and the imports of subject merchandise.<sup>91</sup>

Based on the four traditional competition factors that the Commission considers, I conclude that imports of subject merchandise from India, Indonesia, Japan, and Korea would likely be sufficiently fungible, in overlapping channels of distribution, simultaneously present in the market, and in the same geographic markets with the domestic like product and each other, such that there would be a reasonable overlap of competition if the orders were revoked. No party has presented arguments to the contrary.

### C. Other Considerations

When I 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, I 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.

Based on the record in these reviews, I find no such condition or propensity with respect to the imports of subject merchandise from India, Indonesia, Japan, and Korea. There is no impediment to their competing directly against each other in the U.S. market. Imports of subject merchandise from India, Indonesia, Japan and Korea are moderately to highly substitutable.<sup>92</sup> Overcapacity for CTL plate in Asian markets is forcing India, Indonesia, Japan, and Korea to find alternative markets.<sup>93</sup> Japan and Korea already compete directly against each other for sales to the same shipbuilders in Asia,<sup>94</sup> and shipbuilding is a major end-use for their products.<sup>95</sup> Producers in all four countries have demonstrated an interest in the U.S. market, and the volume of imports of subject merchandise from all four countries

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n.2, PR at II-3 n.2.

<sup>87</sup> CR/PR at Table IV-5. Although the monthly data on Korea, compiled from official statistics, include nonsubject imports from POSCO, Commission questionnaire data \*\*\*. CR/PR at Tables IV-5, IV-21.

<sup>88</sup> CR/PR at Table IV-5.

<sup>89</sup> CR/PR at Table IV-5 and CR at IV-10, PR at IV-9.

<sup>90</sup> *Id.*

<sup>91</sup> In five-year reviews, the order may have affected the marketing and distribution patterns of the product in question. The relevant inquiry thus is whether there would likely be competition even if there are no current imports from a subject country. See generally, *Cheflene Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002) (“The statute and legislative history are clear: the Commission is not required to find that subject imports currently compete in the U.S. market.”).

<sup>92</sup> CR at II-22, PR at II-14; CR/PR at Tables II-11 and Table IV-4.

<sup>93</sup> Compare CR/PR Table IV-22 with Table IV-26. See also Japanese Respondents’ Posthearing Brief, Exhibit 1 at 57, 92.

<sup>94</sup> Tr.at 252-254 (Mr. Aoyama, Nippon Steel). China also competes in this market for sales to shipbuilders. *Id.*

<sup>95</sup> CR/PR at Figure IV-1. CR at IV-37 & n.35, PR at IV-23 & n.35.

increased sharply during the original investigations.<sup>96</sup> Accordingly, I exercise my discretion to cumulate subject imports from India, Indonesia, Japan, and Korea.

## **II. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ORDERS ARE REVOKED**

### **A. Conditions of Competition**

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>97</sup>

The following conditions of competition are relevant to my determinations in these five-year reviews.

*Demand.* The record indicates that U.S. demand for CTL plate is affected by changes in overall U.S. economic activity and, because CTL plate is an intermediate product, demand is derived from demand in the sectors in which it is used. Quarterly real U.S. GDP fluctuated between 2005 and 2007 while growing, then declined steeply from the latter half of 2008 through the first half of 2009. Since 2007, the recession has contributed to lower demand for CTL plate.<sup>98</sup>

Two common applications for plate are construction and energy development/transmission. The value of total U.S. construction on a monthly basis, decreased irregularly during January 2005 to September 2011. It decreased 37 percent from a period high of \$1,213 billion in March 2006 to \$763 billion in March 2011, but, beginning in April 2011, it has increased irregularly. Nonresidential construction increased from \$464 billion in January 2005 to \$700 billion in March 2009 before falling to \$551 billion in September 2011, representing a net increase of 19 percent over the period.<sup>99</sup>

With regard to energy transmission, the miles of approved natural gas pipeline projects increased from 2005 to 2007 before falling in 2008 and 2009. The number of additions to natural gas pipelines has steadily increased since.<sup>100</sup>

Wind energy represents a small, but growing, application for CTL plate. Wind turbine installations increased from 2005 to 2009 and then fell by 50 percent in 2010. Growth in the wind energy sector resumed in the second half of 2011, and new construction is expected to continue through 2017.<sup>101</sup>

When asked how demand for CTL plate has changed within the United States since 2005, the majority of producers, importers, and purchasers reported that demand for CTL plate has fluctuated since 2005 and has followed the overall trend of the economy, with strong demand prior to early-mid-2008, a collapse in 2009, and a slow recovery through 2010.<sup>102</sup> Apparent U.S. consumption of CTL plate increased irregularly from 6.8 million short tons in 2005 to 8.0 million short tons in 2008, decreased to 4.4 million short tons in 2009, and increased to 6.0 million short tons in 2010. Apparent U.S. consumption was 3.0 million short tons in interim 2010 and 3.5 million short tons in interim 2011.<sup>103</sup>

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

<sup>97</sup> 19 U.S.C. § 1675a(a)(4).

<sup>98</sup> CR at II-14, PR at II-9.

<sup>99</sup> CR at II-15, PR at II-10.

<sup>100</sup> CR at II-16, PR at II-10.

<sup>101</sup> The U.S. wind industry is currently experiencing its busiest quarter since 2008. CR at II-17 & n.9, PR at II-11 & n.9.

<sup>102</sup> CR at II-19, PR at II-13.

<sup>103</sup> CR at II-13, PR at II-8.

*Supply.* As in the prior reviews, the U.S. market continues to be supplied by domestic production as well as by subject and nonsubject imports. The domestic industry is the largest source of supply, reaching a share of 91.8 percent of apparent U.S. consumption in 2009 before declining to 90.7 percent in 2010.<sup>104</sup>

Since 2005, the U.S. industry has experienced growth in production capacity from the restart of idled capacity, changes in ownership and consolidation, and investment (generally in heat-treating facilities).<sup>105</sup> With the downturn in the U.S. economy, however, several U.S. mills idled facilities, either periodically or for an extended period, with operations only beginning to recover in 2010 or 2011.<sup>106</sup> The domestic industry now includes 10 mills, with \*\*\* accounting for the vast majority of mill production. In addition, there are five processors, or service centers, that responded to the Commission's request for information. As discussed earlier, two producers, Evraz Claymont and Evraz Oregon, are related to Italian producer Palini.

Capacity and production fluctuated throughout the period. The industry's overall capacity increased 15.2 percent between 2005 and 2010, which corresponds to the restarts and acquisitions reported by domestic mills and processors. All firms reported a decline in production in 2009, and all but two firms reported increases in production in 2010. \*\*\* represented the majority of the production declines in 2009. These \*\*\* large producers also represented the majority of the increase in production in 2010.<sup>107</sup>

Cumulated subject imports declined irregularly over the period, rising to their highest full-year level in 2006 before falling to their lowest full-year level in 2010.<sup>108</sup> Subject import market share by quantity followed the same trend, ranging from \*\*\* percent to \*\*\* percent of apparent U.S. consumption over the annual periods examined.<sup>109</sup> At the same time, nonsubject imports accounted for between \*\*\* percent and \*\*\* percent of apparent U.S. consumption.<sup>110</sup> I note that exports from India, Indonesia, Japan, and Korea are all subject to antidumping duty measures in third-country markets.<sup>111</sup>

*Substitutability.* As in the original investigations and first reviews, the record continues to indicate that domestic manufacturers produce a wide variety of grades and types of CTL plate and that there is some variation among the grades and types of CTL plate that have been imported from the individual subject countries. Nonetheless, the record indicates that, overall, there is a moderate to high degree of substitution between CTL plate produced in the United States and that imported from the subject countries and other sources.<sup>112</sup>

*Global Market Conditions.* Global consumption of reversing mill plate generally increased over the period for which data are available, despite a sharp overall decline in 2009.<sup>113</sup> Certain markets expanded in 2009, principally China, but also the Commonwealth of Independent States, India, and Indonesia. Between 2007 and 2010, global consumption increased by \*\*\* percent, despite a setback in consumption during the economic recession of 2008-09. Most of the increase occurred in East and

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

<sup>105</sup> Heat treatment lines permit the production of steel that meets additional specifications but do not change the basic rolling capacity of the mill. CR/PR at III-1 n.1.

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

<sup>107</sup> CR at III-7, PR at III-2-3 & CR/PR at Table III-4.

<sup>108</sup> See CR/PR at Table IV-1.

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

<sup>110</sup> CR/PR at Table I-1.

<sup>111</sup> CR at IV-13, IV-16, IV-23, & IV-29; PR at IV-11, IV-13, IV-17, & IV-21-22. All exporting countries are subject to a 12 percent general tariff imposed by Brazil on the subject product.

<sup>112</sup> CR at II-22, PR at II-14; CR/PR at Table II-11; see also CR/PR at Table II-10 (product range of U.S. product generally superior or comparable to imports), Table IV-4, CR at II-24 nn.17-18, PR at II-16 nn.17-18.

<sup>113</sup> Most CTL plate is produced on reversing plate mills, but some plate is produced on Steckel mills. CR at I-27-28, PR at I-23-24. \*\*\*.

Southeast Asia, primarily in China. Global consumption is forecast to increase during 2011 to 2015, with growth in all regions and with China accounting for the greatest increase.<sup>114</sup>

The demand for shipbuilding is an indicator of demand for CTL plate, particularly in Asia. Shipbuilding is a primary end use for CTL plate produced in Japan and Korea. The three largest countries in which shipbuilding occurs are Japan, Korea, and China, which represented 92 percent of world shipbuilding deliveries in 2010. Over the period examined, there has been a large increase in new ship construction, with global orders for new shipbuilding more than doubling between 2005 to 2008. New orders for shipbuilding worldwide began to fall starting in 2009, but remained above their 2005 levels. They are forecast to fall below 2005 levels by 2014.<sup>115</sup>

I find that these conditions in the CTL plate market provide a reasonable basis on which to assess the effects of revocation.

## **B. Revocation of the Orders on the Four Countries Is Likely to Lead to a Continuation or Recurrence of Material Injury in the Reasonably Foreseeable Future**

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

In the original investigations, the Commission found that the volume and market share of subject imports had increased significantly over the period of investigation.<sup>116</sup> Subject imports from India, Indonesia, Japan, and Korea surged from 104,481 short tons in 1996 to \*\*\* short tons in 1998 prior to the imposition of the orders and gained \*\*\* percentage points of market share by quantity overall, a significant portion of which was at the expense of the domestic industry.<sup>117</sup> Thus, producers in the four countries have the demonstrated ability to increase exports to the United States rapidly without the restraining effects of the orders.

Producers from each country have continued to ship subject merchandise since the orders were imposed – 11 years ago. In the first five-year reviews, the Commission noted that the subject imports had declined significantly following imposition of the orders but had increased more recently.<sup>118</sup>

During these reviews, subject imports from India, Indonesia, Japan, and Korea rose from \*\*\* short tons in 2005 to \*\*\* short tons in 2006, before falling to \*\*\* short tons in 2007, \*\*\* short tons in 2008, \*\*\* short tons in 2009, and \*\*\* short tons in 2010.<sup>119</sup> Subject imports' share of apparent U.S. consumption followed a similar trend, rising from \*\*\* percent in 2005 to \*\*\* percent in 2006, and falling to \*\*\* percent in 2007, \*\*\* percent in 2008, \*\*\* percent in 2009, and \*\*\* percent in 2010.<sup>120</sup> During that time, total apparent U.S. consumption fluctuated and was lowest in 2009 before increasing somewhat in 2010.<sup>121</sup>

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<sup>114</sup> CR at IV-34- IV-35, PR at IV-22.

<sup>115</sup> CR at IV-37-38, PR at IV-23-24.

<sup>116</sup> Original Determination at 21.

<sup>117</sup> CR/PR at Table I-1. There were no subject imports from Indonesia at the end of the period of review. See CR/PR at Table I-1. However, U.S. imports from Indonesia dropped to zero for three of the first five years for which data were collected after the orders were imposed, then resumed and continued for another five years. Once they resumed, they increased from 627 short tons in 2004 to 2,682 short tons in 2005. CR/PR at Table I-1.

<sup>118</sup> First Reviews at 27-28.

<sup>119</sup> CR/PR at Table I-1.

<sup>120</sup> CR/PR at Table I-1.

<sup>121</sup> Total apparent U.S. consumption rose irregularly from \*\*\* short tons in 2005 to \*\*\* short tons in 2008 before falling abruptly to \*\*\* short tons in 2009 and then recovering partially to \*\*\* short tons in 2010. CR/PR at Table I-1.



The ongoing presence of subject imports from the four countries in the U.S. market, although dramatically reduced due to the restraining effect of the orders, demonstrates the continued importance of the U.S. market to the producers in question. It also indicates that they already have distributors or customers in place for their product.

Subject producers in India, Indonesia, Japan, and Korea have the ability and incentive to increase their exports to the United States if the orders are revoked. Their capacity increased significantly over the period of review from \*\*\* short tons in 2005 to \*\*\* short tons in 2010, an increase of \*\*\* short tons.<sup>122</sup> Indian producer Essar has a new five-meter plate wide plate mill, which has 1.5 million tons of capacity.<sup>123</sup> Indonesian producer Gunawan is scheduled to increase its capacity in 2011.<sup>124</sup> Korean producer Hyundai is bringing a second mill with 1.6 million short ton capacity on line by the end of 2013.<sup>125</sup>

There is substantial divertible capacity in Japan alone. Reporting Japanese producers had 532,633 short tons of CTL plate in inventory available to be exported in 2010. Although Japan's capacity utilization in 2010 was high at 92.1 percent, the Japanese industry is so large that the industry had an excess capacity of 1.3 million short tons that year.<sup>126</sup>

Production in the four countries increased over the review period, although data for India and Indonesia are only available beginning in 2007. CTL plate production in India increased from \*\*\* short tons in 2007 to \*\*\* short tons in 2010; in Indonesia, it decreased from \*\*\* short tons in 2007 to \*\*\* short tons in 2010; in Japan, it increased from 13.7 million short tons in 2005 to 14.6 million short tons in 2010; and, in Korea, it increased from \*\*\* short tons in 2007 to \*\*\* short tons in 2010.<sup>127</sup> In the aggregate, the available data show a production increase over the review period of \*\*\* short tons in the four countries.

These data reflect a need for subject producers in the four countries to find alternative markets to their home and regional markets. Exports from India, Indonesia, Japan, and Korea of subject CTL plate increased from 2005 to 2010 by \*\*\* short tons.<sup>128</sup> Exports of subject merchandise from these countries continue to enter the United States even with the orders in place. In particular, imports of subject merchandise from Korea were \*\*\* short tons in 2006 and \*\*\* short tons in 2007.<sup>129</sup> Upon revocation of the orders, it is likely that the subject producers in the four countries will shift even more of their exports to the U.S. market. U.S. hot-rolled plate transaction have generally been higher than reported prices in Japan or South Korea, and U.S. spot prices have generally been higher than Japanese export prices, making the United States a highly attractive export market.<sup>130</sup>

Asian capacity has outpaced Asian consumption, although both have grown and are expected to grow further in the future. Capacity (reversing mill and Steckel mill) in Asia was at \*\*\* short tons in 2011, with additional capacity of \*\*\* short tons to come on line in 2012 and \*\*\* short tons to come on line in 2013.<sup>131</sup> In contrast, reversing plate consumption in Asia was at \*\*\* short tons in 2011, forecast

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<sup>122</sup> CR/PR at Tables IV-7, IV-10, IV-17 & IV-21. The data on subject Korean capacity only include data as to responding Korean producer Dongkuk, as 2005 capacity for other subject Korean producers are not available. Aggregate 2010 subject Korean CTL plate capacity was \*\*\* short tons. CR/PR at Table IV-20.

<sup>123</sup> Nucor Prehearing Brief at 53 & Exhibit 2.

<sup>124</sup> Nucor Prehearing Brief at & Exhibit 6.

<sup>125</sup> ArcelorMittal Prehearing Brief, Exhibit 9; CR at IV-28 n.32, PR at IV-28 n.32.

<sup>126</sup> CR/PR at Table IV-17.

<sup>127</sup> CR/PR at Table IV-7 (India), Table IV-10 and Table IV-23 (Indonesia), Table IV-17 (Japan), and Table IV-21 (Korea, producer Dongkuk only).

<sup>128</sup> CR/PR at Tables IV-7, IV-10, IV-17, IV-23 (Dongkuk only).

<sup>129</sup> CR/PR at Table IV-1.

<sup>130</sup> CR/PR at Tables IV-28 and IV-29.

<sup>131</sup> CR/PR at Table IV-22.



to increase to \*\*\* short tons in 2013.<sup>132</sup> This significant overcapacity will encourage Asian producers to expand their export markets.<sup>133</sup>

Much of the overcapacity in Asia is in China, which will likely continue to be the case. \*\*\* forecasts that Chinese reversing mill plate production will exceed Chinese reversing mill plate consumption in every year from 2011 to 2013.<sup>134</sup> Chinese production of reversing mill plate is expected to grow from \*\*\* short tons in 2011 to \*\*\* short tons in 2013, while Chinese consumption will grow from \*\*\* short tons in 2011 to \*\*\* short tons in 2013, a shortfall of consumption in 2013 of approximately \*\*\* short tons.<sup>135</sup> As a result, subject producers in the four countries who are expanding capacity or holding significant inventories will likely find the Asian market more competitive.

In the first reviews, the Commission found that the potential for product shifting existed in the subject countries, particularly for India and Indonesia, as producers in those countries could easily shift from producing nonsubject hot-rolled sheet, strip, or coiled product on the same equipment used to produce CTL plate.<sup>136</sup> There is no evidence in these reviews that the potential for product shifting does not exist in the four countries I have cumulated. In addition, as I noted above, exports of subject product from the four countries are all subject to antidumping duties in third-country markets.<sup>137</sup>

In view of the demonstrated ability of the CTL plate industries in each of the four countries to increase exports to the U.S. market rapidly, their continued, albeit limited, presence in the U.S. market during the period of review, their substantial production capacity and production, their reliance on export markets (despite barriers), and their incentives to increase imports into the United States, I find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant in the event of revocation.

## 2. Likely Price Effects of Subject Imports

In the original investigations, the Commission concluded that the increase in undersold subject imports had significantly contributed to the depression of domestic producer prices, given that subject imports were highly substitutable for the domestic like product, except in certain specialized applications.<sup>138</sup> In those investigations, subject imports from India, Indonesia, Japan, and Korea undersold the domestic like product in 69.2 percent of pricing product comparisons and oversold the domestic like product in only 30.8 percent of comparisons.<sup>139</sup>

In the first five-year reviews, the Commission noted that, although there was a degree of product differentiation in the market, common grades remained prevalent.<sup>140</sup> The Commission found a fairly high degree of substitutability between CTL plate produced in the United States and the cumulated subject countries, as well as that price remained an important factor in purchasing decisions. There were no pricing data on imports from India. Subject imports from Indonesia, Japan, and Korea

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<sup>132</sup> CR/PR at Table IV-26.

<sup>133</sup> \*\*\* capacity data include both reversing mill plate capacity and Steckel mill plate capacity, whereas \*\*\* production data only cover reversing mill plate capacity. Most CTL plate is produced using reversing mill capacity rather than Steckel mill capacity. Moreover, producers in China and Korea, where capacity is expected to grow, use only reversing plate mills. CR/PR at Table IV-20. \*\*\*. Therefore, I find comparing these data helpful in my analysis.

<sup>134</sup> CR/PR at Tables IV-24 and IV-26.

<sup>135</sup> *Id.*

<sup>136</sup> First Reviews at 30-31.

<sup>137</sup> CR at IV-13, IV-16, IV-23, IV-29; PR at IV-11, IV-13, IV-17, IV-21-22.

<sup>138</sup> Original Determination at 23-24.

<sup>139</sup> Original Determination at 24.

<sup>140</sup> First Reviews at 31.

undersold the domestic like product in 47 out of 60 pricing comparisons, or in 78.3 percent of the comparisons.<sup>141</sup>

The record in these reviews indicates that, although common grades predominate, there continues to be a degree of product differentiation in the market.<sup>142</sup> There is a moderate to high degree of substitutability between CTL plate produced in the United States and in the cumulated subject countries, and price remains an important factor in purchasing decisions.<sup>143</sup>

For these reviews, the Commission collected pricing data on six CTL plate products. Sale prices of all U.S.-produced CTL plate products fluctuated during the period of review, but increased substantially from their 2005 levels. Overall, prices of all U.S.-produced CTL plate fell by 40 to 57 percent between the third quarter of 2008 and the third quarter of 2009. Beginning in 2010, reported prices of all U.S.-produced CTL plate have generally increased.<sup>144</sup> At least some of these price increases are due to increased raw material costs, as these costs accounted for a weighted average 61.3 percent of the total cost of goods sold during the period for which data were collected.<sup>145</sup> Energy costs are another important factor in CTL plate production. Electricity costs increased substantially over the period, while natural gas prices have fluctuated.<sup>146</sup> 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.<sup>147</sup> Industry analysts indicate that domestic plate prices have recently fallen.<sup>148</sup>

The pricing data collected by the Commission are somewhat limited, as pricing comparisons between countries are possible for only pricing products 1 through 3. Prices of the subject imports I have cumulated undersold the domestic product in 36 of 61 product comparisons, with margins of underselling ranging from \*\*\* percent to \*\*\* percent.<sup>149</sup>

Pricing data compiled by Management Engineering & Production Services (“MPS”) show that the United States remains an attractive market for producers of CTL plate. These data indicate that U.S. prices for hot-rolled plate from 2005 to 2011 \*\*\*.<sup>150</sup> \*\*\* pricing data also show that U.S. spot prices have been higher than Japanese export prices in virtually all months of the review period.<sup>151</sup>

Given the likely significant volume of imports, the importance of price in the CTL plate market, the substitutability of subject imports from the four countries with the domestic like product, the underselling data, and the incentives that exist for subject imports from the four countries to enter the U.S. market, I find a likelihood of significant negative price effects in the event of revocation. I conclude that, if the orders were revoked, significant volumes of cumulated subject imports likely would significantly undersell the domestic product and gain market share, and likely would have significant depressing or suppressing effects on the prices of the domestic like product.

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<sup>141</sup> CR/PR at Table V-10, n. 1. Most of the pricing data came from comparisons of the domestic like product with subject merchandise from Korea.

<sup>142</sup> See, e.g., CR at II-23 - II-24 & nn.17-18, PR at II-16 & nn.17-18.

<sup>143</sup> CR/PR at Table II-7.

<sup>144</sup> CR at V-7, PR at V-6; CR/PR at Tables V-2 - V-7.

<sup>145</sup> CR/PR at V-1.

<sup>146</sup> CR at V-2, PR at V-2.

<sup>147</sup> CR at V-3, PR at V-2.

<sup>148</sup> CR at V-7, n.5; PR at V-6, n.5.

<sup>149</sup> CR/PR at Table V-10.

<sup>150</sup> CR/PR at Table IV-28.

<sup>151</sup> CR/PR at Table IV-29.

### 3. Likely Impact of Subject Imports

In the original investigations, the Commission found that the domestic industry's operating and financial performance had deteriorated toward the end of the period examined,<sup>152</sup> as subject import volume and market share rapidly increased. Between the first half of 1998 and the first half of 1999, domestic industry sales volumes and values had declined significantly, cash flow had become negative, gross profits had declined 96 percent, and operating income had decreased from positive \$97.4 million to negative \$63.6 million.<sup>153</sup> Domestic industry capital expenditures, employment, hours worked, and wages declined over the period examined, particularly in the first half of 1999.<sup>154</sup> Based on the correlation of these adverse domestic industry trends with the increase in subject import volume and market share and the decline in subject import AUVS, the Commission concluded that subject imports had caused present material injury to the domestic industry.<sup>155</sup>

During the first review period, subject imports declined and the domestic industry gained market share. The industry experienced five years of poor financial performance from 1999 to 2003. Domestic producers' production, U.S. shipments, and net sales declined through 2001, generally recovered in 2002 and 2003. In 2004, the domestic industry's performance dramatically improved, and it had a higher operating margin in the first half of 2005 than in the first half of 2004.<sup>156</sup>

In the first reviews, however, the Commission stated that the conditions that enabled the industry to realize profits at the end of the period were not likely to continue into the reasonably foreseeable future.<sup>157</sup> The Commission stated that the industry, which operated with high fixed costs to begin with, required prices that are considerably higher than historical averages in order to cover increased costs and maintain profitability. The Commission noted that apparent U.S. consumption of plate was forecast only to grow modestly for the foreseeable future and that the tight supply that had marked the global market, which had contributed to high U.S. prices at the end of the period, was shifting as China became a net exporter rather than a net importer of the subject product.<sup>158</sup> The Commission found that any growth in U.S. consumption would not be sufficient to absorb the likely significant increase in subject imports if the orders were revoked.<sup>159</sup>

In the current reviews, domestic producers' capacity increased irregularly over the period examined, from 8,352,058 short tons in 2005 to 9,624,269 short tons in 2010, an increase of 15.2 percent. Production, however, fell irregularly over the period, from 6,526,649 short tons in 2005 to 6,075,718 short tons in 2010. As a result, capacity utilization fell irregularly from 78.1 percent in 2005 to 63.1 percent in 2010.<sup>160</sup> U.S. shipments declined irregularly as well, from 6,049,832 short tons in 2005 to 5,378,921 short tons in 2010. U.S. producers' market share by quantity, however, rose from 88.4 percent in 2005 to 90.7 percent in 2010.<sup>161</sup>

As the industry experienced some restructuring during the period of review, the number of production and related workers fluctuated, but it decreased overall, from 3,647 in 2005 to 3,339 in

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<sup>152</sup> Original Determination at 25-26 (domestic industry capacity and sales had increased with demand through 1998).

<sup>153</sup> Original Determination at 26.

<sup>154</sup> Original Determination at 26.

<sup>155</sup> Original Determination at 26 (for example, the Commission found that domestic industry orders had declined dramatically between the first half of 1998 and the second half of 1998, when two-thirds of 1998 subject imports had entered the U.S. market).

<sup>156</sup> First Reviews at 33.

<sup>157</sup> First Reviews at 33-34.

<sup>158</sup> First Reviews at 34.

<sup>159</sup> First Reviews at 34.

<sup>160</sup> CR/PR at Table I-1.

<sup>161</sup> CR/PR at Table I-1.

2010, in part because of the recession. The number of hours worked declined from 7.5 million in 2005 to 6.5 million in 2010, and wages paid fell from \$218.5 million in 2005 to \$217.7 in 2010.<sup>162</sup> Productivity increased, however, from 792.9 short tons produced per 1,000 hours in 2005 to 857.2 short tons produced per 1,000 hours in 2010.<sup>163</sup>

Total net sales quantities increased steadily from 2005 to 2009 before plummeting by nearly half in 2009.<sup>164</sup> The increased sales led to operating profits in excess of \$1 billion from 2005 to 2008, following which there was a notable decline in profitability that led to an operating loss in 2009. This decline affected all eight reporting mills. In 2010, the domestic industry returned to positive operating income.<sup>165</sup> The operating income levels in 2010 and interim 2011, however, were still below those achieved between 2005 and 2008. The domestic industry provided data for third quarter 2011 showing additional improvement.<sup>166</sup> Although sales improved in 2010 and interim 2011, the domestic industry reports that its orders have recently declined.<sup>167</sup> Inventories in the domestic market have steadily increased during 2010 and 2011, with a total increase of 328,000 short tons of inventory from January 2010 through September 2011.<sup>168</sup>

The cost of goods sold fluctuated during the period of review,<sup>169</sup> due primarily to changes in raw material costs.<sup>170</sup> Aggregate capital expenditures increased irregularly from 2005 to 2010, and were higher in interim 2011 than in interim 2010. Aggregate research and development expenses followed the same trend.<sup>171</sup>

Many of the major indicators of financial performance for the industry – such as production, total shipments, capacity utilization, the number of production workers, net sales values, and operating income – fluctuated throughout the period of review. Despite gains since the recession in 2009, these financial performance indicators were still lower at the end of the period in 2010 than at the beginning in 2005. The domestic industry has recently experienced higher inventories and declines in its order books, signifying some weakness, but it has also reported higher sales values and profitability in third quarter 2011, signifying some strength. Further, one of the industry's strengths is its dominant share of the U.S. market – 90.7 percent by quantity in 2010. Taking all of this evidence into account, I find the industry's indicators as to vulnerability to be mixed.

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<sup>162</sup> CR/PR at Table III-11. In late 2008, ArcelorMittal's Gary plant and Burn Harbor facilities implemented a layoff minimization plan. This plan enabled them to lay off less than 500 workers and keep 900 workers working a 32-hour work week. In 2009, during the economic downturn, production declined at Nucor's Tuscaloosa facility. Production workers' pay was cut roughly in half because wages are based in large part on Nucor's production. CR at III-17, PR at III-8.

<sup>163</sup> CR/PR at Table III-11.

<sup>164</sup> Total net sales increased from 6,151,120 short tons in 2005 to 7,416,533 short tons in 2008, decreased to 4,371,914 short tons in 2009, and rose to 5,819,533 short tons in 2010. They totaled 2,881,800 short tons in interim 2010 and 3,363,750 short tons in interim 2011. CR/PR at Table III-12.

<sup>165</sup> Operating income was \$1.0 billion in 2005, \$1.4 billion in 2006, \$1.2 billion in 2007, \$1.5 billion in 2008, negative \$174.6 million in 2009, and \$65.5 million in 2010. There was a loss of \$4.3 million in interim 2010 and operating income of \$319.3 million in interim 2011. CR/PR at Table III-12; see also CR/PR at Table III-13 (showing operating incomes/losses for individual firms).

<sup>166</sup> CR at III-22, n.19; PR at III-11, n. 19.

<sup>167</sup> CR/PR at Table III-12; Nucor's Final Comments at 3; ArcelorMittal Posthearing Brief, Responses to Commissioner Questions at 17; Nucor Responses to Commissioner Lane Question dated November 8, 2011 at 1, and November 14, 2011 at 1.

<sup>168</sup> CR at III-14; PR at III-6.

<sup>169</sup> The cost of goods sold was \$3.3 billion in 2005, \$3.9 billion in 2006, \$4.3 billion in 2007, \$5.6 billion in 2008, \$3.0 billion in 2009, and \$4.1 billion in 2010. It was \$2.0 billion in interim 2010 and \$2.6 billion in interim 2011. CR/PR at Table III-12.

<sup>170</sup> CR at III-23, PR at III-11-12.

<sup>171</sup> CR/PR at Table III-15.

The CTL plate industry operates with high fixed costs. As the Commission found in the first reviews, the industry requires prices that are considerably higher than historical averages in order to cover increased costs and maintain its profitability.<sup>172</sup> U.S. hot-rolled plate prices have fluctuated in 2011 and have been declining since July of 2011.<sup>173</sup> Based on \*\*\* data, apparent U.S. consumption of reversing mill plate is forecast to grow by only \*\*\* short tons between 2011 and 2013,<sup>174</sup> but reversing mill plate production in the four countries I have cumulated is expected to grow by \*\*\* short tons during the same period.<sup>175</sup>

I find that the anticipated relatively modest growth in U.S. consumption forecast by \*\*\* would not be sufficient to absorb the likely significant increase in subject imports if the orders in question were revoked. As I discussed above, revocation of the antidumping and countervailing duty orders on the four countries would be likely to lead to a significant increase in the volume of subject imports that would undersell the domestic like product and significantly suppress or depress U.S. prices. I find that these volume and price effects would necessarily have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These reductions, in turn, would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, I conclude that, if the orders in question were revoked, subject imports from the four countries would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

I note that nonsubject imports decreased irregularly over this period of review from \*\*\* short tons in 2005 to \*\*\* short tons in 2010.<sup>176</sup> Nonsubject import market share declined from \*\*\* percent by quantity in 2005 to \*\*\* in 2010.<sup>177</sup> Although nonsubject imports were higher in interim 2011 than in interim 2010,<sup>178</sup> their market share actually declined.<sup>179</sup> Thus, I find that nonsubject imports are unlikely to prevent subject imports from the four countries from increasing their penetration of the U.S. market significantly upon revocation of the orders.

### **C. 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.B.1 above, I found that imports of CTL plate from Italy would be likely to have no discernible adverse impact on the domestic industry if the antidumping and countervailing duty orders 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 and countervailing duty orders on CTL plate from Italy would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

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<sup>172</sup> First Reviews at 34. In 2010, the cost of goods sold was 22.7 percent higher than in 2005. CR/PR at Table III-12.

<sup>173</sup> CR/PR at Table IV-28.

<sup>174</sup> CR/PR at Table IV-26.

<sup>175</sup> CR/PR at Table IV-24. The data on Korea include data on nonsubject producer POSCO.

<sup>176</sup> CR/PR at Table IV-1.

<sup>177</sup> CR/PR at Table C-1.

<sup>178</sup> Nonsubject imports were at \*\*\* short tons in interim 2010 and at \*\*\* short tons in interim 2011. CR/PR at Table IV-1. A significant portion of the increased nonsubject imports was due to increased imports from POSCO, the nonsubject Korean producer. POSCO's imports totaled \*\*\* short tons in interim 2010 and \*\*\* short tons in interim 2011. Id.

<sup>179</sup> Nonsubject import market share, as measured by quantity, was \*\*\* percent in interim 2010 and \*\*\* percent in interim 2011. CR/PR at Table C-1.

## **CONCLUSION**

For the foregoing reasons, I find that revocation of the antidumping duty orders on subject imports of CTL plate from India, Indonesia, Japan, and Korea and revocation of the countervailing duty orders on subject imports of CTL plate from India, Indonesia, and Korea 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 also determine that revocation of the antidumping duty and countervailing duty orders on 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.



## PART I: INTRODUCTION AND OVERVIEW

### BACKGROUND

On November 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”),<sup>1</sup> that it had instituted reviews to determine whether revocation of the countervailing duty orders on cut-to-length carbon-quality steel plate (“CTL plate”) from India, Indonesia, Italy, and Korea and the antidumping duty orders on CTL plate from India, Indonesia, Italy, Japan, and Korea would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2 3</sup> On February 4, 2011, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Selected information relating to the background and scheduling of this proceeding appears in the following tabulation:<sup>4</sup>

Effective date	Action
February 10, 2000	Commerce’s countervailing duty orders on CTL plate from France, India, Indonesia, Italy, and Korea (65 FR 6587) and antidumping duty orders on CTL plate from France, India, Indonesia, Italy, Japan, and Korea (65 FR 6585)
November 7, 2003	Commerce’s revocation of the countervailing duty order on CTL plate from France. (68 FR 64858, November 17, 2003)
January 3, 2005	Commerce’s initiation and the Commission’s institution of first five-year reviews (70 FR 75, 110)
December 6, 2005	Commerce’s continuation of the countervailing duty orders on CTL plate from India, Indonesia, Italy, and Korea and continuation of the antidumping duty orders on CTL plate from India, Indonesia, Italy, Japan, and Korea (70 FR 72607). Commerce revoked the antidumping duty order on CTL plate from France pursuant to the Commission’s negative determination (70 FR 72787)
November 1, 2010	Commerce’s initiation and the Commission’s institution of second five-year reviews (75 FR 67082, 67108)
February 4, 2011	Commission’s determinations to conduct full five-year reviews (76 FR 8772, February 15, 2011)
March 7, 2011	Commerce’s final results of expedited five-year reviews of the antidumping duty orders on CTL plate from India, Indonesia, Italy, Japan, and Korea (76 FR 12322)
March 8, 2011	Commerce’s final results of expedited five-year reviews of the countervailing duty orders on CTL plate from India, Indonesia, Italy, and Korea (76 FR 12702)
April 18, 2011	Commission’s scheduling of the reviews (76 FR 22725); revised scheduling notice (76 FR 56797, September 14, 2011)
October 19, 2011	Commission’s hearing
December 5, 2011	Commission’s vote
December 20, 2011	Commission’s determinations transmitted to Commerce

<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> *Cut-to-Length Carbon Steel Plate from India, Indonesia, Italy, Japan, and Korea*, 75 FR 67108, November 1, 2010. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

<sup>3</sup> 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 concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 75 FR 67082, November 1, 2010.

<sup>4</sup> 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 ([http://www.usitc.gov/trade\\_remedy/731\\_ad\\_701\\_cvd/investigations/2011/cut-to-length\\_carbon\\_steel\\_plate/reviewp\\_hase.htm](http://www.usitc.gov/trade_remedy/731_ad_701_cvd/investigations/2011/cut-to-length_carbon_steel_plate/reviewp_hase.htm)). Commissioners’ votes on whether to conduct expedited or full reviews may also be found at the web site. Appendix B presents the witnesses appearing at the Commission’s hearing.

## The Original Investigations

On February 16, 1999, petitions were filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of imports of cut-to-length carbon-quality steel plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia.<sup>5 6</sup> Sales of such products were allegedly subsidized with respect to France, India, Indonesia, Italy, Korea, and Macedonia and made at less than fair value (LTFV) with respect to the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia. Investigations with respect to the Czech Republic and Macedonia were terminated when the Commission found subject imports from these countries to be negligible in the preliminary phase of the original investigations.<sup>7</sup>

On December 29, 1999, Commerce published final affirmative subsidy and dumping determinations.<sup>8</sup> Commerce subsequently amended these determinations on February 10, 2000.<sup>9 10</sup>

The Commission made its final affirmative injury determination on February 1, 2000,<sup>11</sup> and Commerce issued the antidumping duty orders<sup>12</sup> and countervailing duty orders<sup>13</sup> on February 10, 2000.

## Subsequent Five-Year Reviews

In November 2005, the Commission completed full five-year reviews of the subject orders and determined that revocation of the antidumping duty and countervailing duty orders on CTL plate from India, Indonesia, Italy, and Korea and the antidumping duty order on CTL plate from Japan would be

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<sup>5</sup> The petition was filed by Bethlehem/Lukens (Bethlehem, PA); U.S. Steel (Pittsburgh, PA); Gulf States (Gadsden, AL); IPSCO (Muscatine, IA); (Tuscaloosa, AL); and USWA (Pittsburgh, PA).

<sup>6</sup> The petitions were filed soon after the sequence of events known as the “Asian financial crisis.” The initial crisis spread from Thailand in mid-1997 through Asia. 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. 17-29.

<sup>7</sup> *Certain Cut-to-Length Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia, Invs. Nos. 701-TA-387-392 & 731-TA-815-822 (Preliminary)*, USITC Publication 3181, April 1999, pp. 13-17.

<sup>8</sup> *Final Determination of Sales at Less than Fair Value and Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate Products from India et al.; Notices*, 64 FR 73125, December 29, 1999.

<sup>9</sup> *Notice of Amendment of Final Determinations of Sales at Less than Fair Value and Antidumping Duty Orders: Certain Cut-to-Length Carbon Quality Steel Plate Products from France, India, Indonesia, Italy, Japan, and the Republic of Korea*, 65 FR 6585, February 10, 2000.

<sup>10</sup> *Notice of Amendment of Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate from India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, and the Republic of Korea*, 65 FR 6587, February 10, 2000.

<sup>11</sup> *Certain Cut-to-Length Steel Plate From France, India, Indonesia, Italy, Japan, and Korea, Determinations*, 65 FR 6624, February 10, 2000. Commissioner Okun did not participate and Commissioner Askey dissented with respect to France.

<sup>12</sup> *Notice of Amendment of Final Determinations of Sales at Less than Fair Value and Antidumping Duty Orders: Certain Cut-to-Length Carbon Quality Steel Plate Products from France, India, Indonesia, Italy, Japan, and the Republic of Korea*, 65 FR 6585, February 10, 2000.

<sup>13</sup> *Notice of Amendment of Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate from India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, and the Republic of Korea*, 65 FR 6587, February 10, 2000.

likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>14</sup> Following affirmative determinations in the first five-year reviews by Commerce and the Commission,<sup>15</sup> Commerce issued a continuation of the antidumping and countervailing duty orders on imports of CTL plate from India, Indonesia, Italy, and Korea, effective December 6, 2005, and the antidumping duty order on imports of CTL plate from Japan, effective December 6, 2005.<sup>16</sup>

The Commission also determined that revocation of the antidumping duty order on imports of CTL plate from France<sup>17</sup> would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>18</sup> Accordingly, Commerce revoked the antidumping duty order on imports of CTL plate from France, effective February 10, 2005.<sup>19</sup>

## SUMMARY DATA

Table I-1 presents a summary of data from the original investigations, the first five-year reviews, and from the current five-year reviews.

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<sup>14</sup> *Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea*, Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Review), USITC Publication 3816, November 2005.

<sup>15</sup> *Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea*, 70 FR 71331, November 28, 2005; *Certain Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and the Republic of Korea; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders and Final Results of Expedited Sunset Review of the Countervailing Duty Order: Certain Cut-to-Length Carbon-Quality Steel Plate from Korea, India, Indonesia, Italy*, 70 FR 45655, August 8, 2005 and 70 FR 45689-45694, August 8, 2005, respectively.

<sup>16</sup> *Continuation of Antidumping and Countervailing Duty Orders: Certain Cut-to-Length Carbon-Quality Steel Plate from India, Indonesia, Italy, Japan, and Korea*, 70 FR 72607, December 6, 2005.

<sup>17</sup> Commerce issued both antidumping and countervailing duty orders with respect to U.S. imports of subject merchandise from France. However, subsequent to the issuance of the institution notices for the first reviews, Commerce discovered that it had previously revoked the countervailing duty order for France on November 7, 2003, in its notice of implementation under Section 129 of the Uruguay Round Agreements Act.

<sup>18</sup> *Cut-to-Length Carbon Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea*, Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Review), USITC Publication 3816, November 2005.

<sup>19</sup> *Revocation of antidumping duty order: Certain Cut-to-Length Carbon-Quality Steel Plate from France*, 70 FR 72787, December 7, 2005.

**Table I-1**  
**CTL plate: Comparative data from the original investigations and the first and second reviews, 1996-2010**  
*(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)*

Item	1996	1997	1998	1999	2000	2001
<b>U.S. consumption quantity:</b>						
Amount	8,385,326	7,956,975	9,814,196	7,683,631	7,351,192	7,396,843
U.S. producers' share <sup>1</sup>	76.9	82.2	77.9	86.3	88.1	84.6
U.S. importers' share: <sup>1</sup>						
India	0.5	1.6	1.4	0.1	( <sup>2</sup> )	( <sup>2</sup> )
Indonesia	0.2	0.8	1.7	0.5	0.0	( <sup>2</sup> )
Italy	0.2	1.1	0.8	0.1	( <sup>2</sup> )	( <sup>2</sup> )
Japan	0.3	0.2	2.9	***	***	***
Korea (S)	0.3	0.3	***	***	***	***
Subtotal, subj. imports	1.5	4.0	***	***	***	***
France	1.8	2.1	1.3	***	***	***
Korea (NS)	-	-	***	***	***	***
All other sources	19.8	11.7	10.4	7.8	9.5	13.2
Subtotal, nonsubj. imports	21.6	13.8	***	***	***	***
Total imports	23.1	17.8	22.1	13.6	11.9	15.3
<b>U.S. imports from:</b>						
India:						
Quantity	38,081	130,846	137,735	6,462	1,485	1,262
Value	12,833	45,098	50,298	2,057	498	377
Unit value	\$337	\$345	\$365	\$318	\$336	\$298
Indonesia:						
Quantity	13,667	59,837	168,098	39,553	0	123
Value	4,354	21,716	57,763	10,761	0	34
Unit value	\$319	\$363	\$344	\$272	( <sup>4</sup> )	\$273
Italy:						
Quantity	17,003	85,576	80,766	11,396	2,369	1,130
Value	7,661	35,743	32,792	4,319	1,509	1,427
Unit value	\$451	\$418	\$406	\$379	\$637	\$1,263
Japan:						
Quantity	24,238	18,327	288,398	***	***	***
Value	17,028	13,462	131,070	***	***	***
Unit value	\$703	\$735	\$455	\$***	\$***	\$***

Table I-1--Continued

2002	2003	2004	2005	2006	2007	2008	2009	2010
7,392,172	6,987,726	7,759,339	6,845,135	8,378,675	7,963,203	7,988,590	4,367,759	5,929,950
89.3	93.1	90.6	88.4	84.0	87.1	89.7	91.8	90.7
( <sup>2</sup> )	0.0	( <sup>2</sup> )	0.1	0.1	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
( <sup>2</sup> )	( <sup>2</sup> )	0.4	0.1	0.0	0.0	0.0	0.1	0.0
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
***	***	***	***	***	***	***	***	***
9.2	6.6	8.4	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
10.7	6.9	9.5	11.6	16.0	12.9	10.3	8.2	9.3
20	0	1,585	3,856	6,542	1,167	310	165	32
12	0	1,731	3,913	4,358	1,146	466	298	55
\$584	( <sup>4</sup> )	\$1,092	\$1,015	\$666	\$982	\$1,504	\$1,808	\$1,754
0	0	627	2,682	41	1,661	97	0	0
0	0	457	1,817	37	985	128	0	0
( <sup>4</sup> )	( <sup>4</sup> )	\$728	\$678	\$910	\$593	\$1,320	( <sup>4</sup> )	( <sup>4</sup> )
278	666	29,130	9,215	1,212	3,814	337	4,904	718
850	1,164	19,279	8,939	2,206	4,395	1,277	6,402	2,369
\$3,054	\$1,746	\$662	\$970	\$1,821	\$1,152	\$3,789	\$1,306	\$3,299
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	***	***	***	***	***	***

Table I-1--Continued

CTL plate: Comparative data from the original investigations and the first and second reviews, 1996-2010  
 (Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)

Item	1996	1997	1998	1999	2000	2001
Korea (S):						
Quantity	28,495	25,432	***	***	***	***
Value	12,391	10,287	***	***	***	***
Unit value	\$435	\$404	\$***	\$***	\$***	\$***
Subtotal, subj.:						
Quantity	121,484	320,018	***	***	***	***
Value	54,267	126,306	***	***	***	***
Unit value	\$447	\$395	\$***	\$***	\$***	\$***
France:						
Quantity	153,375	165,713	123,083	***	***	***
Value	76,334	81,559	63,678	***	***	***
Unit value	\$498	\$492	\$517	\$***	\$***	\$***
Korea (NS):						
Quantity	( <sup>3</sup> )	( <sup>3</sup> )	***	***	***	***
Value	( <sup>3</sup> )	( <sup>3</sup> )	***6	***	***	***
Unit value	( <sup>3</sup> )	( <sup>3</sup> )	\$***6	\$***	\$***	\$***
All other sources:						
Quantity	1,661,428	929,205	1,016,753	598,355	696,939	977,191
Value	641,034	380,670	449,154	255,824	280,019	383,530
Unit value	\$386	\$410	\$442	\$428	\$402	\$392
Subtotal, nonsubj.:						
Quantity	1,814,803	1,094,918	***	***	***	***
Value	717,368	462,229	***	***	***	***
Unit value	\$395	\$422	\$***	\$***	\$***	\$***
Total:						
Quantity	1,936,287	1,414,936	2,166,889	1,049,345	871,136	1,135,502
Value	771,635	588,535	915,669	428,183	338,111	435,950
Unit value	\$399	\$416	\$423	\$408	\$388	\$384



Table I-1--Continued

2002	2003	2004	2005	2006	2007	2008	2009	2010
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
***	***	***	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
\$***	\$***	\$***	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
***	***	***	\$***	\$***	\$***	***	\$***	\$***
679,724	458,834	648,818	***	***	***	***	***	***
281,233	199,499	389,203	***	***	***	***	***	***
\$414	\$435	\$600	\$***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***
\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
792,166	479,850	730,829	795,303	1,341,814	1,026,836	824,357	357,850	551,029
322,838	218,134	451,012	578,824	894,023	762,476	903,018	337,604	482,282
\$408	\$455	\$617	\$728	\$666	\$743	\$1,095	\$943	\$875

**Table I-1--Continued**

**CTL plate: Comparative data from the original investigations and the first and second reviews, 1996-2010**

<b>U.S. producers':</b> (Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)						
<b>Item</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Capacity quantity	8,721,762	9,252,017	11,191,586	10,923,834	10,622,180	11,026,162
Production quantity	6,560,861	6,782,408	7,948,996	6,706,626	6,668,398	6,357,791
Capacity utilization <sup>1</sup>	75.2	73.3	71.0	61.4	62.8	57.7
<b>U.S. shipments:</b>						
Quantity	6,449,040	6,542,038	7,647,308	6,634,287	6,480,056	6,261,341
Value	2,901,398	2,908,985	3,377,079	2,474,901	2,440,460	2,215,708
Unit value	\$450	\$445	\$442	\$374	\$378	\$354
<b>Export shipments:</b>						
Quantity	75,389	182,888	232,848	161,153	236,598	144,677
Value	39,795	82,666	106,132	62,059	88,523	51,238
Unit value	\$528	\$452	\$456	\$385	\$374	\$354
Production workers <sup>4</sup>	7,680	8,186	8,547	6,457	6,026	5,670
Hours worked (1,000)	17,314	18,028	18,896	14,189	13,477	12,586
Hourly wage	\$21	\$22	\$22	\$22	\$22	\$23
Net sales value	2,851,617	2,852,624	3,382,607	1,922,593	1,910,118	1,749,895
Operating income or (loss)/sales	139,690	84,978	135,678	(122,005)	(114,870)	(207,370)
Ratio operating income or (loss)/sales <sup>1</sup>	4.9	3.0	4.0	(6.3)	(6.0)	(11.9)
<sup>1</sup> Reported data are in percent. <sup>2</sup> Less than 0.05 percent. <sup>3</sup> No data reported. <sup>4</sup> Undefined. <sup>5</sup> Not applicable. Because U.S. imports of CTL plate from France are no longer subject to an order, they are included in "all other sources" for the period 2005-10. <sup>6</sup> Value data were not collected during the original investigations. Thus, while the quantity of 1998 imports of POSCO-produced CTL plate is based directly on POSCO's foreign producer questionnaire, the value is calculated based on the share of 1998 imports from Korea for which POSCO accounted.						

Table I-1--Continued

2002	2003	2004	2005	2006	2007	2008	2009	2010
11,445,322	11,636,348	11,041,815	8,352,058	9,078,900	9,102,852	9,539,225	9,597,673	9,624,269
6,764,974	6,812,140	7,520,671	6,526,649	7,708,588	7,684,039	7,748,767	4,566,875	6,075,718
59.1	58.5	68.1	78.1	84.9	84.4	81.2	47.6	63.1
6,600,006	6,507,875	7,028,510	6,049,832	7,036,861	6,936,367	7,164,233	4,009,909	5,378,921
2,345,160	2,377,420	4,456,089	4,366,799	5,342,358	5,392,168	7,061,715	2,704,581	3,961,873
\$355	\$365	\$634	\$722	\$759	\$777	\$986	\$674	\$737
195,180	305,067	438,759	475,310	592,291	730,366	707,143	555,217	641,408
66,271	107,616	282,506	352,874	444,497	573,188	623,933	357,896	441,022
\$340	\$353	\$666	\$742	\$750	\$785	\$882	\$645	\$688
5,060	4,470	4,125	3,647	3,763	3,870	3,958	3,110	3,339
11,228	9,261	8,728	7,451	7,711	7,916	8,020	5,654	6,466
\$24	\$24	\$25	\$29	\$33	\$34	\$36	\$34	\$34
1,867,048	1,989,141	3,628,077	4,471,661	5,505,206	5,721,813	7,295,978	2,927,804	4,255,177
(113,336)	(139,941)	782,756	1,038,004	1,410,309	1,192,180	1,490,925	(174,597)	65,533
(6.1)	(7.0)	21.6	23.2	25.6	20.8	20.4	(6.0)	1.5

Note.— “S” denotes subject imports from Korea and consists of CTL plate produced by Dongkuk and other mills, excluding POSCO. “NS” denotes nonsubject imports from Korea and consists of CTL plate produced by POSCO.  
 Note.— The Commission did not receive processor questionnaire responses from \*\*\*. During the first reviews, these firms accounted for \*\*\* percent of processor production in 2004.  
 Note.— Because of rounding, figures may not add to the totals shown.

Source: Data for 1996-2004 are compiled from *Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea*, Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Reviews), USITC Publication 3816 (November 2005), table I-1. Pohang Iron & Steel Co., Ltd. (“POSCO”)’s data for 1996-1998 are compiled from POSCO’s foreign producer questionnaire response, August 30, 1999. Data for 2005-10 are compiled from data submitted in response to Commission questionnaires and adjusted official Commerce statistics.

## PREVIOUS AND RELATED INVESTIGATIONS

### Antidumping and Countervailing Duty Investigations

The Commission has conducted numerous antidumping and countervailing duty investigations regarding CTL plate. Table I-2 presents a summary of these investigations. No original investigations have been instituted since 1999. As shown in the table, there are currently six antidumping duty orders, four countervailing duty orders, and two suspension agreements covering eight countries.

**Table I-2**  
**CTL plate: Previous and related investigations, 1978-2011**

Original investigation				Subsequent actions
Date <sup>1</sup>	Number	Country	Outcome	
1978	AA1921-179	Japan	Affirmative	ITA revoked (1986)
1979	AA1921-197	Taiwan	Affirmative	Affirmative first review (2000) Negative second review (2007)
1979	AA1921-203	Poland	Negative	-
1980	731-TA-18	Belgium	Affirmative <sup>2</sup>	Terminated (1980)
1980	731-TA-19	Germany (West)	Affirmative <sup>2</sup>	Petition withdrawn (1980)
1980	731-TA-20	France	Affirmative <sup>2</sup>	Petition withdrawn (1980)
1980	731-TA-21	Italy	Affirmative <sup>2</sup>	Petition withdrawn (1980)
1980	731-TA-22	Luxembourg	Affirmative <sup>2</sup>	Petition withdrawn (1980)
1980	731-TA-23	Netherlands	Affirmative <sup>2</sup>	Petition withdrawn (1980)
1980	731-TA-24	United Kingdom	Affirmative <sup>2</sup>	Petition withdrawn (1980)
1981	701-TA-83	Belgium	Affirmative <sup>2</sup>	Incorporated into 701-TA-86
1981	701-TA-84	Brazil	Affirmative <sup>2</sup>	Incorporated into 701-TA-87
1982	731-TA-51	Romania	Affirmative <sup>2</sup>	Incorporated into 731-TA-58
1982	701-TA-86	Belgium	Affirmative	Terminated (1982)
1982	701-TA-87	Brazil	Affirmative	Terminated (1985)
1982	701-TA-88	France	Negative <sup>2</sup>	-
1982	701-TA-89	Italy	Negative <sup>2</sup>	-
1982	701-TA-90	Luxembourg	Negative <sup>2</sup>	-
1982	701-TA-91	Netherlands	Negative <sup>2</sup>	-
1982	701-TA-92	United Kingdom	Affirmative <sup>2</sup>	Terminated (1982)
1982	701-TA-93	Germany (West)	Affirmative <sup>2</sup>	Terminated (1982)
1982	701-TA-155	Spain	Affirmative	ITA revoked (1985)
1982	701-TA-170	Korea	Affirmative	ITA revoked (1985)
1982	731-TA-53	Belgium	Affirmative <sup>2</sup>	Terminated (1982)
1982	731-TA-54	France	Negative <sup>2</sup>	-
1982	731-TA-55	Italy	Negative <sup>2</sup>	-
1982	731-TA-56	Luxembourg	Negative <sup>2</sup>	-
1982	731-TA-57	Netherlands	Negative <sup>2</sup>	-
1982	731-TA-58	Romania	Affirmative <sup>2</sup>	Terminated (1985)
1982	731-TA-59	United Kingdom	Affirmative <sup>2</sup>	Terminated (1982)
1982	731-TA-60	Germany (West)	Affirmative <sup>2</sup>	Terminated (1982)
1983	701-TA-204	Brazil	Affirmative	ITA revoked (1985)
1983	731-TA-123	Brazil	Affirmative	ITA revoked (1985)
1983	731-TA-146	Belgium	Affirmative <sup>2</sup>	Terminated (1984)
1983	731-TA-147	Germany (West)	Affirmative (on remand) <sup>2</sup>	Terminated (1984)
1983	731-TA-151	Korea	Affirmative	ITA revoked (1986)

Table continued on next page.

**Table I-2--Continued**  
**CTL plate: Previous and related investigations, 1978-2011**

Original investigation				Subsequent actions
Date <sup>1</sup>	Number	Country	Outcome	
1984	701-TA-225	Sweden	Negative	-
1984	701-TA-226	Venezuela	Affirmative <sup>2</sup>	Terminated (1985)
1984	731-TA-169	Finland	Affirmative <sup>2</sup>	Petition withdrawn (1985)
1984	731-TA-170	South Africa	Affirmative <sup>2</sup>	Petition withdrawn (1984)
1984	731-TA-171	Spain	Affirmative <sup>2</sup>	Terminated (1985)
1984	731-TA-213	Czechoslovakia	Affirmative <sup>2</sup>	Petition withdrawn (1985)
1984	731-TA-214	Germany (East)	Affirmative <sup>2</sup>	Terminated (1985)
1984	731-TA-215	Hungary	Affirmative <sup>2</sup>	Petition withdrawn (1985)
1984	731-TA-216	Poland	Affirmative <sup>2</sup>	Terminated (1985)
1984	731-TA-217	Venezuela	Affirmative <sup>2</sup>	Petition withdrawn (1985)
1992	701-TA-319	Belgium	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	701-TA-320	Brazil	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	701-TA-321	France	Negative	-
1992	701-TA-322	Germany	Affirmative	Affirmative first review (2000) ITA revoked (2004)
1992	701-TA-323	Italy	Negative	-
1992	701-TA-324	Korea	Negative	-
1992	701-TA-325	Mexico	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	701-TA-326	Spain	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	701-TA-327	Sweden	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	701-TA-328	United Kingdom	Affirmative	Affirmative first review (2000) ITA revoked (2006)
1992	731-TA-573	Belgium	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-574	Brazil	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-575	Canada	Affirmative	Negative first review (2000)
1992	731-TA-576	Finland	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-577	France	Negative	-
1992	731-TA-578	Germany	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-579	Italy	Negative	-
1992	731-TA-580	Japan	Negative <sup>2</sup>	-
1992	731-TA-581	Korea	Negative	-

Table continued on next page.

**Table I-2--Continued**  
**CTL plate: Previous and related investigations, 1978-2011**

Original investigation				Subsequent actions
Date <sup>1</sup>	Number	Country	Outcome	
1992	731-TA-582	Mexico	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-583	Poland	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-584	Romania	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-585	Spain	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-586	Sweden	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-587	United Kingdom	Affirmative	Affirmative first review (2000) Negative second review (2007)
1996	731-TA-753	China	Affirmative	Affirmative first review (2003) Affirmative second review (2009)
1996	731-TA-754	Russia	Affirmative <sup>3</sup>	Affirmative first review (2003) Affirmative second review (2009)
1996	731-TA-755	South Africa	Affirmative	Negative first review (2003)
1996	731-TA-756	Ukraine	Affirmative <sup>3</sup>	Affirmative first review (2003) Affirmative second review (2009)
1999	701-TA-387	France	Affirmative	ITA revoked (2003)
1999	701-TA-388	India	Affirmative	Affirmative first review (2005) Ongoing second review (2011)
1999	701-TA-389	Indonesia	Affirmative	Affirmative first review (2005) Ongoing second review (2011)
1999	701-TA-390	Italy	Affirmative	Affirmative first review (2005) Ongoing second review (2011)
1999	701-TA-391	Korea	Affirmative	Affirmative first review (2005) Ongoing second review (2011)
1999	731-TA-815	Czech Republic	Negative <sup>2</sup>	-
1999	731-TA-816	France	Affirmative	Negative first review (2005)
1999	731-TA-817	India	Affirmative	Affirmative first review (2005) Ongoing second review (2011)
1999	731-TA-818	Indonesia	Affirmative	Affirmative first review (2005) Ongoing second review (2011)
1999	731-TA-819	Italy	Affirmative	Affirmative first review (2005) Ongoing second review (2011)
1999	731-TA-820	Japan	Affirmative	Affirmative first review (2005) Ongoing second review (2011)
1999	731-TA-821	Korea	Affirmative	Affirmative first review (2005) Ongoing second review (2011)
1999	731-TA-822	Macedonia	Negative <sup>2</sup>	-

<sup>1</sup> "Date" refers to the year in which the Commission instituted the investigation.  
<sup>2</sup> Preliminary determination.  
<sup>3</sup> Suspension agreement in place.

Source: Compiled from Commission determinations published in the *Federal Register*.



## Safeguard Investigations

In 1984, the Commission determined that carbon and alloy steel plate (in coils or cut-to-length) was being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing such articles, and recommended quantitative restrictions of imports for a period of five years.<sup>20</sup> President Ronald Reagan determined that import relief under section 201 of the Trade Act of 1974 was not in the national interest.<sup>21</sup> At the President's direction, quantitative limitations under voluntary restraint agreements ("VRAs") for a five-year period ending September 30, 1989, were negotiated. In July 1989, the VRAs were extended for two and one half years until March 31, 1992.

In 2001, the Commission determined that certain carbon and alloy steel, including CTL plate, was being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing such articles, and recommended additional duties on imports for a period of four years.<sup>22</sup> On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to CTL plate consisted of an additional tariff for a period of three years and one day (30 percent *ad valorem* on imports in the first year, 24 percent in the second year, and 18 percent in the third year).<sup>23</sup> Following receipt of the Commission's mid-term monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, President Bush determined that the effectiveness of the action taken had been impaired by changed circumstances. Therefore, he terminated the U.S. measure with respect to increased tariffs on December 4, 2003.<sup>24</sup>

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<sup>20</sup> *Carbon and Alloy Steel Products, Inv. No. TA-201-51*, USITC Publication 1553, July 1984, p. 2.

<sup>21</sup> *Steel Import Relief Determination*, 49 FR 36813, September 20, 1984.

<sup>22</sup> *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.

<sup>23</sup> *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002. The President also instructed the Secretaries of Commerce and the Treasury to establish a system of import licensing to facilitate steel import monitoring.

<sup>24</sup> *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003. Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.

## 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 CTL plate as collected in the reviews is presented in appendix C. U.S. industry data are based on the questionnaire responses of 13 U.S. producers (9 mills and 4 usable processor responses) of CTL plate. The nine responding mills are believed to account for a substantial portion of U.S. production of CTL plate in 2010.<sup>25</sup> The four usable responding processor responses are believed to account for a limited portion of U.S. production of CTL plate in 2010. U.S. import data and related information are based on adjusted official Commerce statistics and the questionnaire responses of 18 U.S. importers of CTL plate that are believed to account for approximately three-quarters of the total subject U.S. imports and for approximately one-half of total U.S. imports of CTL plate from nonsubject sources during January 2005 through June 2011.<sup>26</sup> Foreign industry data and related information are based on the questionnaire responses of six producers of CTL plate: one producer in Italy accounting for \*\*\* percent of reversing and Steckel mill capacity in 2010; four producers in Japan accounting for \*\*\* percent of reversing and Steckel mill capacity in 2010; and one producer in Korea accounting for \*\*\* percent of reversing and Steckel mill capacity in 2010. Another major producer in Korea, POSCO, accounted for \*\*\* percent of total capacity in 2010.<sup>27</sup> POSCO is not subject to an outstanding order on CTL plate.<sup>28</sup> No usable responses were received from producers in India or Indonesia. Responses by U.S. producers, importers, purchasers, and foreign producers of CTL plate to a series of questions concerning the significance of the antidumping and countervailing duty orders and the likely effects of revocation of such orders are presented in appendix D.

## COMMERCE'S REVIEWS

### Administrative Reviews<sup>29</sup>

Commerce has completed two administrative reviews of the outstanding antidumping duty order on CTL plate from Italy, five administrative reviews of the outstanding antidumping duty order on CTL plate from Korea, and one changed circumstances review of the outstanding antidumping duty order on CTL plate from Japan. Commerce has completed three administrative reviews of the outstanding countervailing duty order on CTL plate from Korea.

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<sup>25</sup> Staff compared the U.S. producers that responded to the Commission's questionnaires to those producers identified by the steel analysts at \*\*\*. *See* \*\*\*. According to this comparison, responding U.S. producers accounted for \*\*\* percent of reversing plate mill and Steckel plate mill capacity in the United States.

<sup>26</sup> *See* the section of this chapter entitled "U.S. Importers" for details regarding these calculations.

<sup>27</sup> \*\*\*.

<sup>28</sup> During the original investigations, POSCO received *de minimis* margins and has never been subject to the orders.

<sup>29</sup> No duty absorption findings were made for any of the subject countries.

## Italy

Commerce has completed two antidumping duty administrative reviews with regard to subject imports of CTL plate from Italy. The results of the administrative reviews are shown in table I-3.

**Table I-3**

**CTL plate: Administrative reviews of the antidumping duty order for Italy**

Date results published	Period of review	Producer or exporter	Margin (percent)
July 12, 2006 (71 FR 39299)	02/01/2004-01/31/2005	Palini and Bertoli S.p.A.	10.31
		All others	7.85
August 9, 2010 (75 FR 47777)	02/01/2008-01/31/2009	Palini and Bertoli S.p.A.	12.18
		All others	7.64

Source: Cited *Federal Register* notices.

## Korea

Commerce has completed five antidumping duty and three countervailing duty administrative reviews with regard to subject imports of CTL plate from Korea. The results of the administrative reviews are shown in tables I-4 and I-5.

**Table I-4**

**CTL plate: Administrative reviews of the antidumping duty order for Korea**

Date results published	Period of review	Producer or exporter	Margin (percent)
May 12, 2004 (69 FR 26361)	02/01/2002-01/31/2003	Dongkuk Steel Mill Co., Ltd.	0.85
		All others	0.98
March 14, 2006 (71 FR 13080)	02/01/2004-01/31/2005	Dongkuk Steel Mill Co., Ltd.	0.18
		All others	0.98
March 21, 2008 (73 FR 15132)	02/01/2006-01/31/2007	Dongkuk Steel Mill Co., Ltd.	1.97
		TC Steel	32.70
		All others	0.98
April 27, 2009 (74 FR 19046)	02/01/2007-01/31/2008	Dongkuk Steel Mill Co., Ltd.	5.59
		All others	0.98
March 5, 2010 (75 FR 10207)	02/01/2008-01/31/2009	Hyosung Corporation	32.70
		Hyundai Mipo Dockyard Co., Ltd.	32.70
		JeongWoo Industrial Machine Co., Ltd.	32.70
		All others	0.98

Source: Cited *Federal Register* notices.

**Table I-5**

**CTL plate: Administrative reviews of the countervailing duty order for Korea**

Date results published	Period of review	Producer or exporter	Margin (percent)
July 10, 2006 (71 FR 38861)	01/01/2004-12/31/2004	Dongkuk Steel Mill Co., Ltd.	0.05 ( <i>de minimis</i> )
		All others	3.26
July 13, 2007 (72 FR 38565)	01/01/2005-12/31/2005	Dongkuk Steel Mill Co., Ltd.	0.10 ( <i>de minimis</i> )
		All others	3.26
March 19, 2008 (73 FR 14770)	01/01/2006-12/31/2006	Dongkuk Steel Mill Co., Ltd.	0.29 ( <i>de minimis</i> )
		All others	3.26

Note.— Since the continuation of the order, Commerce has completed three administrative reviews of Dongkuk covering calendar years 2004, 2005, and 2006. In each of the reviews, Commerce found that Dongkuk continued to benefit from the Government of Korea’s direction of credit policies, asset revaluation pursuant to TERCL Article 56(2); and R&D grants. In addition, during the reviews of 2005 and 2006, Commerce found a new countervailable subsidy being provided to Dongkuk through infrastructure at North Incheon Harbor. *Commerce’s Issues and Decision Memorandum for the Expedited Sunset Reviews of the Countervailing Duty Orders on Certain Cut-to-Length Carbon-Quality Steel Plate from India, Indonesia, Italy, Japan, and Korea: Final Results*, March 1, 2011, p. 5.

Source: Cited *Federal Register* notices.

**Changed Circumstances Review**

Commerce conducted one changed circumstances antidumping administrative review with respect to CTL plate from Japan. On March 3, 2003, Commerce published its final results in the *Federal Register*.<sup>30</sup> The antidumping duty order was revoked, in part, with respect to particular abrasion-resistant steel products<sup>31</sup> based on the fact that domestic parties expressed no interest in the continuation of the order with respect to these particular abrasion-resistant steel products.

**Five-Year Reviews**

Commerce has issued the final results of its expedited reviews with respect to all subject countries. Tables I-6 and I-7 present the countervailable subsidy margins and dumping margins calculated by Commerce in its original investigations, first reviews, and the current reviews, respectively.

<sup>30</sup> *Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Determination to Revoke the Order in Part: Certain Cut-to-Length Carbon-Quality Steel Plate from Japan*, 68 FR 9975 (March 3, 2003).

<sup>31</sup> Specifically, the order was revoked for NK-EH-360 (NK Everhard 360) and NK-EH-500 (NK Everhard 500).

- NK-EH-360 has the following specifications: (a) Physical Properties: Thickness ranging from 6–50 mm, Brinell Hardness: 361 min.; (b) Heat Treatment: controlled heat treatment; and (c) Chemical Composition (percent weight): C: 0.20 max., Si: 0.55 max., Mn: 1.60 max., P: 0.030 max., S: 0.030 max., Cr: 0.40 max., Ti: 0.005–0.020, B: 0.004 max.
- NK-EH-500 has the following specifications: (a) Physical Properties: Thickness ranging from 6–50 mm, Brinell Hardness: 477 min.; (b) Heat Treatment: Controlled heat treatment; and (c) Chemical Composition (percent weight): C: 0.35 max., Si: 0.55 max., Mn: 1.60 max., P: 0.030 max., S: 0.030 max., Cr: 0.80 max., Ti: 0.005–0.020, B: 0.004 max. *Ibid.*



**Table I-6**

**CTL plate: Commerce's original and five-year review countervailable subsidy margins for producers/exporters, by subject country**

<b>Producer/exporter</b>	<b>Original margin (percent)</b>	<b>First five-year review margin (percent)</b>	<b>Current review margin (percent)</b>
<b>India<sup>1</sup></b>			
Steel Authority of India, Ltd.	12.82	12.82	12.82
All others	12.82	12.82	12.82
<b>Indonesia<sup>2</sup></b>			
PT Krakatau Steel	47.71	47.72	47.71
All others	15.90	15.90	15.90
<b>Italy<sup>3</sup></b>			
ILVA S.p.A. and ILVA Lamiere e Tubi S.p.A.	26.12	2.45	2.38
All others	26.12	2.45	2.38
<b>Korea<sup>4</sup></b>			
Dongkuk Steel Mill Co., Ltd.	3.26	2.36	1.38
All others	3.26	2.36	1.38
<p><sup>1</sup> Countervailing duty order, 65 FR 6587, February 10, 2000; final results of Commerce's first review, 70 FR 45691, August 8, 2005; final results of Commerce's second review, 76 FR 12702, March 8, 2011.</p> <p><sup>2</sup> Countervailing duty order, 65 FR 6587, February 10, 2000; final results of Commerce's first review, 70 FR 45962, August 8, 2005; final results of Commerce's second review, 76 FR 12702, March 8, 2011.</p> <p><sup>3</sup> Countervailing duty order, 65 FR 6587, February 10, 2000; correction to amended final results of Commerce's first review, 71 FR 67102, November 20, 2006; final results of Commerce's second review, 76 FR 12702, March 8, 2011.</p> <p><sup>4</sup> Countervailing duty order, 65 FR 6587, February 10, 2000; final results of Commerce's first review, 70 FR 45689, August 8, 2005; final results of Commerce's second review, 76 FR 12702, March 8, 2011.</p> <p>Source: Cited <i>Federal Register</i> notices; <u>see also</u> Palini's prehearing brief, p. 13 and exhibit 6 (70 FR 51013, August 29, 2005) (revised ILVA margin of 2.45 percent).</p>			

Table I-7

**CTL plate: Commerce's original and five-year review dumping margins for producers/exporters, by subject country**

<b>Producer/exporter</b>	<b>Original margin (percent)</b>	<b>First five-year review margin (percent)</b>	<b>Current review margin (percent)</b>
<b>India<sup>1</sup></b>			
Steel Authority of India, Ltd.	72.49	42.39	42.39
All others	72.49	42.39	42.39
<b>Indonesia<sup>2</sup></b>			
PT Gunawan Dianjaya/PT Jaya Pari Steel Corporation	50.80	50.80	50.80
PT Krakatau Steel	52.42	52.42	52.42
All others	50.80	50.80	50.80
<b>Italy<sup>3</sup></b>			
Palini and Bertoli S.p.A.	7.85	7.85	7.64
All others	7.85	7.85	7.64
<b>Japan<sup>4</sup></b>			
Kawasaki Steel Corporation	10.78	10.78	9.46
Kobe Steel, Ltd.	59.12	59.12	59.12
Nippon Steel Corporation	59.12	59.12	59.12
NKK Corporation	59.12	59.12	59.12
Sumitomo Metal Industries, Ltd.	59.12	59.12	59.12
All others	10.78	10.78	9.46
<b>Korea<sup>5</sup></b>			
Dongkuk Steel Mill Co., Ltd.	2.98	2.98	2.98
All others	2.98	2.98	2.98
<p><sup>1</sup> Antidumping duty order, 65 FR 6585, February 10, 2000; final results of Commerce's first review, 70 FR 45655, August 8, 2005; final results of Commerce's second review, 76 FR 12322, March 7, 2011.</p> <p><sup>2</sup> Antidumping duty order, 65 FR 6585, February 10, 2000; final results of Commerce's first review, 70 FR 45655, August 8, 2005; final results of Commerce's second review, 76 FR 12322, March 7, 2011.</p> <p><sup>3</sup> Antidumping duty order, 65 FR 6585, February 10, 2000; final results of Commerce's first review, 70 FR 45655, August 8, 2005; final results of Commerce's second review, 76 FR 12322, March 7, 2011.</p> <p><sup>4</sup> Antidumping duty order, 65 FR 6585, February 10, 2000; final results of Commerce's first review, 70 FR 45655, August 8, 2005; final results of Commerce's second review, 76 FR 12322, March 7, 2011.</p> <p><sup>5</sup> Antidumping duty order, 65 FR 6585, February 10, 2000; final results of Commerce's first review, 70 FR 45655, August 8, 2005; final results of Commerce's second review, 76 FR 12322, March 7, 2011.</p>			
Source: Cited <i>Federal Register</i> notices.			

## THE SUBJECT MERCHANDISE

### Commerce's Scope

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

The products covered by these antidumping duty orders are certain hot-rolled carbon-quality steel: (1) Universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, and of a nominal or actual thickness of not less than 4 mm, which are cut-to-length (not in coils) and without patterns in relief), of iron or non-alloy quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils). Steel products to be included in the scope of these orders are of rectangular, square, circular or other shape and of rectangular or nonrectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been “worked after rolling”) for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non-metallic substances are included within this scope. Also, specifically included in the scope of these orders are high strength, low alloy (“HSLA”) steels. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Steel products to be included in this scope, regardless of Harmonized Tariff Schedule of the United States (“HTSUS”) definitions, are products in which: (1) iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of these orders unless otherwise specifically excluded. The following products are specifically excluded from these orders: (1) products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion resistant steels (*i.e.*, USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.<sup>32</sup>

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<sup>32</sup> *Notice of Amendment of Final Determinations of Sales at Less Than Fair Value and Antidumping Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate Products From France, India, Indonesia, Italy, Japan, and the Republic of Korea*, 65 FR 6585, February 10, 2000. *Notice of Amended Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate from India, and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, and the Republic of Korea*, 65 FR 6587, February 10, 2000. The scopes in Commerce's final results of expedited five-year reviews are generally consistent with the scopes in the original orders. *See also*, Commerce's Final Results of Expedited Sunset Reviews, 76 FR 12322, March 7, 2011 and 76 FR 12702, March 8, 2011.

## Tariff Treatment

The subject merchandise is imported under the following HTS statistical reporting numbers: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000, and 7226.99.0180 (which replaced 7226.99.0000 effective February 3, 2007). Imports of cut-to-length carbon-quality steel plate may also include goods in HTS subheadings 7207.12 and 7207.20 (certain hot-rolled slabs (e.g., “profile slabs”) meeting the written physical description on the previous page) and 7211.19 (certain thin-gauge material with a nominal thickness of 4.75 mm or more but an actual thickness of less than 4.75 mm). General U.S. tariffs on CTL plate, applicable to U.S. imports that are products of the subject countries and classified under these headings, ranged from 1.2 to 3.2 percent *ad valorem* at the time of the original investigations. As of January 1, 2004, these tariffs were eliminated and now the general duty rate is “Free.”

## THE PRODUCT

### Physical Characteristics and Uses

Steel is generally defined as a combination of carbon and iron that is usefully malleable as first cast, and in which iron predominates, by weight, over each of the other contained elements and the carbon content is two percent or less, by weight.<sup>33</sup> CTL plate is commonly produced to meet the requirements of ASTM International Standard A 36 (Standard Specification for Carbon Structural Steel). Plate for shipbuilding purposes may be produced to meet the requirements of ASTM A 131 (Standard specification for Structural Steel for Ships), which is similar to the American Bureau of Shipping (ABS) specifications for steel for hull construction. Both the ASTM and the ABS specifications cover ordinary-strength hull steel, which is similar in properties to common structural steel, and higher-strength structural steel, which contains grain-refining elements and is processed to meet higher strength levels. The definition of non-alloy steel adopted in the scope of these reviews includes the steel grades considered non-alloy steel by the steel industry. Certain high strength, low alloy (“HSLA”) HSLA steel grades, considered alloy steel using the definition in the HTS, are included.

End uses for CTL plate include the production of welded load-bearing and structural applications, such as bridgework; machine parts (e.g., the body of the machine or its frame); transmission towers and light poles; buildings; mobile equipment (e.g., cranes, bulldozers, scrapers, and other tracked or self-propelled machinery); certain tubular products, such as large diameter line pipe; and heavy transportation equipment, such as railroad cars (especially tanker cars), barges, and oceangoing ships. End users concerned about “coil set memory” (such as those that burn out parts from plate) may prefer plate from a reversing mill (described below), since the edges of plate cut from coils may curl on heating.

### Manufacturing Processes

The manufacturing processes for CTL plate are summarized below. In general, there are three distinct stages that include: (1) melting and refining steel, (2) casting steel into semi-finished forms, and (3) hot rolling semi-finished forms into flat-rolled hot-rolled steel mill products.

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<sup>33</sup> *Harmonized Tariff Schedule of the United States* (2011), Chapter 72, note 1 (d), Steel: Ferrous materials other than those of heading 7203 which (with the exception of certain types produced in the form of castings) are usefully malleable and which contain by weight 2 percent or less of carbon. However, chromium steels may contain higher proportions of carbon.

## Melt Stage

Steel is produced by either the integrated or the non-integrated process.<sup>34</sup> In the non-integrated process, an electric arc furnace melts scrap and primary iron products such as pig iron or direct-reduced iron<sup>35</sup> to produce molten steel. In the integrated process, a blast furnace smelts iron ore with coke to produce molten iron, which is subsequently poured into a steelmaking furnace, generally a basic oxygen furnace, together with a small amount of scrap metal. The molten metal is processed into steel by blowing oxygen into the metal bath.

Whether produced by the integrated or the non-integrated process, molten steel is poured or “tapped” from the furnace into a ladle to be transported to a secondary steelmaking (also called “ladle metallurgy”) station (an optional step) and then to casting. Secondary steelmaking refines molten steel into extra-clean or low-carbon steel satisfying stringent surface or internal requirements or microcleanliness quality and mechanical properties.<sup>36</sup> During secondary steelmaking, adjustments may be made to the chemical content by adding alloying elements or by lowering the carbon content (decarburization), and the temperature of the steel is adjusted for optimum casting. The essential characteristics of the steel are established prior to the casting stage.

## Slab Casting Stage

Following the production of molten steel with the desired properties, the steel is cast into a form that can enter the rolling process, either by ingot teeming or by continuous casting. Continuous slab casting is the preferred, lower-cost method and is normally used to produce plates up to approximately 101.6 mm (4 inches) in thickness. Ingots are used to produce thicker plates, since continuous cast slabs of sufficient thickness are not available.<sup>37</sup>

## Rolling Stage

Most CTL plate is hot-rolled on a reversing plate mill (also called a sheared plate mill) consisting of one or two reversing hot-rolling mill stands and associated equipment. If there are two stands, the first is called the roughing mill and the second is called the finishing mill. The roughing mill in a two-stand mill or the single stand is equipped with special tables in front of and behind the mill to rotate the plate one-quarter turn between rolling passes in order to allow cross-rolling, increasing the width rather the

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<sup>34</sup> U.S. Steel, *The Making, Shaping, and Treating of Steel* (William T. Lankford, Jr. et al., eds., 1985), p. 24. and World Steel Association, “Overview of the Steelmaking Process,” found at <http://www.worldsteel.org> retrieved Nov. 15, 2011.

<sup>35</sup> Cold pig iron and direct-reduced iron, which includes hot-briquetted iron, are sometimes called scrap substitutes because they can be used as replacements for scrap in an electric arc furnace that could otherwise use a charge consisting only of scrap as its source of iron. Reasons for using scrap substitutes may include the nonavailability of scrap in sufficient quantity, or the relative prices of scrap and scrap substitutes, as well as technical reasons related to the freedom from residual metallic elements in scrap substitutes.

<sup>36</sup> The goals of secondary steelmaking include controlling gases (e.g., decreasing the concentration of oxygen, hydrogen, and nitrogen, called degassing), reducing sulfur, removing undesirable nonmetallic inclusions such as oxides and sulfides, changing the composition and/or shape of oxides and sulfides that cannot be completely removed, and improving the mechanical properties of the finished steel. U.S. Steel, *The Making, Shaping, and Treating of Steel* (William T. Lankford, Jr. et al., eds., 1985), p. 671.

<sup>37</sup> Plate of a thickness that requires the use of ingots in the manufacturing process is a relatively small part of the plate market. See Table IV-4.

length of the plate as the thickness is reduced. After the desired finished width is reached, the plate is again rotated one-quarter turn and rolled straightaway to finished thickness.<sup>38</sup>

Some reversing plate mills are equipped on each side of the finishing mill with coilers that operate inside small heating furnaces, keeping the steel hot and allowing the production of much longer or thinner plates. Such mills are called “Steckel mills.” Plate can be rolled on a Steckel mill without using the heated coilers, in which case the mill operates like a conventional reversing plate mill. Because they have the capability to produce long pieces, Steckel mills are equipped with coilers to produce coiled plate as well as in-line shearing facilities to produce discrete plate.

Coiled plate also may be rolled on a continuous hot-strip mill. Such a mill has either a reversing rougher or a number (four or five) of non-reversing roughing mills followed by a finishing section comprised of a series of mill stands, usually six, spaced close together so that the steel is rolled continuously in a single pass in one direction. The finished plate is coiled, discharged from the mill, allowed to cool, then uncoiled, flattened, and cut to length on a separate processing line.

Coiled plate is converted into CTL plate by the process of uncoiling, flattening, and cutting to length, which may be done on a single continuous processing line by either the firm that rolled the coiled plate, or, more commonly, by an independent processing firm or service center. Mills and service centers that perform such processing in the United States are considered to be producers of CTL plate, whereas, the production of coiled plate for conversion by an independent service center or processor is not considered to be production of CTL plate. The capabilities of service centers differ; in recent years a number of new cut-to-length lines have been installed and along with heavier equipment at rolling mills, the maximum thickness that may be produced from coiled plate has increased to as thick as one inch in some cases. Hot-strip mills produce mostly hot-rolled sheet, that is, product less than 4.75 mm thick (0.187 inch), and are usually limited to product no wider than 1,829 mm (72 inches). Steckel plate mills also produce hot-rolled sheet, however, for CTL plate up to 1,829 mm (72 inches) in width, hot-strip mill rolling followed by cutting to length is normally the most economical method of production.

Because of its capability to cross roll, a sheared plate mill is somewhat flexible with regard to the slab width used to produce a given plate width. A Steckel mill or continuous hot-strip mill must have a slab slightly wider than the width of the plate to be produced and has the advantage of being able to roll longer, heavier slabs than could be used on a sheared plate mill.

Reversing and Steckel mills can produce wider and thicker plate than a hot strip mill. Plate produced on reversing mills in the United States ranges from 4.75 to 508 mm (0.187 to 20 inches) in thickness and up to 4,953 mm (195 inches) in width, while plate produced on Steckel mills typically ranges from 4.75 to 19.1 mm (0.187 to 0.750 inch) in thickness and 1,219 to 2,438 mm (48 to 96 inches) in width.

Most CTL plate is smooth on both sides, however, steel with patterns in relief is included within the scope of these investigations. Floor plate, which has a non-skid pattern of raised figures at regular

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<sup>38</sup> Controlled rolling and accelerated cooling are alternative ways to achieve a combination of high strength and high toughness. Together, these processes are known as “Thermo-Mechanical Controlled Processing (TMCP).” Controlled rolling involves a substantial amount of hot work at near the recrystallization temperature. A slab might be partially hot rolled, then held until it reached a specific temperature, and then finish rolled. This practice could also involve a second hold for a controlled finishing temperature. Accelerated cooling involves rolling without interruption, then cooling the plate rapidly with water sprays to a specific temperature. Controlled rolling involves holding steel on the tables of the plate mill, and therefore results in lower productivity. Accelerated cooling should not result in the same penalty in productivity, but does require additional equipment. Typical products for which controlled rolling is used include ASTM A656 Grade 80 (HSLA structural steel with improved formability for truck frames, brackets, crane booms, rail cars, and similar applications); ASTM A572 Grades 60 and 65 (HSLA structural steel for bridges, buildings, and other structures where notch-toughness is a requirement); American petroleum Institute (API) Specification 2W (Steel plates for offshore structures, produced by Thermo-Mechanical Control Processing); and API Specification 5L (Line Pipe) Grades X42 and higher.



intervals on one surface, is the main example of steel with patterns in relief. Floor plate is usually produced on a continuous hot strip mill, using an embossed roll in the final hot rolling stand. It can also be produced on a Steckel mill by holding the hot plate on one of the Steckel furnaces at the mill after completing all but the final rolling pass. One roll is then changed, and the final rolling is completed. Using this method, the roll is again changed to roll the next plate. Floor plate is also produced on two-stand reversing mills, with an embossed roll in the finishing stand.

Although most CTL plate is at least 48 inches in width, a product line known as hot-rolled flat bar includes some product that is within the scope of these reviews.<sup>39</sup> Hot-rolled flat bar is produced on a different type of rolling mill in widths from about 1 ½ inches to as wide as 15 inches and in thicknesses from about 1/4 inch to 3 inches. Only product that is at least 6 inches in width is within the scope of this proceeding. Mills producing subject flat bar also produce other bar products, such as nonsubject flat bar, round bar, and small angle.

### DOMESTIC LIKE PRODUCT ISSUES

In its original determinations, the Commission defined the domestic like product as “. . . a single domestic like product consisting of all domestically produced CTL steel plate that corresponds to the scope description, including grade X-70 plate, micro-alloyed steel plate, and the plate cut from coils.”<sup>40</sup> In the first five-year reviews, the Commission again found a single domestic like product consisting of all domestically produced CTL steel plate which corresponds to the scope description and includes grade X-70 plate, micro-alloyed steel plate, and the plate cut from coils.<sup>41</sup> 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.<sup>42</sup> The domestic interested parties and Italian producer, Evraz Palini E Bertoli S.p.A. (“Palini”), agree with the Commission’s definitions of the domestic like product.<sup>43</sup> Korean producer, Dongkuk Steel Mill Co., Ltd. (“Dongkuk”), and Japanese producers, JFE Steel Corporation (“JFE”), Nippon Steel Corporation (“Nippon”), and Sumitomo Metal Industries, Ltd. (“Sumitomo”), reserved the opportunity to comment with respect to the domestic like product definition.<sup>44 45</sup> Dongkuk and the Japanese producers did not comment on the domestic like product definition in their posthearing briefs.

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<sup>39</sup> A universal mill is a mill capable of simultaneously rolling between both horizontal and vertical rolls. Universal mill plate is defined in HTSUS Chapter 72 Additional U.S. Note 1(b) as follows: Flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1,250 mm and of thickness of not less than 4 mm, not in coils and without patterns in relief.

<sup>40</sup> *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea*, Inv. Nos. 701-TA-387-391 and 731-TA-816-821 (Final), USITC Publication 3273, January 2000, p. 7.

<sup>41</sup> *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea*, Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Review), USITC Publication 3816, November 2005, p. 6.

<sup>42</sup> *Cut-to-Length Carbon Steel Plate from India, Indonesia, Italy, Japan, and Korea*, 75 FR 67108, November 1, 2010.

<sup>43</sup> *Substantive Response* of domestic interested parties, p. 19; *Substantive Response* of Palini, p. 13.

<sup>44</sup> *Substantive Response* of Dongkuk, p. 8; *Substantive Responses* of JFE, Nippon, and Sumitomo p. 8, p. 8, p. 8, respectively.

<sup>45</sup> On October 7, 2011, Tellin Enterprises, Inc. (“Tellin”) withdrew from these reviews. Tellin withdrew because \*\*\* which Tellin had previously requested the Commission treat as a separate domestic like product. *Substantive Response* of Tellin, pp. 6-9 and Tellin’s amended importer questionnaire response, October 7, 2011.

## U.S. MARKET PARTICIPANTS

### U.S. Producers

During the original investigations, 29 firms supplied the Commission with information on their U.S. operations with respect to CTL plate. These firms accounted for 86 percent of U.S. production of CTL plate in 1998. In the Commission's first five-year reviews, 13 mills and 11 processors supplied the Commission with data on their U.S. operations with respect to CTL plate. The mills accounted for 98.4 percent of U.S. production of CTL plate in 2004. In these current proceedings, the Commission issued producers' questionnaires to 55 firms (15 mills and 40 processors), 15 (9 mills and 6 processors) of which provided the Commission with information on their CTL plate operations. The responding producers are believed to account for approximately 90 percent of U.S. mill production of CTL plate in 2010.<sup>46</sup> Table I-8 presents a list of current domestic producers of CTL plate and each company's position on continuation of the orders, production location(s), parent company, and share of reported production of CTL plate in 2010.

**Table I-8**

**CTL 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	Position on continuation of the orders	U.S. production location(s)	Parent company	Share of production (percent)
<b>U.S. mills:</b>				
Arcelormittal USA LLC	***	Burns Harbor, IN; Coatesville, PA; Conshohocken, PA; Gary, IN; Laplace, LA; Steelton, PA	*** Arcelormittal S.A.	***
Evraz Claymont Steel	***	Claymont, DE	*** Evraz Group S.A.	***
Evraz Oregon Steel	***	Portland, OR	*** Evraz Group S.A.	***
Gerdau Ameristeel US Inc.	***	Cartersville, GA; Jackson, TN; Calvert City, KY	*** Gerdau Ameristeel Corp. <sup>1</sup>	***
JSW Steel USA, Inc. <sup>2</sup>	***	Houston, TX	*** JSW Steel Holding (USA), Inc. and *** St. James Investments, Ltd.	***
Kentucky Electric Steel	***	Ashland, KY	*** ALJ Regional Holding	***
LeTourneau Technologies, Inc.	***	Longview, TX	*** Joy Global, Inc.	***
Nucor Corporation	***	Cofield, NC; Tuscaloosa, AL; Auburn, NY; Plymouth, UT; Seattle, WA; Jewett, TX; Darlington, SC	None	***
SSAB Enterprises LLC	***	Axis, AL; Montpelier, IA; St. Paul, MN; Houston, TX	*** SSAB AB	***
United States Steel Corporation	***	Gary, IN; Fairfield, AL; Dravosburg, PA; Ecorse, MI; Granite City, IL	None	***

Table continued on next page.

<sup>46</sup> With respect to the six responding processors only four provided usable data; they are believed to account for a limited portion of U.S. production of CTL plate in 2010.

**Table I-8--Continued**

**CTL 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	Position on continuation of the orders	U.S. production location(s)	Parent company	Share of production (percent)
<b>U.S. processors:</b>				
American Steel	***	Canby, OR; Kent, WA; Sacramento, CA; Redding, CA; Fresno, CA	*** Reliance Steel & Aluminum	***
Cargill Steel Service Centers - CFI	***	Houston, TX; Catoosa, OK; Panama City, FL; Nashville, TN; East Chicago, IN; Granite City, IL Memphis, TN	*** Cargill, Inc.	***
Friedman Industries, Inc.	***	Houston, TX; Armorel, AR; Decatur, AL	None	***
Macsteel Service Centers USA	***	***	***	***
Robinson Laser	***	East Chicago, IN	None	***
Ryerson, Inc.	***	Chicago, IL	*** Platinum Equity LLC	***
1 *** 2 *** 3 *** 4 *** 5 *** 6 ***				
<p>Note.— The Commission did not receive processor questionnaire responses from ***. During the first reviews, these firms accounted for *** percent of processor production in 2004.</p> <p>Note.—During the first review, California Steel Industries (“CSI”) reported *** percent of CTL plate production for 2004. According to the information submitted by CSI it no longer produces CTL plate. <i>Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil, Japan, and Russia</i>, Inv. Nos. 701-TA-384 and 731-TA-806-808 (Second Review), USITC Publication 4237, June 2011, p. III-7.</p> <p>Note.—Because of rounding, shares may not total to 100.0 percent.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>				

Five responding U.S. producers are related to foreign producers of CTL plate (two of which, Evraz Claymont and Evraz Oregon, are related to Italian producer, Palini).<sup>47</sup> In addition, \*\*\* reported being related to an importer of subject product, \*\*\*. Furthermore, as discussed in greater detail in Part III, two U.S. producers import CTL plate from nonsubject sources, and two purchase CTL plate from U.S. importers.<sup>48</sup>

<sup>47</sup> At the hearing, the related Evraz companies (Claymont, Oregon, and Palini) were asked to address their relationship and whether there was a unified strategy dealing with trade. Evraz Claymont and Evraz Oregon explained in their posthearing brief that \*\*\*. SSAB, Evraz Claymont and Evraz Oregon’s posthearing brief, p. A-1. Palini stated in its posthearing brief that the policy of the Evraz companies is \*\*\*. Palini’s posthearing brief, exhibit 2 and CBI attachment A.

<sup>48</sup> In addition, JSW Steel USA, Inc. is related to Indian producer, JSW Steel, India. \*\*\*, \*\*\*.

## U.S. Importers

The Commission received usable data from 53 U.S. importing firms during the original investigations and from 21 firms during the first reviews. In these current proceedings, the Commission issued importers' questionnaires to 64 firms that were identified in proprietary Customs data as importing more than 1.0 percent of imports for an individual subject country under the HTS statistical reporting numbers that cover CTL plate,<sup>49</sup> as well as to all U.S. producers and processors of CTL plate. Usable questionnaire responses were received from 18 companies, which accounted for approximately three-quarters of subject U.S. imports during January 2005 through June 2011 and for approximately one-half of U.S. imports of CTL plate from other sources.<sup>50</sup> Table I-9 lists all responding U.S. importers of CTL plate from the five subject sources and other sources, their locations, their parent company, and their shares of U.S. imports in 2010.

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<sup>49</sup> Import data for India, Indonesia, Italy, and Korea are based on the following HTS statistical reporting numbers: HTS 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. The official import statistics that form the core of the data are limited to non-alloy steel plate. While most of this volume is believed to be CTL plate consistent with the scope of these reviews, some of the HTS statistical reporting numbers cover both plate and sheet. This has resulted in an overstatement in the volume of imports of CTL plate. Import data for Japan is based on questionnaire responses and proprietary Customs data (dutiable imports) because most of the imports from Japan entering the United States are believed to be nonsubject product. Japanese producers' questionnaire responses (which account for almost all CTL plate production in Japan); Hearing transcript, pp. 16, 169-170 (Harrison and Wood); and Japanese producers' posthearing brief, questions pp. 1-3.

Import data do not include the following HTS statistical reporting numbers that cover primarily alloy steel plate or other forms of nonsubject merchandise: 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000, and 7226.99.0180 (which replaced 7226.99.0000 effective February 3, 2007). Import data has been adjusted to include micro-alloy CTL plate which is within the scope of these reviews.

<sup>50</sup> Nineteen firms reported that they have not imported CTL plate since 2005.

**Table I-9**

**CTL 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)						
			India	Indonesia	Italy	Japan	Korea	Non-subject	Total
Berg Steel Pipe Corp.	Panama City, FL	Europipe GmbH	***	***	***	***	***	***	***
Commercial Metals Company	Irving, TX	---	***	***	***	***	***	***	***
Dillinger America, Inc. <sup>2</sup>	Whitestone, NY	( <sup>2</sup> )	***	***	***	***	***	***	***
Dongkuk International Inc.	Torrance, CA	Dongkuk Steel Mill Co., Ltd and Union Steel Mfg. Co., Ltd.	***	***	***	***	***	***	***
East Metals AG	Zug, Switzerland	Evrz Group S.A.	***	***	***	***	***	***	***
Essar Steel Algoma, Inc.	Sault Ste. Marie, ON	Algoma Holding B.V.	***	***	***	***	***	***	***
Gerdau Ameristeel Corporation	Whitby, ON	Gerdau SA	***	***	***	***	***	***	***
Kiewit Offshore Services, Ltd. <sup>3</sup>	Ingleside, TX	Kiewit Corporation	***	***	***	***	***	***	***
Marubeni-Itochu Steel America Inc.	New York, NY	Marubeni-Itochu Steel Inc.	***	***	***	***	***	***	***
Metal One America, Inc.	Rosemont, IL	Metal One Holdings, Inc.	***	***	***	***	***	***	***
Metallia U.S.A. LLC	Fort Lee, NJ	---	***	***	***	***	***	***	***
Peak Metals Inc.	Northbrook, IL	---	***	***	***	***	***	***	***
Ryerson, Inc.	Chicago, IL	Platinum Equity, LLC	***	***	***	***	***	***	***
Samuel Son & Company, Ltd. <sup>4</sup>	Mississauga, ON	---	***	***	***	***	***	***	***
SKC, Inc.	Covington, GA	SKC Co., Ltd.	***	***	***	***	***	***	***
SSAB Enterprises LLC	Lisle, IL	SSAB AB	***	***	***	***	***	***	***
Stemcor USA Inc.	New York, NY	Stemcor Holdings Ltd.	***	***	***	***	***	***	***
Sunbelt Group L.P.	Houston, TX	Russel Metals	***	***	***	***	***	***	***
Tata Steel International (Americas) Inc.	Schaumburg, IL	Corus International (Holding Overseas) Ltd.	***	***	***	***	***	***	***
Tellin Enterprises, Inc. <sup>5</sup>	Houston, TX	None	***	***	***	***	***	***	***
ThyssenKrupp Materials, NA, Inc.	Southfield, MI	ThyssenKrupp USA Inc.	***	***	***	***	***	***	***
Toyota Tsusho America, Inc.	Georgetown, KY	Toyota Tsusho Corporation	***	***	***	***	***	***	***
Total			100.0	100.0	100.0	100.0	100.0	100.0	100.0
<sup>1</sup> ***. <sup>2</sup> ***. <sup>3</sup> ***. <sup>4</sup> ***. <sup>5</sup> ***.									
Note.—Because of rounding, figures may not add to the totals shown.									
Source: Compiled from data submitted in response to Commission questionnaires.									

## U.S. Purchasers

The Commission issued purchasers' questionnaires to approximately 65 firms believed to have purchased CTL plate during the period 2005-10. Thirty-eight purchasers, one of which is related to a U.S. CTL plate producer, and four of which are related to U.S. CTL plate importers, provided purchaser questionnaire responses. Responding firms reported purchasing the equivalent of 35.2 percent of apparent U.S. consumption of CTL plate in 2010. Twenty-six of the responding purchasers reported that they were distributors, seven reported that they were end users, three reported that they were service centers, and one reported that it was a fabricator. Of the top five largest purchasers in 2010, two were end users (\*\*\*)<sup>51</sup>, while the remaining three purchasers (\*\*\*)<sup>51</sup> were distributors. As explained in Part II, producers and importers reported that end users accounted for about 40 percent of sales.

## APPARENT U.S. CONSUMPTION

Apparent U.S. consumption of CTL plate during the period for which data were collected in this proceeding are shown in table I-10. Apparent U.S. consumption increased in 2006, then declined to its lowest point in 2009, consistent with trends in the broader economy. Apparent U.S. consumption then rose in 2010, though to levels still below 2005-08.

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<sup>51</sup> \*\*\*.



**Table I-10**  
**CTL plate: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 2005-10, January-June 2010, and January-June 2011**

Item	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Quantity (short tons)</b>								
U.S. producers' U.S. shipments	6,049,832	7,036,861	6,936,367	7,164,233	4,009,909	5,378,921	2,666,510	3,160,586
U.S. imports from -								
India	3,856	6,542	1,167	310	165	32	32	316
Indonesia	2,682	41	1,661	97	0	0	0	0
Italy	9,215	1,212	3,814	337	4,904	718	429	428
Japan	***	***	***	***	***	***	***	***
Korea (S)	***	***	***	***	***	***	***	***
Subtotal subject	***	***	***	***	***	***	***	***
Korea (NS)	***	***	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***	***	***
Subtotal nonsubject	***	***	***	***	***	***	***	***
Total U.S. imports	795,303	1,341,814	1,026,836	824,357	357,850	551,029	285,027	336,175
Apparent U.S. consumption	6,845,135	8,378,675	7,963,203	7,988,590	4,367,759	5,929,950	2,951,537	3,496,761
<b>Value (1,000 dollars)</b>								
U.S. producers' U.S. shipments	4,366,799	5,342,358	5,392,168	7,061,715	2,704,581	3,961,873	1,897,431	2,855,479
U.S. imports from--								
India	3,913	4,358	1,146	466	298	55	55	625
Indonesia	1,817	37	985	128	0	0	0	0
Italy	8,939	2,206	4,395	1,277	6,402	2,369	1,414	1,121
Japan	***	***	***	***	***	***	***	***
Korea (S)	***	***	***	***	***	***	***	***
Subtotal subject	***	***	***	***	***	***	***	***
Korea (NS)	***	***	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***	***	***
Subtotal nonsubject	***	***	***	***	***	***	***	***
Total U.S. imports	578,824	894,023	762,476	903,018	337,604	482,282	247,941	326,263
Apparent U.S. consumption	4,945,623	6,236,381	6,154,644	7,964,733	3,042,185	4,444,155	2,145,372	3,181,742
Note.--"S" denotes subject imports from Korea and consists of CTL plate produced by Dongkuk and other mills, excluding POSCO. "NS" denotes nonsubject imports from Korea and consists of CTL plate produced by POSCO. Note.--Because of rounding, figures may not add to the totals shown.								
Source: Compiled from data submitted in response to Commission questionnaires and from adjusted official Commerce statistics.								

## U.S. MARKET SHARES

U.S. market share data are presented in table I-11.

**Table I-11**  
**CTL plate U.S. consumption and market shares, 2005-10, January-June 2010, and January-June 2011**

Item	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Quantity (short tons)</b>								
Apparent U.S. consumption	6,845,135	8,378,675	7,963,203	7,988,590	4,367,759	5,929,950	2,951,537	3,496,761
<b>Value (1,000 dollars)</b>								
Apparent U.S. consumption	4,945,623	6,236,381	6,154,644	7,964,733	3,042,185	4,444,155	2,145,372	3,181,742
<b>Share of quantity (percent)</b>								
U.S. producers' U.S. shipments	88.4	84.0	87.1	89.7	91.8	90.7	90.3	90.4
U.S. imports								
India	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Italy	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Japan	***	***	***	***	***	***	***	***
Korea (S)	***	***	***	***	***	***	***	***
Subtotal, subject	***	***	***	***	***	***	***	***
Korea (NS)	***	***	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***	***	***
Subtotal, nonsubject	***	***	***	***	***	***	***	***
All countries	11.6	16.0	12.9	10.3	8.2	9.3	9.7	9.6
<b>Share of value (percent)</b>								
U.S. producers' U.S. shipments	88.3	85.7	87.6	88.7	88.9	89.1	88.4	89.7
U.S. imports								
India	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Italy	0.2	0.0	0.1	0.0	0.2	0.1	0.1	0.0
Japan	***	***	***	***	***	***	***	***
Korea (S)	***	***	***	***	***	***	***	***
Subtotal, subject	***	***	***	***	***	***	***	***
Korea (NS)	***	***	***	***	***	***	***	***
Nonsubject countries	***	***	***	***	***	***	***	***
Subtotal, nonsubject	***	***	***	***	***	***	***	***
All countries	11.7	14.3	12.4	11.3	11.1	10.9	11.6	10.3
Note.—“S” denotes subject imports from Korea and consists of CTL plate produced by Dongkuk and other mills, excluding POSCO. “NS” denotes nonsubject imports from Korea and consists of CTL plate produced by POSCO. Note.—Because of rounding, figures may not add to the totals shown.								
Source: Compiled from data submitted in response to Commission questionnaires and from adjusted official Commerce statistics.								

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

CTL plate is an input used in a variety of end-use goods including heavy machinery and machinery parts, agriculture and construction equipment, ships and barges, railroad cars, highway and railway bridges, energy-wind tower and transmission poles, and oil and gas structures. Producers and importers have felt the effects of the 2008-09 economic downturn in the United States, as demand for CTL plate has fallen.

### CHANNELS OF DISTRIBUTION

U.S. producers and importers sell CTL plate to distributors, service centers, and end users. As shown in table II-1, U.S. producers generally shipped slightly more than one-half of their CTL plate to distributors, while importers \*\*\* shipped the majority of their CTL plate to distributors.

**Table II-1**

**CTL plate: Channels of distribution for commercial shipments of domestic product and subject imports<sup>1</sup> sold in the U.S. market, by year and by source, 2005-10, January-June 2010, and January-June 2011<sup>2</sup>**

Item	2005-2010						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Shares of reported U.S. commercial shipments (percent)</b>								
<b>Domestic producers' U.S. shipments:</b>								
To distributors	58.1	54.9	54.0	49.6	50.2	58.8	58.8	59.1
To end users	41.9	45.1	46.0	50.4	49.8	41.2	41.2	40.9
<b>U.S. importers' U.S. shipments from Italy:</b>								
To distributors	--	--	--	--	***	--	--	--
To end users	--	--	--	--	***	--	--	--
<b>U.S. importers' U.S. shipments from Japan:</b>								
To distributors	--	--	--	--	***	***	--	--
To end users	--	--	--	--	***	***	--	--
<b>U.S. importers' U.S. shipments from non-POSCO Korea:</b>								
To distributors	***	***	***	***	***	***	***	***
To end users	***	***	***	***	***	***	***	***
<b>U.S. importers' U.S. shipments from nonsubject countries:</b>								
To distributors	66.0	77.6	76.5	80.3	74.7	63.9	66.5	67.4
To end users	34.0	22.4	23.5	19.7	25.3	36.1	33.5	32.6

<sup>1</sup> No responding importer reported U.S. shipments of CTL plate from India and Indonesia.

<sup>2</sup> In the original investigations, U.S. mills shipped 56.4 percent of their CTL plate to distributors and service centers, and U.S. processors shipped 71.8 percent of their CTL plate to end users. U.S. importers shipped the majority of their CTL plate to distributors and service centers, except for imports from Italy which were shipped primarily to end users. In the first reviews, according to 2004 data, U.S. producers shipped 48.0 percent of their CTL plate to distributors. U.S. importers shipped all of their CTL plate from Indonesia, Italy, Japan, and Korea to distributors and service centers. No data were reported for imports from India.

Source: Compiled from data submitted in response to Commission questionnaires and original and first review staff reports. *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-387-391 and 731-TA-816-821 (Final)*, USITC Publication 3273, January 2000 and *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-387-391 and 731-TA-816-821 (Review)*, USITC Publication 3816, November 2005.

As shown in table II-2, U.S. distributors identified storage tank and structural fabricators and construction and/or agricultural equipment manufacturers as their most numerous end user customers. Seventeen of 26 responding purchasers identified as distributors reported that they compete for sales to their customers with manufacturers or importers from which they purchase CTL plate. Five of these 17 distributors stated that this competition occurs only when the quantities are significant.

**Table II-2**  
**CTL plate: Markets and end-user customers served by distributors**

Market	Number of firms reporting
Storage tank and structural fabricators	27
Construction and/or agricultural equipment manufacturers	26
Railcar/other transportation-related manufacturers	18
Ship builders	17
Power transmission/utility pole fabricators	15
Oil and gas fabricators	13
Tool and die makers	8
Other <sup>1</sup>	7
<sup>1</sup> Other destinations include distributors and steel fabricators (4), industrial equipment manufacturers (1), trailer manufacturers (1), and wind tower fabricators (1).	
Source: Compiled from data submitted in response to Commission questionnaires.	

## GEOGRAPHIC DISTRIBUTION

U.S. producers and importers, as a whole, reported nationwide sales. Seven of 11 responding producers reported selling to all regions within the contiguous United States, two of which also sold product to all “other” regions.<sup>1</sup> The four remaining producers reported serving primarily the Midwest and Southeast regions. Five of 12 responding importers reported selling CTL plate nationwide. The remaining seven importers reported serving primarily the Pacific Coast, Central Southwest, Midwest, and Northeast regions.<sup>2</sup> Details regarding the geographic presence of U.S. producers and importers of CTL plate appear in table II-3.

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<sup>1</sup> “Other” includes all other markets not in the contiguous United States, such as Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

<sup>2</sup> Of the 12 responding importers, only two firms import CTL plate from subject countries. \*\*\* reported selling CTL plate from \*\*\* to the Central Southwest, Pacific Coast, and Northeast regions. \*\*\* reported selling CTL plate from \*\*\* to the Central Southwest, Pacific Coast, Midwest, and Northeast regions.

**Table II-3**  
**CTL plate: Geographical market areas in the United States served by domestic producers and importers**

Region	Producers	Importers
Northeast <sup>1</sup>	8	9
Midwest <sup>2</sup>	11	9
Southeast <sup>3</sup>	10	8
Central Southwest <sup>4</sup>	10	11
Mountains <sup>5</sup>	9	5
Pacific Coast <sup>6</sup>	8	11
Other <sup>7</sup>	3	0

<sup>1</sup> Includes CT, ME, MA, NH, NJ, NY, PA, RI, and VT.  
<sup>2</sup> Includes IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, and WI.  
<sup>3</sup> Includes AL, DE, DC, FL, GA, KY, MD, MS, NC, SC, TN, VA, and WV.  
<sup>4</sup> Includes AR, LA, OK, and TX.  
<sup>5</sup> Includes AZ, CO, ID, MT, NV, NM, UT, and WY.  
<sup>6</sup> Includes CA, OR, and WA.  
<sup>7</sup> Includes all other markets in the United States not previously listed, such as AK, HI, PR, and VI.

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

## SUPPLY AND DEMAND CONSIDERATIONS

### U.S. Supply

#### Domestic Production

Based on available information, U.S. producers have the ability to respond to changes in demand with moderate changes in the quantity of shipments of U.S.-produced CTL plate to the U.S. market. The main factors contributing to the moderate degree of responsiveness of supply are the availability of unused capacity, and production alternatives tempered by low-moderate inventories and moderate levels of exports.

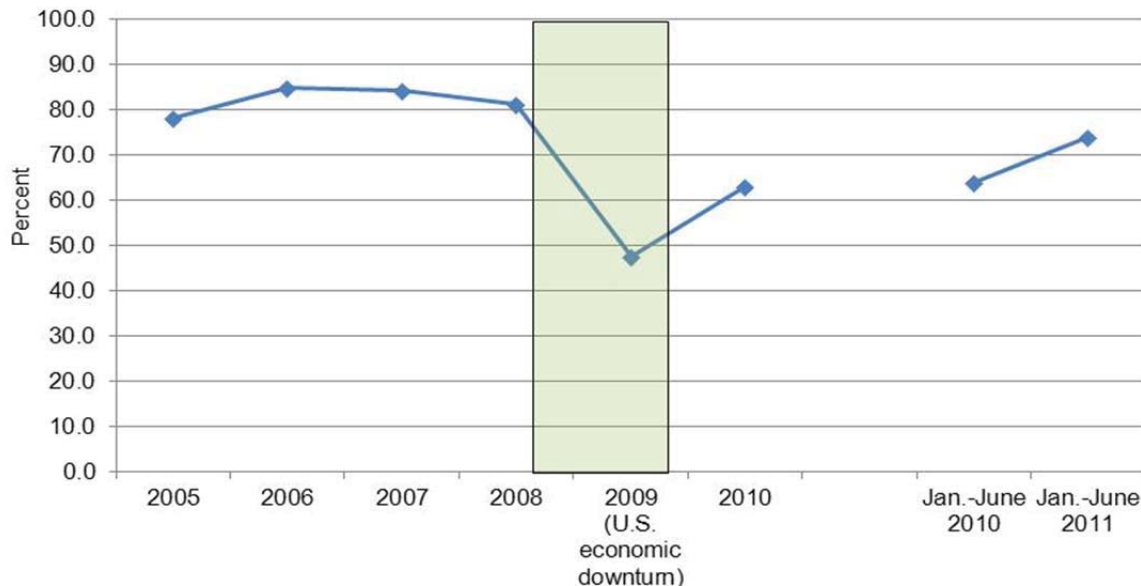
#### *Industry capacity*

Capacity for U.S. producers of CTL plate increased irregularly from 8.4 million short tons in 2005 to 9.6 million short tons in 2010. As shown in figure II-1, capacity utilization fluctuated between 78.1 percent and 81.2 percent during 2005-08 before decreasing to 47.6 percent in 2009 and 63.1 percent in 2010. Capacity utilization was 74.1 percent in January-June 2011 compared with 63.8 percent in January-June 2010.<sup>3</sup>

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<sup>3</sup> According to CTL plate industry analysts, SSAB, the \*\*\* largest U.S. producer in 2010, planned an extended maintenance outage at its Montpelier, IA, plate mill in the third quarter of 2011, an action expected to “ease the likelihood of oversupply” caused by the recent arrival of imports from Korea, Australia, and Taiwan. AMM, *W. Coast Plate Steady but Tags Pressured*, July 29, 2011. The planned 30-day maintenance outage was completed during the latter part of October. SSAB Report for the Third Quarter of 2011, <http://www.ssab.com/en/Investor--Media/>, retrieved November 8, 2011.

**Figure II-1**  
**CTL plate: U.S. producers' capacity utilization, 2005-10, January-June 2010, and January-June 2011**



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

### *Alternative markets*

Exports of CTL plate increased irregularly from 7.3 percent of U.S. producers' total shipments in 2005 to 10.7 percent in 2010; exports accounted for 10.1 percent of total shipments in January-June 2011 compared with 11.2 percent in January-June 2010. Four of nine responding producers reported that they have a limited ability to shift sales of CTL plate between the U.S. market and alternative country markets. \*\*\* reported that its ability to shift to alternative markets is based on returns, but that markets outside of the United States typically have lower pricing and excess capacity. \*\*\* and \*\*\* reported that they can shift sales of CTL plate to alternative markets, but face constraints in the way of duties, fluctuating exchange rates, and foreign producers who remain subsidized. \*\*\* reported no known constraints in shifting sales to alternative country markets. The remaining five producers reported that they are unable or limited in their ability to shift sales of CTL plate between the U.S. market and alternative country markets.<sup>4</sup> Five of eight producers reported that U.S. exports of CTL plate are subject to tariff and non-tariff barriers in other countries.

### *Inventory levels*

U.S. producers' inventories as a ratio of their total CTL plate shipments fluctuated during 2005-2010, increasing irregularly from 4.8 percent in 2005 to 5.4 percent in 2010; U.S. producers' inventories were equivalent to 6.0 percent of their annualized shipments in January-June 2011 compared with 5.9 percent in January-June 2010.

<sup>4</sup> Among producers, \*\*\* reported that it was unable to export due to high freight costs, \*\*\* reported limited ability due to lower priced CTL plate from subject countries, and \*\*\* and \*\*\* reported an inability to shift sales to alternative country markets due to freight and logistical costs as well as other competitive factors.



### ***Production alternatives***

Nine producers reported that they produce other products, such as hot-rolled sheet in coils, alloy plate, stainless steel plate, wide flat bar, and clad plate on the same equipment and machinery used in the production of CTL plate. Six of these nine producers also reported that they are able to switch production to these other products in response to relative price changes. Three producers reported that the time and cost to switch production are minimal.

### ***Supply constraints***

Four of ten responding producers reported supply constraints between 2005 and 2011. \*\*\* reported that from 2005 to 2008, it placed various customers on different levels of allocation due to rising costs as well as the fact that it does not use surcharges. \*\*\* reported that since 2005 during periods of rapidly increasing demand, it controlled the order intake rate and supplied its established account base with a supply level that was consistent with historical purchases. It reported \*\*\*. \*\*\* reported that it may refuse or decline an order or decline to accept a new customer as well as renew an existing customer for a variety of reasons including issues of creditworthiness, timing of order entry or inquiry, product mix, forward production planning, and other reasons. In addition, at times in the past, \*\*\* has reserved space for regular long term customers in an attempt to serve them better during times of speculative buying and periods of extended lead times caused by sudden swells in demand and/or certain facility issues. Intermittently, since 2004, \*\*\* has improved and commissioned new equipment and does not anticipate further supply constraints. \*\*\* reported that during 2007-08, \*\*\*. During the period, \*\*\* did not sell or produce commercial grade heat treated plate.

While \*\*\* indicated “no” when asked if it had refused, declined, or been unable to supply CTL plate since 2005, it noted that it “evaluates potential and current customers based on a number of factors such as (but not limited to) past mill support, credit ratings, potential volume, etc., and maintains an “approved” customer list. Approved customers are advised of mill availability such that they may place orders in consideration of expected lead times. In times of high demand, mill lead times may not fit with a customer’s immediate requirements forcing the account to seek alternate supply. \*\*\*'s customer list is subject to review with the potential to add new accounts or drop non-performing accounts which could result in supply interruptions.”

Three of ten responding producers reported changes in general supply conditions that have affected the availability of U.S.-produced CTL plate in the U.S. market since 2005. \*\*\* and \*\*\* reported increased transportation and fuel costs, while \*\*\* reported an increase in alloys, electrodes, energy, and transportation costs. \*\*\* also reported that investment has resulted in additional capacity and increased supply. Five of 11 responding producers anticipate an increase in the availability of U.S.-produced plate, noting ThyssenKrupp’s and Severstal’s hot-rolled steel facilities and ArcelorMittal’s recently restarted plate mill in the second quarter of 2011. \*\*\* reported that ThyssenKrupp’s new facility will add up to 4.3 million tons of flat-rolled steel capacity in the United States. The remaining six producers do not anticipate any change in the availability of U.S.-produced CTL plate.

### ***Supply of Subject Imports***

The sensitivity of supply of subject imported CTL plate to changes in price depends upon such factors as the existence of excess capacity, the levels of inventories, and the existence of export markets. Relevant information for Italy, Japan, and Korea follows. The Commission received no questionnaire responses from Indian and Indonesian suppliers in these second reviews.<sup>5</sup>

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<sup>5</sup> Throughout the period for which data were collected, imports of CTL plate from India and Indonesia have been limited.

### *Supply of subject imports from Italy*

Based on available information, the one responding Italian producer, Palini e Bertoli (“Palini”), has the ability to respond to changes in demand with moderate changes in the quantity of shipments of CTL plate to the U.S. market.<sup>6</sup> The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets, tempered by low-moderate levels of inventories, and high levels of capacity utilization. Palini’s export shipments, as a share of total shipments of CTL plate, increased irregularly from \*\*\* percent in 2005 to \*\*\* percent in 2010, with export shipments reaching a peak during \*\*\* at \*\*\* percent. As shown in figure II-2, Palini primarily shipped CTL plate to its home market in Italy as well as other E.U. markets, with less than \*\*\* percent of its total shipments of CTL plate being exported to other markets by January-June 2011.

**Figure II-2**  
**CTL plate: Shares of total shipments of CTL plate by Italian producer Palini, by destination, 2005-10, January-June 2010, and January-June 2011**

\* \* \* \* \*

Palini's inventories, relative to total shipments, decreased irregularly from \*\*\* percent in 2005 to \*\*\* percent in 2010, and were \*\*\* percent in January-June 2011 compared with \*\*\* percent in January-June 2010. Capacity utilization decreased from \*\*\* percent in 2005 to \*\*\* percent in 2010, but was \*\*\* percent in January-June 2011, up from \*\*\* percent during the same period in 2010.

### *Supply of subject imports from Japan*

The Commission received four questionnaire responses from Japanese suppliers.<sup>7</sup> Based on available information, Japanese producers have the ability to respond to changes in demand with moderate changes in the quantity of shipments of CTL plate to the U.S. market. The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets constrained by low-moderate levels of inventories and high levels of capacity utilization. Japanese producers’ export shipments, as a share of total shipments of CTL plate, increased irregularly from 22.0 percent in 2005 to 28.9 percent in 2010, and were 32.1 percent in January-June 2011 compared with 29.6 percent in January-June 2010. The vast majority of Japanese-produced CTL plate is shipped within Japan or exported to other Asian markets (figure II-3).

**Figure II-3**  
**CTL plate: Shares of total shipments of CTL plate by producers in Japan, by destination, 2005-10, January-June 2010, and January-June 2011**

\* \* \* \* \*

Japanese producers’ inventories, as a share of total shipments, decreased irregularly from 4.0 percent in 2005 to 3.7 percent in 2010, and were 3.9 percent in January-June 2011 compared with 3.6 percent in January-June 2010. Capacity utilization decreased irregularly from 95.7 percent in 2005 to 92.1 percent in 2010, with capacity utilization reaching a peak during 2008 at 101.1 percent. Capacity utilization was 97.6 percent in January-June 2011 compared with 92.4 percent during the same period in 2010.

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<sup>6</sup> According to \*\*\*, Palini’s capacity accounted for \*\*\* percent of reversing plate mill and Steckel plate mill capacity in Italy in 2010.

<sup>7</sup> The four responding producers accounted for approximately \*\*\* percent of reversing plate mill and Steckel plate mill capacity in Japan in 2010.

### *Supply of subject imports from Korea*

Based on available information, the one responding subject Korean producer, Dongkuk Steel,<sup>8</sup> has the ability to respond to changes in demand with moderate changes in the quantity of shipments of CTL plate to the U.S. market. The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets constrained by low-moderate levels of inventories and high levels of capacity utilization.

Dongkuk's export shipments, as a share of total shipments of CTL plate, fluctuated from \*\*\* percent in 2005 to \*\*\* percent in 2010, and were \*\*\* in January-June 2011 compared with \*\*\* percent in January-June 2010 (figure II-4). Dongkuk's export shipments to the United States decreased irregularly from \*\*\* percent in 2005 to \*\*\* percent in 2010. Dongkuk reported that while \*\*\*.

#### **Figure II-4**

**CTL plate: Shares of total shipments of CTL plate by Korean producer Dongkuk, by destination, 2005-10, January-June 2010, and January-June 2011**

\* \* \* \* \*

Dongkuk's inventories, relative to total shipments, decreased irregularly from \*\*\* percent in 2005 to \*\*\* percent in 2010, and were \*\*\* percent in January-June 2011 compared with \*\*\* percent in January-June 2010. Capacity utilization fluctuated from \*\*\* percent in 2005 to \*\*\* percent in 2010, with capacity utilization rates of \*\*\* percent in 2007 and \*\*\* percent in 2008. Capacity utilization was \*\*\* percent in January-June 2011, compared to \*\*\* percent during the same period in 2010.

### *Subject supply constraints*

Three of the six responding foreign producers reported changes occurring in factors that affect the supply and availability of CTL plate produced in subject countries in the U.S. market. Two Japanese producers reported that ocean freight costs from Japan to the United States have increased by nearly \*\*\* percent since 2005. Both producers reported allocating their limited products to more profitable markets domestically as well as other Asian markets. Another Japanese producer, \*\*\*, reported that the rapid growth in demand for CTL plate used for shipbuilding in Asia has strained the capacity of \*\*\* and other producers, which has therefore negatively affected the availability of CTL plate in the U.S. market. All six responding foreign producers reported that they do not anticipate any changes in terms of availability of CTL plate imported from subject countries in the U.S. market.

### **Nonsubject Imports**

According to official Commerce statistics, Canada was the leading nonsubject source for the period for which data were collected, followed by Thailand, Ukraine, and Malaysia. Based on available information, nonsubject importers of CTL plate are likely to respond to changes in demand with moderate to large changes in the quantity shipped to the U.S. market. Supply responsiveness is primarily a result of available capacity in nonsubject countries.

Five of nine responding producers and seven of 14 responding importers reported that the availability of nonsubject CTL plate has changed since 2005. All five responding producers reported that the availability of nonsubject CTL plate has increased. \*\*\* reported that Thailand, Malaysia, and Turkey

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<sup>8</sup> Dongkuk accounted for approximately \*\*\* percent of reversing plate mill and Steckel plate mill capacity in Korea in 2010. The remaining Korean capacity is attributed by \*\*\* to Hyundai Steel (\*\*\*) percent), Korea Iron & Steel Co. (\*\*\*) percent), and POSCO (\*\*\*) percent). POSCO is not subject to the orders at issue.

have increased their presence in the U.S. market. \*\*\* reported that China produces CTL plate in excess of demand, and producers in Russia and Malaysia, and POSCO in Korea, are making aggressive import offers in the U.S. market. Two importers reported that several producers in nonsubject countries have increased their capacity at a greater rate than demand in those countries. Two importers reported decreased availability due to the depreciation of the dollar and increased demand in foreign markets. Three importers reported fluctuating availability due to domestic availability and pricing.

### **New Suppliers**

Eighteen of 31 purchasers indicated that new suppliers entered the U.S. market since 2005, and nine expect additional entrants. Purchasers cited new flat-rolled steel production facilities in the United States (ThyssenKrupp, Severstal, and RG Steel) as well as new production facilities overseas, particularly in China, India, and Turkey, as well as POSCO in Korea.

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

Based on available information, it is likely that changes in the price level of CTL plate will result in a small to moderate change in the quantity of CTL plate demanded. The main contributing factor to the small to moderate degree of responsiveness of demand is the lack of substitutability of other products for CTL plate as well as CTL plate representing a high share of overall costs of certain end products.

### **Apparent U.S. Consumption**

Apparent U.S. consumption increased irregularly from 6.8 million short tons in 2005 to 8.0 million short tons in 2008 and then decreased to 4.4 million short tons in 2009 before increasing to 6.0 million short tons in 2010. Apparent U.S. consumption was 3.5 million short tons in January-June 2011 compared with 3.0 million short tons in January-June 2010.

### **End Uses**

End users consume CTL plate for construction, infrastructure, heavy industrial production, line pipe, ship barges, tanks, railcars, tractors, energy-wind tower and transmission poles, and oil and gas structures. A little less than half of U.S. producers' shipments of CTL plate are shipped directly to end users. According to the American Iron and Steel Institute, construction is the largest market in which CTL plate is shipped directly from U.S. producers to the end user (table II-4). Other major uses included industrial equipment, steel used for pipe and tube, shipbuilding, and rail transportation.

**Table II-4**

**End use distribution: Shipments by U.S. producers of CTL plate by market classification, 2010**

End market	U.S. shipments (short tons)	Percent of shipments with end use reported
Construction and contractors products	1,187,000	70.2
Industrial equipment	138,000	8.2
Steel for converting and processing (primarily for pipes and tubes)	94,000	5.6
Shipbuilding and marine equipment	81,000	4.8
Rail transportation	71,000	4.2
Agricultural and electrical equipment	43,000	2.5
Oil and gas industry-storage tanks and process vessels	39,000	2.3
Automotive	38,000	2.2

Note.—In addition to the identified end use markets above, AISI reported that U.S. producers shipped 2,657,000 short tons to distributors and service centers, 918,000 short tons as exports, and 538,000 short tons as non-classified shipments in 2010.

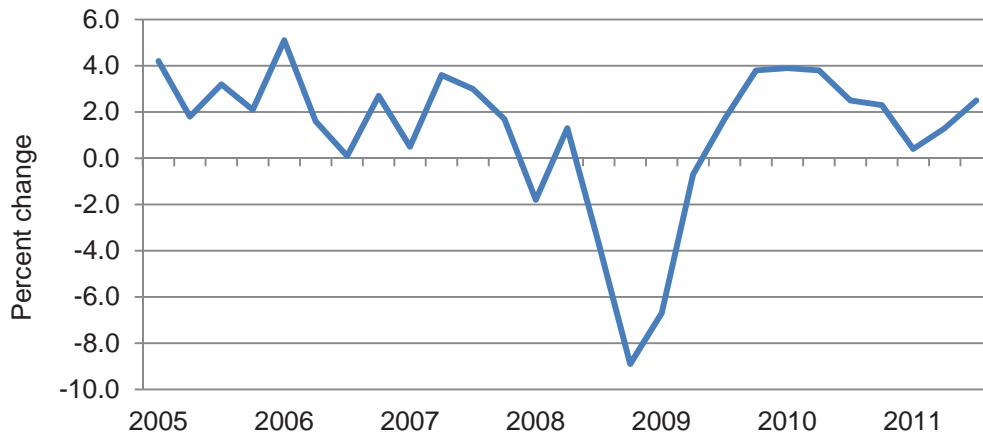
Source: American Iron and Steel Institute, *Shipments of Steel Products by Market Classification, Carbon Steel, Report 16C 12 months, 2010.*

The majority of U.S. producers, importers, and purchasers reported that there had been no changes in end uses of CTL plate since 2005. However, producer \*\*\* and purchaser \*\*\* reported that since 2005 a growing percentage of CTL plate is being used in the wind energy sector. Purchasers \*\*\* and \*\*\* reported that while the end uses for CTL plate have remained the same, the specifications required for these end uses have become stricter and more specialized.

**Demand Characteristics**

Based on questionnaire responses from U.S. producers, importers, and purchasers, U.S. demand for CTL plate is affected by changes in overall U.S. economic activity, and, as an intermediate product, is derived from demand in the sectors in which it is used. As shown in figure II-5, quarterly real growth in U.S. GDP fluctuated between 2005 and 2007 and then declined steeply from the latter half of 2008 through the first half of 2009. Since 2007, the economic decline contributed to lower demand for CTL plate, but some CTL plate market sectors have started to recover.

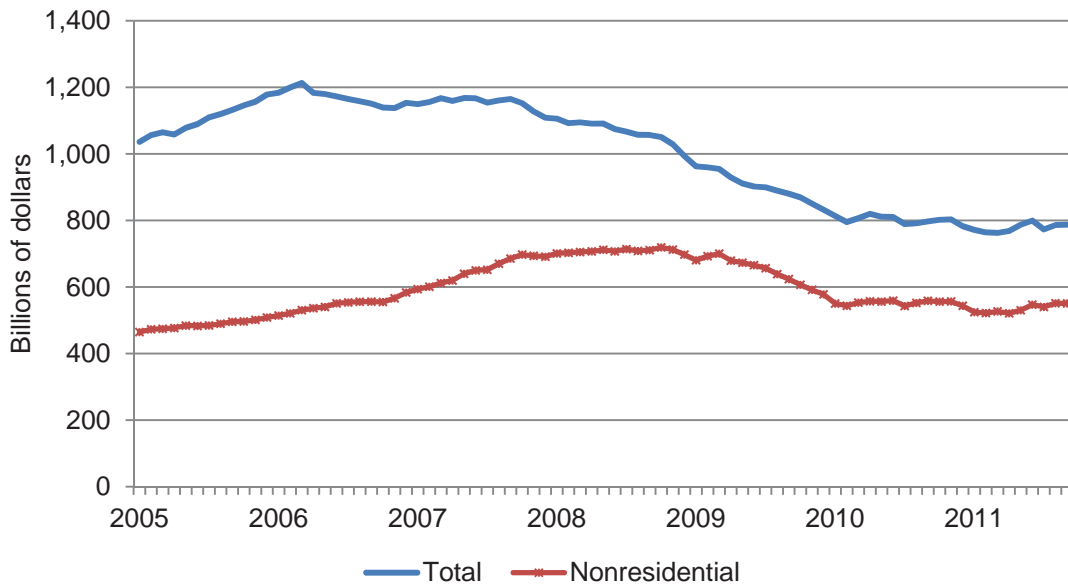
**Figure II-5**  
**Real GDP growth, percentage change from previous periods, by quarters, January 2005-September 2011**



Source: *National Income and Product Accounts- Table 1.1.1, Percent Change from Preceding Period in Real Gross Domestic Product*, Bureau of Economic Analysis, <http://www.bea.gov/national/nipaweb>, retrieved November 8, 2011.

As discussed above, two common applications for CTL plate are construction and energy development and transmission. The value of total U.S. construction put in place, on a monthly basis, decreased irregularly during January 2005-September 2011 (figure II-6). Total U.S. construction fell by 24 percent from January 2005 to September 2011. Total U.S. construction decreased 37 percent from a period high of \$1,213 billion in March 2006 to \$763 billion in March 2011, but beginning in April 2011, total construction has irregularly increased through September 2011. Nonresidential construction increased from \$464 billion in January 2005 to \$700 billion in March 2009 before falling to \$551 billion in September 2011, representing a net increase of 19 percent over the period.

**Figure II-6**  
**Values of U.S. construction put in place: Total and nonresidential construction, seasonally adjusted at annual rates, by months, January 2005-September 2011**

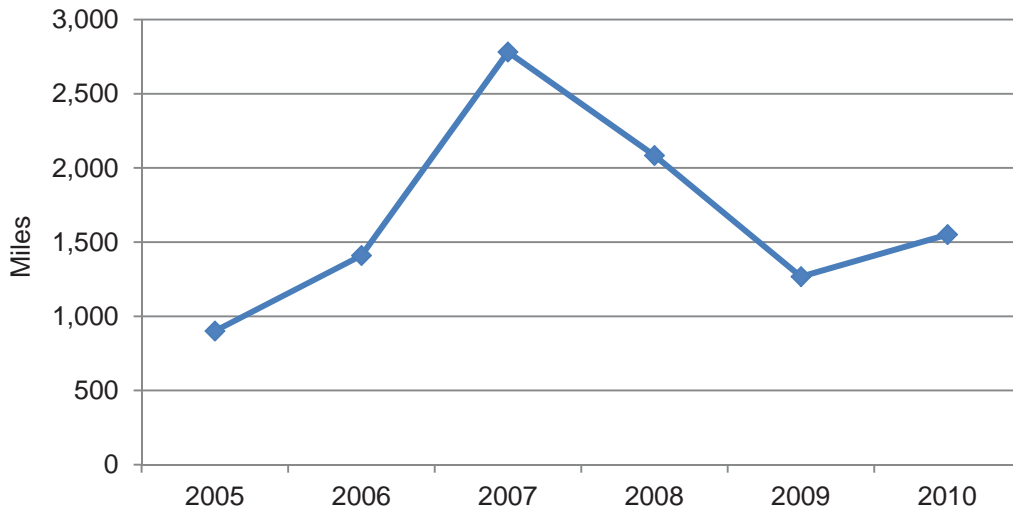


Source: *Manufacturing, Mining, and Construction Statistics, Construction Spending*, U.S. Census Bureau, <http://www.census.gov/const/www/c30index.html>, retrieved November 8, 2011.

The growth of natural gas pipelines is also an indicator of demand for CTL plate. As shown in figure II-7, the miles of approved natural gas pipeline projects increased from 2005 to 2007, before falling in 2008 and 2009. The number of additions to natural gas pipelines has steadily increased since, but has not returned to its 2008 level.



**Figure II-7**  
**Natural gas pipelines: Approved gas pipeline projects, in miles, by year, 2005-10<sup>1</sup>**



<sup>1</sup> As of September 2011, the Federal Energy Regulatory Commission reported that an additional 1,741 miles of major pipeline projects were pending approval.

Source: *Approved Pipeline Projects, 2005-2010*, Federal Energy Regulatory Commission, <http://www.ferc.gov/industries/gas/indus-act/pipelines/approved-projects.asp>, retrieved November 1, 2011, and *Major Pipeline Projects on the Horizon, September 2011*, Federal Energy Regulatory Commission, <http://www.ferc.gov/industries/gas/gen-info/horizon-pipe.pdf>, retrieved November 1, 2011.

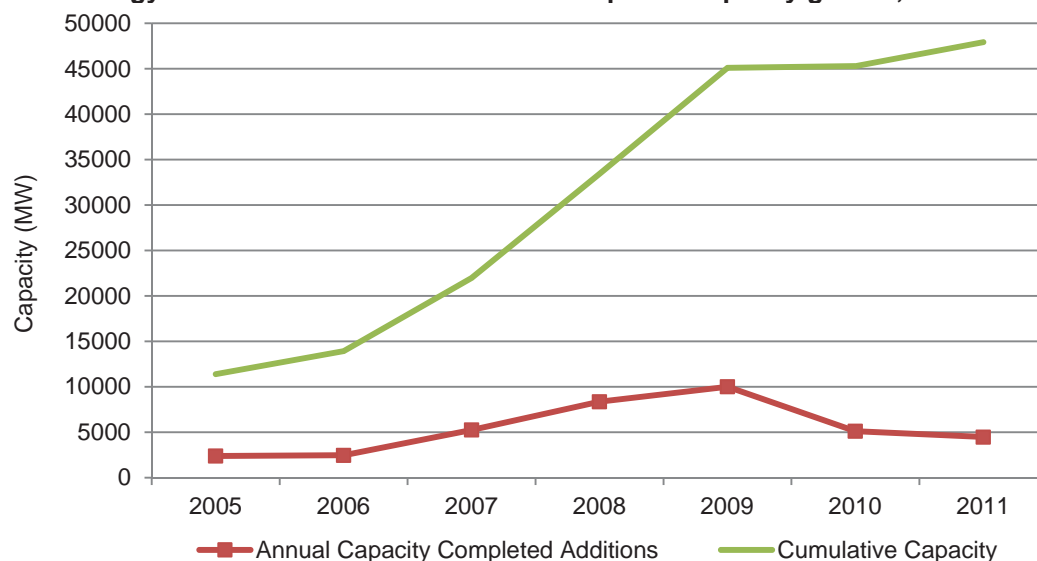
Wind energy represents a small but growing application for CTL plate. Wind turbine installations increased from 2005 to 2009 and then fell by 50 percent in 2010 (figure II-8). Growth in the wind energy sector has resumed in the second half of 2011, and new construction is expected to continue through 2017.<sup>9 10</sup> The outlook for wind turbine manufacturing in the United States is partially dependent upon federal and state policies. Although a variety of federal laws and policies have encouraged both wind and energy production as well as the use of U.S.-produced equipment to generate that energy, some of these policies are subject to change at the end of 2011, and other are scheduled to expire in 2012. Future decisions about these policies might affect the extent to which wind turbine manufacturing will continue to grow in the United States.

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<sup>9</sup> The U.S. wind industry is currently experiencing its busiest quarter since 2008. As of October 2011, there were over 8,482MW wind projects under construction involving over 90 separate projects in the United States. American Wind Energy Association (AWEA), *U.S. Wind Industry Third Quarter Market Report, October 2011*. [http://www.awea.org/\\_cs\\_upload/membercenter/membersecurity/market\\_reports/7758\\_2.pdf](http://www.awea.org/_cs_upload/membercenter/membersecurity/market_reports/7758_2.pdf), retrieved October 25, 2011.

<sup>10</sup> Press release, "Installed Wind Power Capacity in North America to Double by 2017," Pike Research, October 19, 2011. <http://www.pikeresearch.com/newsroom/installed-wind-power-capacity-in-north-america-to-double-by-2017>

**Figure II-8**  
**Wind energy: U.S. annual and cumulative wind power capacity growth, 2005-11<sup>1</sup>**



<sup>1</sup> The data for 2011 have been annualized. In the first half of 2011, there were 2,151 annual capacity additions of wind projects installed in the United States, and an additional 1,204 MW installed in the third quarter of 2011.

Source: American Wind Energy Association (AWEA), *U.S. Wind Industry Annual Market Report 2010, 2011*. [http://www.awea.org/cs\\_upload/membercenter/membersecurity/market\\_reports/7758\\_2.pdf](http://www.awea.org/cs_upload/membercenter/membersecurity/market_reports/7758_2.pdf), retrieved October 24, 2011.

## Business Cycles

In general, demand for CTL plate tends to follow the broad demand trends in the U.S. economy. According to steel analysts, demand for CTL plate experiences seasonal effects, with lower plate demand in the second half of any given year.<sup>11</sup> The vast majority of producers, importers, and purchasers reported that there was no specific business cycle to the CTL plate industry, and it was not subject to conditions of competition distinctive to the CTL plate market. However, three of 10 responding producers, two of 15 importers, and 10 of 36 purchasers reported such cycles. \*\*\* reported that, in addition to following the general economic cycle, the price spread between coil and CTL plate can influence buyers and production. \*\*\* reported that there is seasonality to the CTL plate market, with demand typically decreasing in the fourth quarter due to inventory control in the service center sector. Two firms reported that expanding production capacities in several emerging economies (such as China, India, Indonesia) far exceeds the strength of demand. \*\*\* reported that while activity in the construction, energy, heavy machinery, railcar, and farm equipment sectors is tied to the general economy, other factors such as weather (which affects farm income) and iron ore prices (which affects mining equipment) can have an independent impact on the demand for CTL plate. Three purchasers indicated that exchange rates affect conditions of competition for CTL plate. Two purchasers reported that new regulations (such as the new carrier regulations in the trucking industry), stimulus funds, and tax credits affect the demand for CTL plate.

The majority of producers, importers and purchasers reported that the business cycles or conditions of competition have not changed since 2005. However, one of 10 responding producers, two of 14 responding importers, and ten of 36 responding purchasers reported various changes in business cycles and conditions of competition since 2005. Firms noted the depreciation of the dollar and increased

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

U.S. and foreign production capacity in the United States as well as abroad as conditions affecting the CTL plate market.

### Demand Trends

When asked how demand for CTL plate has changed within the United States since 2005, the majority of producers, importers, and purchasers reported that demand for CTL plate has fluctuated since 2005 and has followed the overall trend of the economy with strong demand prior to early-mid-2008, a collapse in 2009, and a slow recovery through 2010 (table II-5).

**Table II-5**  
**CTL plate: U.S. producer, importer, and purchaser responses regarding the demand for CTL plate in the United States**

Item	Number of firms reporting			
	Increase	No Change	Decrease	Fluctuate
<b>Demand since 2005</b>				
U.S. producers	0	0	0	10
Importers	1	1	4	9
Purchasers	5	1	6	23
Foreign producers	6	0	0	0
<b>Anticipated demand changes</b>				
U.S. producers	3	1	0	6
Importers	6	3	0	6
Purchasers	16	5	2	12
Foreign producers	1	4	0	1
Source: Compiled from data submitted in response to Commission questionnaires.				

Overall U.S. CTL plate demand depends largely upon the demand for a variety of end-use applications. Six of ten end users of CTL plate reported that the demand for their firms' final products incorporating CTL plate fluctuated since 2005, three reported increased demand, and one reported decreased demand. All ten end users reported that the demand for their firms' final products had an effect on their demand for CTL plate. \*\*\* reported an increase in demand for CTL plate based upon strong demand for barges between 2005-08. \*\*\* reported an increase in demand for CTL plate due to the growing wind energy sector;<sup>12</sup> however, \*\*\* indicated that imported wind towers from Asia have affected the domestic demand for CTL plate used to fabricate the wind towers. \*\*\* reported an increase in demand for CTL plate due to the strong demand, particularly in the mining industry.

<sup>12</sup> \*\*\* also reported that it expects wind energy installation towers to decrease in the future.

When asked about anticipated changes in CTL plate demand in the United States, perceptions were split between increased and fluctuated future demand.<sup>13 14</sup> The majority of firms indicated that they anticipate a slow economic recovery with slightly increased demand for CTL plate. Several purchasers expect improving economic conditions along with the stimulus money authorized by Congress in 2009 to increase demand for infrastructure investments. Other purchasers anticipate an increase in the demand in oil and gas exploration, transportation equipment, wind energy, and heavy equipment, increases which in turn are expected to increase the demand for CTL plate. Olympic Steel, \*\*\* reported that steel sales have almost doubled from 2010 to 2011, and it anticipates a 5 percent growth in steel demand in 2012 with demand strengthening in automotive, heavy industrial, and agricultural equipment.<sup>15</sup>

### **Cost Share**

Purchasers were asked to estimate the share of the total cost of the end product accounted for by CTL plate. Since CTL plate is used in many different applications with relevant cost shares varying greatly, with purchaser cost-share estimates ranging from 25 percent or less (bulldozers, structural steel buildings, wheel loaders, excavators, railcars, oil and gas topsides, and river barges), to 40-60 percent (wind towers, steel bridges, oil and gas base structures, highway guardrail, welded steel pipe, and liquid tanker barges), to 80-85 percent (hopper barges and welded plate girders).

### **Substitute Products**

While there are reported substitutes for CTL plate, the potential for substitution is often limited by the end use, as well as such factors as width, thickness, strength, and price.<sup>16</sup> Nonetheless, four producers, one importer, and five purchasers reported that there were substitute products for CTL plate. Substitute products include hot-rolled sheet, alloy plate, reinforced concrete, and aluminum.

## **SUBSTITUTABILITY ISSUES**

The degree of substitution between domestically produced and imported CTL plate depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there may be some differences between domestic and imported CTL plate, but overall, there is a moderate to high degree of substitution between CTL plate produced in the United States and the subject countries and other import sources.

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<sup>13</sup> Plate industry analysts reported that demand from end-use consumers in a number of sectors including transportation, heavy equipment, and energy industries has led to stronger-than-anticipated demand for CTL plate in the second half of 2011. However, while a number of end-use plate consumer have increased their CTL plate requirements for the second half of the year, distributors are still cautious and continue to maintain very small inventories. AMM, *Steel Plate Orders Up; Distributors Sit Out*, July 29, 2011; and AMM, *Steel Plate Prices Slide on Import Pressure*, November 4, 2011.

<sup>14</sup> While several end-use markets are anticipated to grow, bridge construction, a market that has carried West Coast plate during the past few year, is expected to shrink due to decreasing federal funds. AMM, *W. Coast Plate Steady but Tags Pressured*, July 29, 2011.

<sup>15</sup> Olympic Steel reported that it has seen steady continued growth throughout 2011 and anticipates that 2012 will be stronger than in 2011. Olympic Steel's net sales nearly doubled from \$589.84 million in January-September 2010 to \$941.93 million in January-September 2011. AMM, *Olympic Has Rosy Forecast After Strong Third Quarter*, November 4, 2011.

<sup>16</sup> *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-387-391 and 731-TA-816-821 (Review)*, USITC Publication 3816, November 2005.

## Factors Affecting Purchasing Decisions

Purchasers were asked a variety of questions to determine what factors influence their decisions when buying CTL plate. Information obtained from their responses indicates that availability, lead times, quality, and price are important factors.

### Knowledge of Country Sources

Thirty-five of 36 responding purchasers indicated they had marketing/pricing knowledge of domestic CTL plate, 12 of Korean product, 4 of Indian, 3 of Japanese, 3 of Italian, 1 of Indonesian, and 16 of nonsubject countries. As shown in table II-6, most purchasers (and their customers) “sometimes” or “never” make purchasing decisions based on country of origin. However, the majority of purchasers reported that they “always” or “usually” make purchasing decisions based on producer, although decisions based on the producer was less important for their customers.

**Table II-6**  
**CTL plate: Purchaser responses to questions regarding the origin of their purchases**

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	10	16	9	2
Purchaser's customer makes decision based on producer	3	4	25	4
Purchaser makes decision based on country	7	9	12	8
Purchaser's customer makes decision based country	1	4	22	8

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

### Major Factors in Purchasing

Available information indicates that purchasers consider a variety of factors are considered important in the purchasing decision for CTL plate. While quality and price were cited most frequently as being important factors in their purchase decisions, other factors such as availability are also important considerations. Price was the most frequently cited as the first most important factor (15 firms), price and quality were the most frequently reported second most important factor (13), and quality was the most frequently reported third most important factor (10) (table II-7).

**Table II-7**  
**CTL plate: Ranking factors used in purchasing decisions, as reported by U.S. purchasers**

Factor	Number of firms reporting			
	First	Second	Third	Total
Quality	13	13	10	36
Price	15	13	7	35
Availability	5	6	5	16
Delivery	0	2	5	7
Lead times	0	1	4	5
Other <sup>1</sup>	4	2	6	12

<sup>1</sup> Other factors include ability to meet technical requirements, guaranteed contract pricing, production capabilities, and strategic relationships for the first factor; product range and exceeding technical specifications for the second factor; and product range (2), traditional supplier, freight cost, and reliability of supply (2) for the third factor.

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

Most purchasers (26 of 37) reported that they “always” or “usually” purchase the lowest-priced CTL plate, while 11 reported “sometimes.” Twenty-eight purchasers also reported that they purchase higher-priced CTL plate from one source although a comparable product was available at a lower price from another source. Purchasers identified quality, availability, shorter lead times, minimum quantity requirements, and lower freight costs as reasons for choosing higher-priced CTL plate. Of these 28 purchasers, 9 specified that they purchased higher-priced CTL plate domestically because of the higher quality, shorter lead times, and “Made in America” requirements.

Three of 37 responding purchasers reported that certain grades/types/sizes of CTL plate were available from only one source (either domestic or foreign). Purchasers \*\*\* and \*\*\* reported that only ArcelorMittal produces plates over five inches thick in North America. \*\*\* reported that offshore grade thermomechanically rolled (“TMCP”) plate in certain grades and thicknesses is only available outside the United States.<sup>17</sup>

The majority of purchasers (36 of 37) reported that domestically produced CTL plate “always” or “usually” meets minimum quality specifications. \*\*\*, which indicated “usually,” noted that in some cases, domestic producers cannot achieve the requirements specified by its line pipe customers.<sup>18</sup> The majority of purchasers reported that imported subject CTL plate “always” or “usually” meets minimum quality specifications for their uses. Twelve purchasers reported that they had not purchased imports of CTL plate from any of the subject countries and were unaware the quality or specifications of subject product. Twenty-two purchasers reported that imports from the following nonsubject countries “always” or “usually” met minimum quality specifications: Austria, Brazil, Canada, Germany, Malaysia, Mexico, Russia, and Thailand.

### **Importance of Specified Purchase Factors**

Purchasers were asked to rate the importance of 16 factors when making their purchasing decisions (table II-8). The factors listed as “very important” by more than three-quarters of the responding 37 firms were availability (35); price (35); quality meets industry standards (35); quality meets customer specifications (34); reliability of supply (34); product consistency (33); and delivery time (30).

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<sup>17</sup> In particular, \*\*\* reported the offshore grade TMCP plate in grades above 70 is only available from Japan, and for API2W plate in grade 50 and in thickness greater than two inches as well as for grades above 50 in all thicknesses are only available outside of the United States. \*\*\* stated that with the exception of \*\*\*’s TMCP plate, which is only available in grade 50 below two inches, domestically produced plate for offshore use does not meet its minimum quality specifications or the specifications for its oil and gas customers. \*\*\*.

<sup>18</sup> \*\*\* reported that the following plates are not produced domestically: \*\*\*.



**Table II-8**  
**CTL plate: Importance of purchase factors, reported by U.S. purchasers**

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	35	2	0
Delivery terms	22	15	0
Delivery time	30	7	0
Discounts offered	17	17	3
Extension of credit	11	19	7
Price	35	2	0
Minimum quantity requirements	8	20	9
Packaging	8	22	7
Product consistency	33	3	0
Quality meets industry standards	35	2	0
Quality exceeds industry standards	18	16	3
Quality meets customer specifications	34	2	0
Product range	21	15	1
Reliability of supply	34	3	0
Technical support/service	14	21	2
U.S. transportation costs	22	14	0

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

### ***Factors determining quality***

U.S. purchasers identified various principal factors they considered in determining the quality of CTL plate. Reported factors included principally meeting ASTM specifications and flatness, but also included surface quality, certified mill test reports, strength, and adherence to chemical tolerances.

### ***Supplier certification***

Twenty-one of 37 responding purchasers, representing 22 percent of all purchases by quantity in 2010, reported that they require suppliers of CTL plate to become certified or pre-qualified for all of their purchases. Purchasers noted ABS certifications, ISO qualifications, ASME/ ASTM specifications, and product liability insurance. Three purchasers, representing 16 percent of all 2010 purchases, reported that they require suppliers to become certified for 80 to 90 percent of their purchases. Thirteen purchasers, representing 62 percent of all 2010 purchases, reported that they did not require suppliers to become certified or qualified. Twenty-two purchasers provided information on the time necessary to qualify a supplier, ranging from one day to over one year, with 10 purchasers reporting ranges from 1 to 14 days, 7 purchasers reporting ranges from 30 to 60 days, and four reporting ranges from 120 to over 365 days.

When asked if any domestic or foreign suppliers had failed to obtain certification, four of 34 purchasers reported “yes.” \*\*\*, \*\*\*, \*\*\*, and \*\*\* were listed as suppliers who had failed to become certified or qualified due to quality issues and the inability to meet required physical properties.

### *Lead times*

For the nine responding producers, 99 percent of sales of U.S.-produced CTL plate in 2010 was produced to order, with the remaining one percent from inventory. Lead times for the U.S. producers ranged from 1-5 days for sales from inventories; lead times for produced-to-order CTL plate ranged from 3 to 60 days. One importer of subject CTL plate from Korea reported that \*\*\* percent of its sales in 2010 were produced-to-order and reported an average lead time of \*\*\* days. One importer of CTL plate from Japan reported that \*\*\* percent of its sales came from foreign inventory and reported that lead times averaged \*\*\* days for sales from Japanese inventories.<sup>19 20</sup>

### *Changes in purchasing patterns*

Purchasers were asked to indicate how their purchasing patterns for CTL plate from different sources have changed since 2005. While purchase patterns for domestic and nonsubject product varied, the majority of purchasers reported that they had not purchased CTL plate produced in subject countries, with the exception of Korea and, to a lesser extent, Italy (table II-9). Purchasers of Korean CTL plate indicated that their purchase generally decreased or fluctuated. Reasons reported for changes in sourcing included pricing, availability, exchange rates, allocation, and economic fluctuations.

**Table II-9**  
**CTL plate: Changes in purchase patterns from U.S., subject, and nonsubject countries**

Source	Decreased	Increased	Constant	Fluctuated	Did not purchase
United States	5	8	8	16	0
India	0	0	0	1	35
Indonesia	1	0	0	1	34
Italy	2	0	1	2	31
Japan	2	0	0	1	33
Korea	8	1	1	5	21
Other	7	3	5	14	7

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

Fifteen of 36 purchasers reported that they had changed suppliers since 2005. These purchasers identified a variety of considerations including competitive pricing, product specifications, Buy American requirements, being placed on allocation, product mix, and availability.

Of the 38 responding purchasers, 18 purchased CTL plate daily, 9 purchased weekly, 5 purchased monthly, and 6 purchased on an as-needed basis. When asked if purchasers expected their purchasing pattern to change in the next two years, 34 of 35 purchasers responded “no.” The remaining purchaser, \*\*\*, indicated that it anticipates increasing its purchasing frequency.

The majority of purchasers (27 of 36) contact at least three suppliers before making a purchase. The remainder reported contacting between 1-2 suppliers. Thirty-two of 36 responding purchasers reported negotiations between the supplier and the purchaser when purchasing CTL plate. Seven purchasers, \*\*\*, reported that competitor’s prices are not quoted during the negotiation process. Twenty-

<sup>19</sup> Japanese foreign producer \*\*\* reported that \*\*\* percent of its sales are produced-to-order with the lead time between order and delivery from Japan ranging from \*\*\*. U.S. foreign producer questionnaire response, section III-5; and Japanese producers’ posthearing brief, response to Commissioner Pinkert, p. 32.

<sup>20</sup> One nonsubject importer reported that 100 percent of its sales came from U.S. inventory, with lead times ranging from 3-5 days; three nonsubject importers reported that 70 percent or more of their sales were produced to order with lead times ranging from 45 to 180 days.

five purchasers reported that negotiations are based on price, delivery time, product specifications, and lead times. Twenty-three of 36 responding purchasers reported that they vary their purchases from a given supplier within a specified time period based on the price offered for that period.

### ***Importance of purchasing domestic product***

Purchasers were asked if buying a product that is produced in the United States is an important factor in their firms' purchases of CTL plate. Seven of 36 responding purchasers reported that buying U.S. product is not an important factor in their firms' purchases. Nine purchasers reported that while buying domestic product is important, they purchase imported product when specifications are not available in the United States. Of the 21 purchasers that reported that they are required by law to buy U.S.-produced product,<sup>21</sup> only 3 purchasers reported that the majority of their total CTL plate purchases were required to be U.S.-produced by law, with shares of CTL plate purchases varying between 75 and 95 percent, and the remaining purchasers reporting less than 30 percent. Nine purchasers reported other reasons for buying CTL plate produced in the United States including shorter lead times, higher quality, maintaining long-term relationships, better ability to monitor inventory control, and better availability.

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

Purchasers were asked a number of questions comparing CTL plate produced in the United States, India, Indonesia, Italy, Japan, Korea, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the 16 factors for which they were asked to rate the importance of various purchasing factors (table II-10).

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<sup>21</sup> "Buy America" requirements apply to iron and steel products such as CTL plate that are purchased for the Federal-aid highway construction program. Under "Buy America," Federal-aid funds may not be obligated for a project unless iron and steel products used in such projects are manufactured in the United States (with limited exceptions based on the product cost or its share of the original contract value). In addition, under an alternate-bid procedure, foreign-source materials may be used if the total project bid using foreign-source materials is 25 percent less than the lowest total bid using domestic materials. The separate and distinct Buy American Act, which covers specified products, requires the Federal Government to purchase domestic goods and services unless the head of the agency involved in the procurement has determined that the prices of the domestic suppliers are "unreasonable" or that their purchase would be "inconsistent with the public interest."

**Table II-10**  
**CTL plate: Comparisons of product by source country, as reported by U.S. purchasers**

Factor	U.S. vs. India			U.S. vs. Indonesia			U.S. vs. Italy		
	S	C	I	S	C	I	S	C	I
Availability	7	1	1	7	0	0	5	1	0
Delivery terms	5	3	1	4	2	1	3	3	0
Delivery time	7	1	1	6	0	1	5	0	1
Discounts offered	2	7	0	1	6	0	1	5	0
Extension of credit	4	4	1	2	5	0	2	4	0
Price <sup>1</sup>	1	5	3	0	5	2	0	4	2
Minimum quantity requirements	3	6	0	2	4	1	1	4	1
Packaging	1	8	0	2	5	0	1	5	0
Product consistency	6	2	1	5	1	1	4	2	0
Quality meets industry standards	2	7	0	3	4	0	2	4	0
Quality exceeds industry standards	4	4	1	4	3	0	3	3	0
Quality meets customer specifications	5	4	0	4	2	1	3	3	0
Product range	4	4	1	3	3	1	2	3	1
Reliability of supply	7	1	1	6	0	1	5	1	0
Technical support/service	7	1	1	5	1	1	4	1	1
U.S. transportation costs <sup>1</sup>	4	5	0	4	3	0	3	3	0
Factor	U.S. vs. Japan			U.S. vs. Korea			U.S. vs. nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	6	2	1	10	5	3	8	3	7
Delivery terms	4	4	1	9	7	2	6	10	2
Delivery time	7	1	1	11	3	4	8	4	6
Discounts offered	1	7	1	3	15	0	2	13	3
Extension of credit	2	6	1	4	13	1	3	13	2
Price <sup>1</sup>	1	6	2	3	8	7	1	10	7
Minimum quantity requirements	4	4	1	5	12	1	4	11	3
Packaging	3	5	1	2	16	0	3	14	1
Product consistency	2	6	1	3	15	0	4	10	4
Quality meets industry standards	0	8	1	1	17	0	1	16	1
Quality exceeds industry standards	1	7	1	3	15	0	2	13	3
Quality meets customer specifications	0	8	1	2	16	0	1	15	2
Product range	3	5	1	6	10	2	3	12	3
Reliability of supply	5	3	1	9	7	2	8	7	3
Technical support/service	5	3	1	9	6	3	8	7	3
U.S. transportation costs <sup>1</sup>	6	2	1	8	8	1	5	11	1

<sup>1</sup> A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior", it meant that the price of the U.S. product was generally lower than the price of the imported product.

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

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

When comparing U.S. product to Indian product, most responding purchasers reported that U.S. product was superior to the Indian product in terms of availability, delivery terms, deliver time, product consistency, quality meets customer's specifications, reliability of supply, and technical service. Most responding purchasers found the U.S. product and Indian product to be comparable for all other characteristics.

At least half of purchasers reported that U.S. product was superior to Indonesian product in terms of availability, delivery terms, deliver time, product consistency, quality exceeds industry standards, quality meets customer's specifications, reliability of supply, technical service, and U.S. transportation costs. Most responding purchasers identified U.S. product and Indonesian product as comparable for all other characteristics.

The majority of purchasers reported that U.S. product was superior to Italian product in terms of availability, deliver time, product consistency, reliability of supply, and technical service. Most responding purchasers found the U.S. product and Italian product to be comparable for all other characteristics.

The majority of purchasers reported that U.S. product was superior to Japanese product in terms of availability, deliver time, reliability of supply, technical service, and U.S. transportation costs. Most responding purchasers found U.S. product and Japanese product to be comparable for all other characteristics.

At least half of responding purchasers reported that the U.S. product was superior to Korean product with respect to availability, delivery terms, delivery times, reliability of supply, and technical support. Most responding purchasers found U.S. product and Korean product to be comparable for all other characteristics, although in terms of price, eight purchasers reported that the U.S. product is comparable and seven reported that the U.S. product is inferior (i.e., the U.S. product is generally higher in price).

To determine whether U.S.-produced CTL plate can generally be used in the same applications as CTL plate from both subject and nonsubject countries, U.S. producers, importers, and purchasers were asked whether CTL plate can "always," "frequently," "sometimes," or "never" be used interchangeably. All nine responding U.S. producers reported that domestic and imported product from subject countries are "always" or "frequently" interchangeable. The majority of importers and purchasers reported that domestic and imported CTL plate from subject countries are "always" or "frequently" interchangeable (table II-11). Importers and purchasers reported customer requirements, size, grade, and product ranges as factors that limit or preclude interchangeable use.<sup>22</sup> \*\*\* noted that the capability to produce API grade plates, particularly grade X70 and above is globally limited. It explains that mills in Japan, Korea, India, and possibly Italy as well as other nonsubject countries have the equipment capable of producing X70 for \*\*\*, but their ability to actively produce such grades has not been demonstrated.

The majority of U.S. producers, importers, and purchasers reported that domestic and imported product from nonsubject subject countries are "always" or "frequently" interchangeable. In addition, the majority of firms generally reported a high frequency of interchangeability between subject country comparisons.

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<sup>22</sup> \*\*\* and \*\*\* reported that U.S. plate cannot be substituted for Offshore Grade TMCP Plate produced in Japan, Germany, and, in some cases, Austria because the U.S.-produced plate is not made in the quality, grades, and thicknesses required for most offshore specifications. \*\*\*.

**Table II-11**

**CTL plate: Perceived interchangeability of products produced in the United States and in other countries, by country pairs**

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
<b>U.S. vs. subject countries</b>												
U.S. vs. India	8	1	0	0	2	3	2	0	1	6	5	1
U.S. vs. Indonesia	8	1	0	0	2	3	2	0	1	5	4	1
U.S. vs. Italy	8	1	0	0	2	4	1	0	1	8	4	1
U.S. vs. Japan	8	1	0	0	3	3	2	1	4	10	3	1
U.S. vs. Korea	8	1	0	0	3	4	1	0	2	15	4	0
<b>U.S. vs. nonsubject countries</b>												
U.S. vs. nonsubject	8	1	0	0	5	4	2	1	5	16	5	1
<b>Subject country comparisons</b>												
India vs. Indonesia	8	1	0	0	3	3	1	0	1	4	3	0
India vs. Italy	8	1	0	0	2	3	2	0	1	6	2	0
India vs. Japan	8	1	0	0	2	3	2	0	3	5	3	0
India vs. Korea	8	1	0	0	2	3	2	0	1	6	3	0
India vs. nonsubject	8	1	0	0	3	3	1	0	2	5	2	0
Indonesia vs. Italy	8	1	0	0	2	3	2	0	0	4	3	0
Indonesia vs. Japan	8	1	0	0	2	3	2	0	0	4	3	0
Indonesia vs. Korea	8	1	0	0	2	3	2	0	0	4	3	0
Indonesia vs. nonsubject	8	1	0	0	3	3	1	0	0	4	1	0
Italy vs. Japan	8	1	0	0	2	3	2	0	0	5	3	0
Italy vs. Korea	8	1	0	0	2	4	1	0	0	5	2	0
Italy vs. nonsubject	8	1	0	0	3	3	1	0	0	5	1	0
Japan vs. Korea	8	1	0	0	1	4	1	0	3	4	3	0
Japan vs. nonsubject	8	1	0	0	3	4	1	0	3	6	2	0
Korea vs. nonsubject	8	1	0	0	3	3	1	0	3	6	2	0
Note.--A = Always, F = Frequently, S = Sometimes, N = Never.												
Source: Compiled from data submitted in response to Commission questionnaires.												

In addition, producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of CTL plate from the United States, subject, or nonsubject countries (table II-12). Six of nine responding U.S. producers reported that differences other than price were “never” important for any subject country combination, and the remaining three producers reported that differences other than price were “sometimes” important.



**Table II-12**

**CTL plate: Perceived significance of differences other than price between products produced in the United States and in other countries, by country pairs**

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
<b>U.S. vs. subject countries</b>												
U.S. vs. India	0	0	3	6	2	1	1	2	5	1	3	3
U.S. vs. Indonesia	0	0	3	6	2	1	1	2	2	1	2	3
U.S. vs. Italy	0	0	3	6	1	1	2	2	2	4	4	2
U.S. vs. Japan	0	0	3	6	2	1	1	4	3	4	5	3
U.S. vs. Korea	0	0	3	6	1	1	1	3	3	7	6	5
<b>U.S. vs. nonsubject countries</b>												
U.S. vs. nonsubject	0	0	4	5	2	3	5	2	5	7	10	2
<b>Subject country comparisons</b>												
India vs. Indonesia	0	0	3	6	1	1	1	3	0	0	2	2
India vs. Italy	0	0	3	6	1	2	1	2	0	2	2	2
India vs. Japan	0	0	3	6	2	1	1	2	0	1	3	3
India vs. Korea	0	0	3	6	2	1	1	2	0	0	4	2
India vs. nonsubject	0	0	4	5	1	2	2	2	0	1	4	2
Indonesia vs. Italy	0	0	3	6	2	1	1	2	0	0	3	2
Indonesia vs. Japan	0	0	3	6	2	1	1	2	1	0	2	2
Indonesia vs. Korea	0	0	3	6	2	1	1	2	1	0	2	2
Indonesia vs. nonsubject	0	0	4	5	1	2	2	2	1	0	2	2
Italy vs. Japan	0	0	3	6	2	1	1	2	0	1	4	2
Italy vs. Korea	0	0	3	6	1	2	1	2	0	0	4	2
Italy vs. nonsubject	0	0	4	5	1	2	2	2	0	1	4	2
Japan vs. Korea	0	0	3	6	1	2	0	3	0	0	4	3
Japan vs. nonsubject	0	0	4	5	1	2	3	2	0	1	6	2
Korea vs. nonsubject	0	0	4	5	1	2	2	2	1	0	7	1
Note.--A = Always, F = Frequently, S = Sometimes, N = Never.												
Source: Compiled from data submitted in response to Commission questionnaires.												

Responses from importers and purchasers were split, with half or slightly less than half of responding firms reporting that differences other than price between U.S.-produced CTL plate and subject imports are “always” or “frequently” a significant factor. Importers and purchasers reported quality of product, lead time, “Buy America,” size ranges, and product availability as significant factors.

When comparing the United States to nonsubject countries, all nine producers reported that differences other than price are “sometimes” or “never” a significant factor. Responses from importers and purchasers were mixed, with more than half of the responding firms reporting that differences other than price are “sometimes” or “never” a significant factor.

## ELASTICITY ESTIMATES

This section discusses elasticity estimates. Although parties were requested to comment on these estimates in their prehearing or posthearing briefs, none commented.

### U.S. Supply Elasticity<sup>23</sup>

The domestic supply elasticity for CTL plate measures the sensitivity of the quantity supplied by the U.S. producers to changes in the U.S. market price for CTL plate. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the existence of inventories, and the availability of alternate markets for U.S.-produced CTL plate.<sup>24</sup> Previous analysis of these factors indicates that the U.S. industry has a moderate ability to increase or decrease shipments to the U.S. market based on unused capacity and production flexibilities. An estimate in the range of 2 to 4 is suggested.

### U.S. Demand Elasticity

The U.S. demand elasticity for CTL plate measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of plate. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of plate in the final cost of end-use products in which it is used. Because of a lack of close, broadly accepted substitutes, it is likely that the aggregate demand for plate is moderately inelastic, with values ranging between -0.25 to -0.75.

### Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported CTL plate. Product differentiation, in turn, depends upon such factors as quality and condition of sale (availability, delivery, etc.). Based on available information indicating that the domestic and imported products can frequently be used interchangeably, the elasticity of substitution between U.S.-produced plate and imported plate is likely to be in the range of 3 to 5.

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<sup>23</sup> A supply function is not defined in the case of a non-competitive market.

<sup>24</sup> Domestic supply response is assumed to be symmetrical for both an increase and a decrease in demand for the domestic product. Therefore, factors affecting increased quantity supplied to the U.S. market also affect decreased quantity supplied to the same extent.

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

### OVERVIEW

Since 2005, the U.S. industry has experienced initial growth in production capacity from the re-start of idled capacity, followed by changes in ownership and consolidation, as well as new investment, generally in heat-treating facilities.<sup>1</sup> With the downturn in the U.S. economy, however, several U.S. mills idled facilities, either periodically or for an extended period, with operations only beginning to recover in 2010 or 2011. Table III-1 summarizes important industry events that have taken place in the U.S. industry since January 1, 2005.

**Table III-1**  
**CTL plate: Survey of industry events since January 1, 2005**

Year	Company	Description of event (Merger, shutdown, bankruptcy, change in capacity, etc.)
2005	Ispat Inland	<b>Bought out:</b> LNM Holdings and Ispat International (parent company of U.S. steel mill Ispat Inland) merge, creating a new entity - Mittal Steel Co. NV.
	ISG	<b>Bought out:</b> ISG is acquired by a new entity - Mittal Steel Co. NV.
	Mittal Steel USA Inc.	<b>Acquisition:</b> Mittal Steel Co. NV is a new entity created by the acquisition of Ispat International (parent company of U.S. steel company Ispat Inland) and LNM Holdings (all are companies headquartered in the Netherlands). As part of the same transaction, Mittal subsequently acquires ISG. <b>Restart:</b> Plate mill at Burns Harbor re-started.
2006	Mittal Steel USA Inc.	<b>Acquisition:</b> Mittal Steel Co. NV (parent company of Mittal Steel USA Inc.) announces merger with Arcelor SA (Luxembourg-based), creating a new entity Arcelor Mittal; the legal completion of the merger between Mittal and Arcelor was in 2007.
2007	ArcelorMittal	<b>Restart:</b> Former U.S. Steel plate mill at Gary, IN, re-started.
	Evrax Group	<b>Acquisition:</b> Acquired the assets of Oregon Steel.
	IPSCO	<b>Bought out:</b> Acquired by SSAB Americas (Sweden).
	Jindal Steel Works (JSW)	<b>Acquisition:</b> JSW acquired, in addition to Jindal United Steel, SAW Pipes USA, Inc. (pipe mill) and Jindal Enterprises LLC (coating facility), located near Baytown, TX for \$940 million. The complex is now called JSW Steel USA.
2008	ArcelorMittal	<b>Idled:</b> Burns Harbor's 110" mill idled due to low demand. <b>Idled:</b> Gary, IN mill idled due to low demand.
	Evrax Group	<b>Acquisition:</b> Acquired Claymont Steel for \$565 million.
	Nucor	<b>Expansion:</b> Announced plans to install plate heat treating facility. Cost of facility estimated at \$110 million and capacity is planned to be 120,000 tons.
	SSAB	<b>Expansion:</b> Announced plans for increased quenched and tempered steel production. Size of investment is \$150-250 million and capacity will be 331,000 tons. Project completion is scheduled for 2012.
2009	ArcelorMittal	<b>Outage:</b> Multi-week outages due to low demand.
	Evrax / Oregon	<b>Outage:</b> Multi-week outages due to low demand.
	JSW	<b>Outage:</b> Multi-week outages due to low demand.
2011	ArcelorMittal	<b>Restart:</b> Burns Harbor's 110" mill restarted in May.

Source: American Metal Market (various issues); annual reports; and *Certain Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine, Invs. Nos. 731-TA-753, 754, and 756 (Second Review)*, USITC Publication No. 4103, October 2009.

<sup>1</sup> Heat treatment lines permit the production of steel that meets additional specifications. They do not change the basic rolling capacity of the mill.

## Background

Information in this section is based on the questionnaire responses of 13 producers (9 mills<sup>2</sup> and 4 usable processor responses).

## Existing Operations

Domestic producers were asked to indicate whether their firm had experienced any plant openings, plant closings, relocations, expansions, acquisitions, consolidations, prolonged shutdowns or production curtailments, revised labor agreements, and any other changes in their CTL plate operations since 2005. Nearly all domestic producers indicated that they had experienced such changes; their responses are presented in table III-2.<sup>3</sup> Most notable among the changes were the acquisitions reported by domestic mills and processors.

**Table III-2**

**CTL plate: Changes in the character of U.S. producers' operations since January 1, 2005**

\* \* \* \* \*

## Anticipated Changes in Existing Operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of CTL plate. Their responses appear in table III-3. The majority of firms did not anticipate such changes.<sup>4</sup>

**Table III-3**

**CTL 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 CTL plate are presented in table III-4. Capacity and production fluctuated throughout the period for which data were collected. Overall capacity increased from 2005 to 2010 by 15.2 percent which corresponds to the re-starts and acquisitions reported by domestic mills and processors. All firms reported a decline in production in 2009,<sup>5</sup> and all but two firms (\*\*\*) reported increases in production in 2010. The largest increases and decreases in production during the period for which data were collected involved the largest firms. \*\*\*

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

<sup>3</sup> Three producers (\*\*\*) reported no such changes since 2005, while two producers (\*\*\*) did not respond. U.S. producer/processor questionnaire responses.

<sup>4</sup> Producers reporting that they anticipate no changes in the character of their operations were: \*\*\*. One company, \*\*\*, did not respond. U.S. producer/processor questionnaire responses.

<sup>5</sup> Many of these firms specifically noted that these declines were due to low demand, with several firms attributing this to general economic conditions.

represented the majority of the production declines in 2009. In addition, these \*\*\* large producers also represented the majority of the increase in production in 2010.<sup>6</sup>

**Table III-4**  
**CTL plate: U.S. capacity, production, and capacity utilization, 2005-10, January-June 2010, and January-June 2011**

Item	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
Capacity (short tons) <sup>1</sup>	8,352,058	9,078,900	9,102,852	9,539,225	9,597,673	9,624,269	4,776,796	4,860,735
Production (short tons)	6,526,649	7,708,588	7,684,039	7,748,767	4,566,875	6,075,718	3,046,421	3,603,811
Capacity utilization (percent)	78.1	84.9	84.4	81.2	47.6	63.1	63.8	74.1

<sup>1</sup> U.S. companies reported the following capacity (production capability): \*\*\*.

Note.—Five U.S. producers \*\*\* supplied the Commission with their third quarter 2010 and 2011 capacity and production data. For third quarter 2010 and 2011: capacity was \*\*\* and \*\*\* short tons, respectively; production was \*\*\* and \*\*\* short tons, respectively; and capacity utilization was \*\*\* and \*\*\* percent, respectively. \*\*\*.

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

### Constraints on Capacity

The Commission asked domestic producers to report constraints on their capacity to produce CTL plate. One domestic producer responded that the constraints on capacity question was not applicable.<sup>7</sup> The remaining firms provided the information presented in table III-5 regarding their constraints on capacity.

**Table III-5**  
**CTL plate: U.S. producers' constraints on capacity**

\* \* \* \* \*

### Alternative and Downstream Products

The Commission asked domestic producers to report production of other or downstream products on the same equipment and machinery, and/or using the same production and related workers employed to produce CTL plate. Eleven companies (\*\*\*) indicated that they produce other products on their CTL plate equipment and machinery. Plate and bar mills were operating at or above 80 percent capacity utilization during 2005-08, whereas processors were operating near 50 percent during the same years. All capacity utilization rates fell sharply in 2009 (consistent with the downturn in the economy). During January-June 2011, all capacity utilization rates increased to levels closer to those reported prior to 2009.<sup>8</sup>

<sup>6</sup> In 2010, \*\*\*, respectively, compared to 2009 levels.

<sup>7</sup> The domestic producer that indicated that the constraints on capacity question was not applicable was \*\*\*. \*\*\* did not provide responses to this question.

<sup>8</sup> For additional details on dimensional limitations see the section in Part I entitled “The Product.”

**Table III-6****CTL plate (plate mills): U.S. producers' capacity, production, and capacity utilization for alternative and downstream products, 2005-10, January-June 2010, and January-June 2011**

Quantity ( <i>short tons</i> )								
Item	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
Overall production capacity	8,961,377	9,061,377	9,061,377	9,461,377	9,761,377	9,761,377	4,880,688	4,880,688
Production of:								
CTL plate	4,944,744	5,903,143	6,034,665	6,363,796	3,617,826	4,826,447	2,439,260	2,869,996
Alloy steel plate	538,266	598,419	663,033	701,545	508,328	604,807	316,553	373,111
Hot-rolled sheet and strip	13,045	14,091	13,928	13,086	9,218	13,262	7,859	7,573
Hot-rolled plate in coils	1,556,477	1,538,302	1,454,008	1,376,258	986,104	1,514,149	724,067	642,759
Other	116,183	120,558	122,822	100,936	57,384	291,152	44,172	55,322
Total	7,168,715	8,174,513	8,288,456	8,555,621	5,178,860	7,249,817	3,531,911	3,948,761
Capacity utilization ( <i>percent</i> )	80.0	90.2	91.5	90.4	53.1	74.3	72.4	80.9

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

**Table III-7****CTL plate (bar mills): U.S. producers' capacity, production, and capacity utilization for alternative and downstream products, 2005-10, January-June 2010, and January-June 2011**

\* \* \* \* \*

**Table III-8****CTL plate (processor lines): U.S. producers' capacity, production, and capacity utilization for alternative and downstream products, 2005-10, January-June 2010, and January-June 2011**

\* \* \* \* \*

**U.S. PRODUCERS' SHIPMENTS**

Data on U.S. producers' shipments of CTL plate are presented in table III-8. The quantity of U.S. shipments fluctuated between 2005 and 2008, but remained at relatively consistent levels before declining sharply in 2009. U.S. shipments recovered somewhat in 2010, but not to levels seen during 2005-08. Export shipments ranged from 7.3 percent in 2005 to a period high in 2009 of 12.2 percent.<sup>9</sup>

<sup>9</sup> Four firms reported no export shipments, \*\*\*. Of the others that reported exports, \*\*\* reported the highest share of export shipments (\*\*\*) to total shipments. For 2005-07, \*\*\* reported large export shipments (to Canada), but those shipments declined substantially in 2008 and throughout the rest of the period for which data were collected.



**Table III-8**  
**CTL plate: U.S. producers' shipments, by types, 2005-10, January-June 2010, and January-June 2011**

Item	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Quantity (short tons)</b>								
U.S. shipments	6,049,832	7,036,861	6,936,367	7,164,233	4,009,909	5,378,921	2,666,510	3,160,586
Export shipments	475,310	592,291	730,366	707,143	555,217	641,408	337,393	353,978
Total shipments	6,525,142	7,629,152	7,666,733	7,871,376	4,565,126	6,020,329	3,003,903	3,514,564
<b>Value (1,000 dollars)</b>								
U.S. shipments	4,366,799	5,342,358	5,392,168	7,061,715	2,704,581	3,961,873	1,897,431	2,855,479
Export shipments	352,874	444,497	573,188	623,933	357,896	441,022	210,533	307,991
Total shipments	4,719,673	5,786,855	5,965,356	7,685,648	3,062,477	4,402,895	2,107,964	3,163,470
<b>Unit value (per short ton)</b>								
U.S. shipments	\$722	\$759	\$777	\$986	\$674	\$737	\$712	\$903
Export shipments	742	750	785	882	645	688	624	870
Total shipments	723	759	778	976	671	731	702	900
<b>Share of quantity (percent)</b>								
U.S. shipments	92.7	92.2	90.5	91.0	87.8	89.3	88.8	89.9
Export shipments	7.3	7.8	9.5	9.0	12.2	10.7	11.2	10.1
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Note.—Because of rounding, figures may not add to the totals shown.								
Source: Compiled from data submitted in response to Commission questionnaires.								

Average unit values for U.S. shipments peaked in 2008 and, despite a sharp decline in 2009, closed 2010 higher than in 2005 (in contrast to the 2010 average unit value for export shipments). Average unit values for export shipments were lower than the unit values for U.S. shipments in each year except in 2005, when export values were \$20 per short ton higher, and in 2007, when export values were \$8 per short ton higher.

### U.S. PRODUCERS' INVENTORIES

Table III-9, which presents end-of-period inventories for CTL plate, shows that inventories increased during the period for which data were collected. The domestic industry's inventories of CTL plate were lowest in 2008 and 2009. \*\*\* held large inventories in 2007 and reduced those inventories in 2008. In 2010, the increase in inventories was driven by \*\*\* which held \*\*\* short tons, more than \*\*\* which held \*\*\* short tons and \*\*\* short tons, respectively.

**Table III-9**  
**CTL plate: U.S. producers' end-of-period inventories, 2005-10, January-June 2010, and January-June 2011**

Item	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
Inventories ( <i>short tons</i> )	312,040	372,483	400,324	265,647	258,456	324,243	353,993	423,459
Ratio to production ( <i>percent</i> )	4.8	4.8	5.2	3.4	5.7	5.3	5.8	5.9
Ratio to U.S. shipments ( <i>percent</i> )	5.2	5.3	5.8	3.7	6.4	6.0	6.6	6.7
Ratio to total shipments ( <i>percent</i> )	4.8	4.9	5.2	3.4	5.7	5.4	5.9	6.0

Note.—Partial-year ratios are based on annualized production and shipments.  
Note.—Inventory is somewhat understated because for the period for which data were collected \*\*\* was unable to provide reliable estimates for its inventory data. \*\*\* reported end of period inventories for June 30, 2011 at \*\*\* short tons.

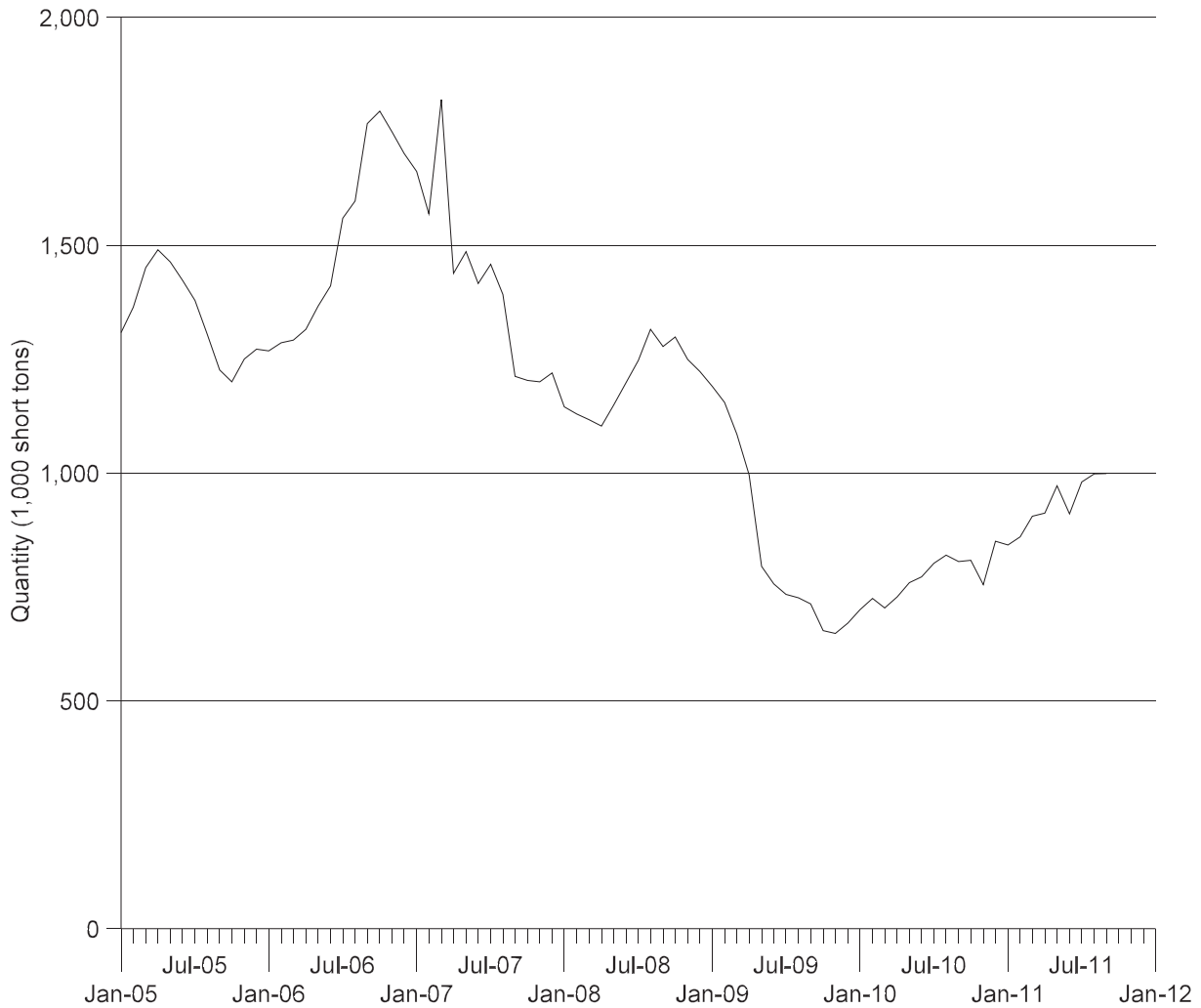
Source: Compiled from data submitted in response to Commission questionnaires.

The Metals Service Center Institute (“MSCI”) publishes monthly estimates of the inventory of plate products<sup>10</sup> held in U.S. service centers. Figure III-1 shows the reported inventory by month 2005 through September 2011. There has been a steady increase in inventory throughout 2010 and 2011. The increase in inventory was 149,000 short tons during 2010; 60,000 short tons through June 2011; and another 89,000 short tons during July-September 2011, for a total increase of 328,000 short tons during the 21 months starting with January 2010. The month-ending inventory of plate in service centers varied within a range of 2.4 to 2.9 times the monthly shipment level during 2011. During earlier years, the inventory levels were as follows: 2010, 2.3 to 2.9; 2009, 2.8 to 4.3; 2008, 2.3 to 4.2; 2007, 2.5 to 3.7; and 2006, 2.6 to 4.9.<sup>11</sup>

<sup>10</sup> Plate products include both plate in coils and CTL plate and include alloy steel plate.

<sup>11</sup> MSCI Metals Activity Report.

**Figure III-1**  
**Carbon and alloy plate: Inventory of plate held by U.S. service centers, January 2005–September 2011**



Note.— Inventory data include both plate in coils and CTL plate and include nonsubject alloy plate.

Source: Compiled from data published monthly by Metals Service Center Institute in its MSCI Metals Activity Report, January 2005-September 2011.

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

U.S. producers' imports and purchases of CTL plate are presented in table III-10. U.S. producers, \*\*\*, reported imports of CTL plate from nonsubject sources. U.S. producer, \*\*\*, reported purchasing CTL plate primarily from nonsubject sources.

**Table III-10****CTL plate: U.S. producers' imports and purchases, 2005-10, January-June 2010, and January-June 2011**

\* \* \* \* \*

**U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY**

The U.S. producers' aggregate employment data for CTL plate are presented in table III-11. The number of production and related workers employed by the domestic CTL plate producers fluctuated during the period for which data were collected, but declined to the lowest point in 2009. Productivity also fell to its lowest point in 2009. Hourly wage rates increased through 2008, while unit labor costs generally increased through 2009, before declining in 2010. At the hearing, these employment trends were confirmed by witness testimony.<sup>12</sup> In late 2008, ArcelorMittal's Gary plant and Burns Harbor facilities implemented a layoff minimization plan. This plan enabled them to layoff less than 500 workers and kept 900 workers working a 32 hour work week.<sup>13</sup> In 2009, with the downturn in the economy production declined at Nucor's Tuscaloosa facility. Production workers' pay was cut roughly in half because wages are based in large part on Nucor's production.<sup>14</sup>

**Table III-11****CTL plate: U.S. producers' employment-related data, 2005-10, January-June 2010, and January-June 2011**

Item	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
Production and related workers (PRWs)	3,647	3,763	3,870	3,958	3,110	3,339	3,300	3,875
Hours worked by PRWs (1,000 hours)	7,451	7,711	7,916	8,020	5,654	6,466	3,374	4,351
Hours worked per PRW	2,043	2,049	2,045	2,026	1,818	1,937	1,022	1,123
Wages paid to PRWs (1,000 dollars)	218,529	250,913	269,187	290,004	191,575	217,688	103,430	135,108
Hourly wages	\$29.33	\$32.54	\$34.01	\$36.16	\$33.88	\$33.67	\$30.66	\$31.05
Productivity (short tons produced per 1,000 hours)	792.9	900.8	883.0	882.2	741.0	857.2	825.4	757.5
Unit labor costs (per short ton)	\$36.99	\$36.12	\$38.51	\$40.99	\$45.73	\$39.28	\$37.14	\$40.99

Note.— Employment data is understated because two U.S. processors, \*\*\*, did not provide employment data. Employment data (except for the number of production related workers) is further understated because \*\*\* was not able to supply other employment indicators. \*\*\* explained that it has \*\*\*; therefore, is unable to provide the Commission with accurate data.

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

<sup>12</sup> Hearing transcript, pp. 47-51 (Trinidad) and pp. 51-54 (Beavers).

<sup>13</sup> Hearing transcript, p. 49 (Trinidad).

<sup>14</sup> Hearing transcript, p. 52 (Beavers).

## FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

### Background

Eight U.S. mills and two processors provided usable financial data on their operations on CTL plate.<sup>15 16</sup> These data are believed to account for the large majority of U.S. production of CTL plate in 2010. While several firms reported internal consumption and/or transfers, the quantity and value of these affiliated party transactions were small, accounting for less than \*\*\* percent of total sales (quantity and value) in 2010. Accordingly, these data are not presented separately in this section of the report.

### Operations on CTL Plate

Income-and-loss data for U.S. mills and processors on their operations on CTL plate are presented in table III-12. Selected financial data, by firm, are presented in table III-13. The domestic industry generated annual operating profits in excess of \$1 billion from 2005 to 2008, followed by a notable decline in profitability that led to an operating loss in 2009. In 2010, the domestic industry returned to positive operating income, and generated higher levels of operating income in January-June 2011 than in January-June 2010; however, operating incomes in 2010 and 2011 (annualized) were still below those achieved during 2005 to 2008. Net sales quantities increased from 2005 to 2008 by 20.6 percent, then declined by 41.1 percent from 2008 to 2009, and were 33.1 percent higher in 2010 than in 2009. Net sales quantities were also 16.7 percent higher in January-June 2011 than in January-June 2010. Net sales values increased from 2005 to 2008 by 63.2 percent, declined by 59.9 percent from 2008 to 2009, and were 45.3 and 50.9 percent higher, respectively, from 2009 to 2010 and comparing the two interim periods. The declines in operating income from 2008 to 2009 cut across the industry, as all eight mills reported a decrease in operating profits or deepening losses.<sup>17</sup>

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<sup>15</sup> The firms (and their fiscal year ends if other than December 31) are: ArcelorMittal, Cargill (May 31), Evraz Claymont, Evraz Oregon, Gerdau, LeTourneau, Nucor, Robinson Laser, SSAB, and U.S. Steel.

<sup>16</sup> \*\*\*.

<sup>17</sup> \*\*\* reported declines in profitability in 2008, followed by modest improvement in 2009.

Table III-12

**CTL plate: Results of operations of U.S. mills and processors, 2005-10, January-June 2010, and January-June 2011**

Item	Fiscal year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Quantity (short tons)</b>								
Total net sales	6,151,120	7,224,223	7,267,293	7,416,533	4,371,914	5,819,533	2,881,800	3,363,750
<b>Value (\$1,000)</b>								
Total net sales	4,471,661	5,505,206	5,721,813	7,295,978	2,927,804	4,255,177	2,011,853	3,036,857
COGS	3,310,754	3,949,257	4,320,178	5,635,232	2,996,898	4,063,711	1,956,624	2,638,669
Gross profit (loss)	1,160,907	1,555,949	1,401,635	1,660,746	(69,094)	191,466	55,229	398,188
SG&A expenses	122,903	145,640	209,455	169,821	105,503	125,933	59,569	78,930
Op. income/ (loss)	1,038,004	1,410,309	1,192,180	1,490,925	(174,597)	65,533	(4,340)	319,258
Interest expense	48,001	77,913	181,551	169,756	177,152	195,107	100,523	100,852
CDSOA income	578	7,551	1,211	3,260	3,428	672	0	2,225
Other income/(exp.)	20,728	15,317	53,113	(109,231)	(11,064)	2,501	546	(1,633)
Net income (loss)	1,011,309	1,355,264	1,064,953	1,215,198	(359,385)	(126,401)	(104,317)	218,998
Depreciation	108,559	109,158	108,942	118,882	224,413	212,393	107,178	112,805
Cash flow	1,119,868	1,464,422	1,173,895	1,334,080	(134,972)	85,992	2,861	331,803
<b>Ratio to net sales (percent)</b>								
COGS:								
Raw materials	45.2	44.3	47.2	50.3	53.1	56.8	56.6	56.1
Direct labor	4.8	4.7	5.0	4.5	6.8	5.2	5.3	4.3
OFC <sup>1</sup>	24.0	22.8	23.3	22.5	42.5	33.4	35.4	26.5
Total COGS	74.0	71.7	75.5	77.2	102.4	95.5	97.3	86.9
Gross profit (loss)	26.0	28.3	24.5	22.8	(2.4)	4.5	2.7	13.1
SG&A expenses	2.7	2.6	3.7	2.3	3.6	3.0	3.0	2.6
Op. income (loss)	23.2	25.6	20.8	20.4	(6.0)	1.5	(0.2)	10.5
Net income (loss)	22.6	24.6	18.6	16.7	(12.3)	(3.0)	(5.2)	7.2
<b>Unit value (per short ton)</b>								
Total net sales	\$727	\$762	\$787	\$984	\$670	\$731	\$698	\$903
COGS:								
Raw materials	329	337	371	494	355	416	395	506
Direct labor	35	36	39	44	46	38	37	39
OFC <sup>1</sup>	175	174	184	222	284	244	247	239
Total COGS	538	547	594	760	685	698	679	784
Gross profit (loss)	189	215	193	224	(16)	33	19	118
SG&A expenses	20	20	29	23	24	22	21	23
Op. income (loss)	169	195	164	201	(40)	11	(2)	95
Net income (loss)	164	188	147	164	(82)	(22)	(36)	65
<b>Number of firms reporting</b>								
Operating losses	0	2	1	2	5	5	5	1
Data	10	10	10	10	10	10	10	9
<sup>1</sup> Other factory costs.								
Source: Compiled from data submitted in response to Commission questionnaires.								



**Table III-13**

**CTL plate: Results of operations of U.S. mills and processors, by firm, 2005-10, January-June 2010, and January-June 2011**

\* \* \* \* \*

The industry-wide financial decline began to ease in 2010. Per-unit operating income improved as the increase in per-unit net sales value (\$61 per short ton) was greater than the combined effects of an increase in unit cost of goods sold (“COGS”) (\$13 per short ton) and a decline in selling, general, and administrative (“SG&A”) expenses (\$2 per short ton). Seven of the ten firms reported increased operating profits or smaller losses from 2009 to 2010.

The domestic industry’s operating income was also higher in January-June 2011 than in January-June 2010 as the increase in per-unit net sales value (\$205 per short ton) were greater in magnitude than the combined increases in per-unit COGS (\$105 per short ton) and SG&A expenses (\$2 per short ton). The higher operating income level in January-June 2011 was reflected across the industry, as all nine firms operating continuously during this time reported greater operating income or reduced operating losses than in January-June 2010.<sup>18 19</sup>

During the period for which data were collected, the fluctuations in COGS were due primarily to changes in raw material costs. During this time, raw material costs accounted for a weighted average 61.3 percent of total COGS, and generally determined whether per-unit COGS increased or decreased from one period to the next.

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<sup>18</sup> Nucor, which accounted for \*\*\* percent of total net sales quantity and \*\*\* percent of total net sales value in 2010, reported in its fiscal year 2010 10-K and second quarter 2011 10-Q filings on the financial performance of its steel mills segment, which includes the firm’s operations on CTL plate. CTL plate accounted for approximately \*\*\* percent of net sales for the steel mills segment in 2010 and the first six months of 2011. The public data are consistent with Nucor’s reported operations on CTL plate, with similar trends in operating income from 2008 through the first six months of 2011. Nucor’s analysis of the company’s improved financial performance in 2010 compared to 2009 stated that the gross margin increase was the result of both increased shipments to outside customers and increased per-ton selling prices. Further, Nucor reported that within the steel mills segment, raw material costs increased; however, metal margins increased as well. Nucor also reported that the firm’s gross margins are significantly impacted by LIFO inventory charges or credits in the steel mills segment. Nucor Corporation, Form 10-K for the fiscal year ended December 31, 2010, pp. 25, 43, and 65. In its 10-Q filing for the quarterly period ended July 2, 2011, Nucor stated that the increase in earnings before income taxes and noncontrolling interests for the steel mills segment for the second quarter of 2011 as compared to the second quarter of 2010 was largely due to increased selling prices and associated higher metal margins. Nucor Corporation, Form 10-Q for the quarterly period ended July 2, 2011, pp. 15 and 18-21.

In Nucor’s most recent 10-Q filing for the quarterly period ended October 1, 2011, the firm again reported an increase in earnings before income taxes and noncontrolling interests for the steel mills segment in the third quarter of 2011 as compared to the third quarter of 2010 due in large part to increased selling prices and associated higher metal margins; however, Nucor stated that earnings in the steel mills segment declined 30 percent from the second quarter, and that earnings at the plate mills were essentially flat compared to the second quarter, with a downward trend for the plate mills through the third quarter due to the impact of higher imports. Nucor Corporation, Form 10-Q for the quarterly period ended October 1, 2011, pp. 16 and 19-22.

<sup>19</sup> Domestic Interested Parties were requested to provide certain financial data for the periods July to September 2010 and July to September 2011 in their posthearing briefs. Evraz Claymont, Evraz Oregon, and SSAB provided the requested data in their brief (posthearing brief of Evraz Claymont, Evraz Oregon, and SSAB, exhibit 26), while ArcelorMittal and Nucor provided the requested data in separate submissions on November 8, 2011. Based on the data provided by these five firms, net sales quantities in the July to September 2011 period increased by \*\*\* percent as compared to July to September 2010, while net sales values increased by \*\*\* percent during the same time frame. The operating margin improved from \*\*\* percent in July to September 2010 to \*\*\* percent in July to September 2011.

A variance analysis for CTL plate is presented in table III-14. The information for this variance analysis is derived from table III-12.<sup>20</sup> The analysis shows that the decline in operating income from 2005 to 2010 is primarily attributable to unfavorable net cost/expense and volume variances despite a favorable price variance (that is, an increase in costs/expenses and lower volume outweighed an increase in prices). From 2005 to 2008, the relatively strong operating income is attributable to favorable price and volume variances that generally outweighed unfavorable net cost/expense variances. Then, from 2008 to 2009, the reported overall operating loss is attributable to negative price and volume variances that outweighed a positive net cost/expense variance. From 2009 to 2010, as well as from January-June 2010 to January-June 2011, the improvement in operating income is primarily attributable to positive price variances that outweighed negative net cost/expense variances.

**Table III-14**  
**CTL plate: Variance analysis on operations of U.S. mills and processors, 2005-10, and January-June 2010-11**

Item	Between fiscal years						January-June
	2005-10	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Value (\$1,000)</b>							
<b>Total net sales:</b>							
Price variance	24,569	253,435	183,786	1,456,663	(1,373,045)	357,925	688,543
Volume variance	(241,053)	780,110	32,821	117,502	(2,995,129)	969,448	336,461
Total net sales variance	(216,484)	1,033,545	216,607	1,574,165	(4,368,174)	1,327,373	1,025,004
<b>Cost of sales:</b>							
Cost variance	(931,429)	(60,920)	(347,376)	(1,226,335)	324,971	(74,486)	(354,821)
Volume variance	178,472	(577,583)	(23,545)	(88,719)	2,313,363	(992,327)	(327,224)
Total cost variance	(752,957)	(638,503)	(370,921)	(1,315,054)	2,638,334	(1,066,813)	(682,045)
Gross profit variance	(969,441)	395,042	(154,314)	259,111	(1,729,840)	260,560	342,959
<b>SG&amp;A expenses:</b>							
Expense variance	(9,655)	(1,296)	(62,947)	43,935	(5,397)	14,504	(9,399)
Volume variance	6,625	(21,441)	(868)	(4,301)	69,715	(34,934)	(9,962)
Total SG&A variance	(3,030)	(22,737)	(63,815)	39,634	64,318	(20,430)	(19,361)
Operating income variance	(972,471)	372,305	(218,129)	298,745	(1,665,522)	240,130	323,598
<b>Summarized as:</b>							
Price variance	24,569	253,435	183,786	1,456,663	(1,373,045)	357,925	688,543
Net cost/expense variance	(941,084)	(62,216)	(410,323)	(1,182,400)	319,574	(59,982)	(364,219)
Net volume variance	(55,955)	181,087	8,408	24,482	(612,051)	(57,812)	(726)
Note.-- Unfavorable variances are shown in parentheses; all others are favorable.							
Source: Compiled from data submitted in response to Commission questionnaires.							

<sup>20</sup> 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 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-15. Aggregate capital expenditures increased irregularly from 2005 to 2010, and were higher in January-June 2011 than in January-June 2010. Aggregate R&D expenses also increased from 2005 to 2010 and were higher in January-June 2011 than in January-June 2010. \*\*\* accounted for the majority of reported capital expenditures during most of the review period.<sup>21</sup> In total, ten firms reported capital expenditure data and two firms (\*\*\* and \*\*\*) reported R&D data.

**Table III-15**

**CTL plate: Capital expenditures and research and development expenses of U.S. mills and processors, 2005-10, January-June 2010, and January-June 2011**

Item	Fiscal year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Value (\$1,000)</b>								
Capital expenditures	82,146	117,180	136,899	99,951	80,851	177,273	84,159	95,442
R&D expenses	***	***	***	***	***	***	***	***

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

## Assets and Return on Investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of CTL plate to compute return on investment ("ROI"). Data on the U.S. CTL plate mills' and processors' total assets and their ROI are presented in table III-16. The total assets utilized in the production, warehousing, and sale of CTL plate continuously increased from \$2.8 billion in 2005 to \$5.6 billion in 2010. From 2005 to 2008, the ROI ranged from \*\*\* to \*\*\* percent, then declined sharply to a negative \*\*\* percent in 2009 before improving to \*\*\* percent in 2010.

**Table III-16**

**CTL plate: Value of assets and return on investment of U.S. mills and processors, 2005-10**

Item	Fiscal year					
	2005	2006	2007	2008	2009	2010
<b>Value of assets:</b>						
<b>Value (\$1,000)</b>						
Total assets	2,841,928	2,939,744	3,009,230	3,191,210	5,590,129	5,618,595
<b>Share (percent)</b>						
Operating income or (loss) <sup>1</sup>	***	***	***	***	***	***
Return on investment <sup>1</sup>	***	***	***	***	***	***

<sup>1</sup> \*\*\*.

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

<sup>21</sup> \*\*\*. E-mail correspondence from \*\*\*, September 21, 2011. The substantial increase in reported capital expenditures from 2009 to 2010 largely reflects higher expenditures by \*\*\*.



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

### U.S. IMPORTS

#### Overview

The Commission issued questionnaires to 64 firms believed to have imported CTL plate between 2005 and June 2011. Eighteen firms provided data and information in response to the questionnaires, while nineteen firms indicated that they had not imported CTL plate during the period for which data were collected.<sup>1</sup> Based on adjusted official Commerce statistics for imports of CTL plate, importers' questionnaire data accounted for approximately three quarters of subject U.S. imports during January 2005 through June 2011 and for approximately one-half of U.S. imports of CTL plate from nonsubject sources. Firms responding to the Commission's questionnaire accounted for \*\*\* percent of the subject imports from Japan and \*\*\* percent of the subject imports from Korea during January 2005-June 2011.<sup>2</sup> Import data in this report are based on adjusted official Commerce statistics for CTL plate.<sup>3</sup>

Imports of micro-alloy steel from subject country Japan were equivalent to \*\*\* percent of total quantity of imports (\*\*\* percent in 2006 and \*\*\* percent in January-June 2011). All such product was reported by \*\*\*, which indicated that its CTL plate from Japan entered under the temporary importation under bond ("TIB") program.<sup>4</sup> Thus, because these Japanese products entered the United States under the TIB program they are not included as imports for consumption.<sup>5</sup> Finally, one importer reported

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<sup>1</sup> All domestic producers received importer questionnaires; therefore, some of the nineteen firms that reported no imports include domestic producers and are not part of the 64 importers believed to have imported CTL plate during the period for which data were collected.

<sup>2</sup> No responding importer reported CTL plate imports from India and Indonesia during January 2005-June 2011. Imports from Italy were reported during one year.

<sup>3</sup> Import data for India, Indonesia, Italy, and Korea are based on the following HTS statistical reporting numbers: HTS 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. The official import statistics that form the core of the data are limited to non-alloy steel plate. While most of this volume is believed to be CTL plate consistent with the scope of these reviews, some of the HTS statistical reporting numbers cover both plate and sheet. This has resulted in an overstatement in the volume of imports of CTL plate. Import data for Japan are based on questionnaire responses and proprietary Customs data (included all dutiable imports) because most of the imports from Japan entering the United States are believed to be nonsubject product. Japanese producers' questionnaire responses (which account for almost all CTL plate production in Japan); Hearing transcript, pp. 16, 169-170 (Harrison and Wood); and Japanese producers' posthearing brief, questions pp. 1-3.

Import data do not include the following HTS statistical reporting numbers that cover primarily alloy steel plate or other forms of nonsubject merchandise: 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000, and 7226.99.0180 (which replaced 7226.99.0000 effective January 2007). Import data for nonsubject countries has been adjusted to include micro-alloy CTL plate which is within the scope of these reviews.

<sup>4</sup> In general, temporary importation under bond is a procedure whereby merchandise may be temporarily entered into the U.S. customs territory free of duty by posting a bond in an amount equal to double the estimated duties had all the articles covered by the entry been entered under an ordinary consumption entry. 19 C.F.R. §§ 10.31(f). Under the terms of the bond, the importer agrees to export or destroy the merchandise within a specified time or pay liquidated damages, generally equal to twice the normal duty. See 19C.F.R. sec. 10.39 (d) (1); Titanium Metals Corp. v. United States, 901 F. Supp. 362, 364 (Ct. Int'l Trade 1995).

<sup>5</sup> See, e.g., *Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Review)*, USITC Publication 3816, November 2005, p. 20 n. 139.

entering or withdrawing CTL plate from foreign trade zones and one importer did so from bonded warehouses.<sup>6</sup>

### **Imports from Subject and Nonsubject Countries**

Table IV-1 presents data for U.S. imports of CTL plate from India, Indonesia, Italy, Japan, Korea, and all other sources. As shown in table IV-1, total subject imports were at their highest level in 2006 before declining to their lowest level in 2010. Korea was the largest subject source during 2005-10 and in January-June 2011. Subject imports from India and Indonesia accounted for the smallest share of subject imports throughout the latter part of period for which data were collected.

### **Leading Nonsubject Sources of Imports**

During the period for which data were collected, imports of CTL plate entered the United States from a variety of sources other than the five subject countries (including countries that were previously subject to countervailing and/or antidumping duty orders). The leading nonsubject suppliers are shown in table IV-2. Nonsubject imports peaked early in the review period, reaching their highest level in 2006. Canada was the leading nonsubject source of CTL plate during the period for which data were collected.

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<sup>6</sup> \*\*\*.



**Table IV-1**  
**CTL plate: U.S. imports, by sources, 2005-10, January-June 2010, and January-June 2011**

Source	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Quantity (short tons)</b>								
India	3,856	6,542	1,167	310	165	32	32	316
Indonesia	2,682	41	1,661	97	0	0	0	0
Italy	9,215	1,212	3,814	337	4,904	718	429	428
Japan	***	***	***	***	***	***	***	***
Korea (S) <sup>1</sup>	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Korea (NS) <sup>2</sup>	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Total	795,303	1,341,814	1,026,836	824,357	357,850	551,029	285,027	336,175
<b>Value (1,000 dollars)<sup>3</sup></b>								
India	3,913	4,358	1,146	466	298	55	55	625
Indonesia	1,817	37	985	128	0	0	0	0
Italy	8,939	2,206	4,395	1,277	6,402	2,369	1,414	1,121
Japan	***	***	***	***	***	***	***	***
Korea (S) <sup>1</sup>	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Korea (NS) <sup>2</sup>	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Total	578,824	894,023	762,476	903,018	337,604	482,282	247,941	326,263
<b>Unit value (dollars per short ton)</b>								
India	1,015	666	982	1,504	1,808	1,754	1,754	1,981
Indonesia	678	910	593	1,320	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Italy	970	1,821	1,152	3,789	1,306	3,299	3,298	2,616
Japan	***	***	***	***	***	***	***	***
Korea (S) <sup>1</sup>	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Korea (NS) <sup>2</sup>	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Total	728	666	743	1,095	943	875	870	971

Table continued on next page.

**Table IV-1--Continued**

**CTL plate: U.S. imports, by sources, 2005-10, January-June 2010, and January-June 2011**

Source	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	210	2011
<b>Share of quantity (percent)</b>								
India	0.5	0.5	0.1	0.0	0.0	0.0	0.0	0.1
Indonesia	0.3	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Italy	1.2	0.1	0.4	0.0	1.4	0.1	0.2	0.1
Japan	***	***	***	***	***	***	***	***
Korea (S) <sup>1</sup>	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Korea (NS) <sup>2</sup>	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Share of value (percent)</b>								
India	0.7	0.5	0.2	0.1	0.1	0.0	0.0	0.2
Indonesia	0.3	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Italy	1.5	0.2	0.6	0.1	1.9	0.5	0.6	0.3
Japan	***	***	***	***	***	***	***	***
Korea (S) <sup>1</sup>	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Korea (NS) <sup>2</sup>	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<sup>1</sup> Subject ("S") imports from Korea consist of CTL plate produced by Dongkuk and other mills, excluding POSCO. <sup>2</sup> Nonsubject ("NS") imports from Korea consist of CTL plate produced by POSCO. <sup>3</sup> Landed, duty-paid. <sup>4</sup> Not applicable.								
Source: Compiled from adjusted official Commerce statistics and data submitted in response to Commission questionnaires.								

**Table IV-2**  
**CTL plate: U.S. imports from leading nonsubject sources, 2005-10, January-June 2010, and**  
**January-June 2011**

Source	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Quantity (short tons)</b>								
Canada	211,245	243,381	245,762	259,414	134,209	178,484	91,420	89,142
Thailand	120,102	228,176	229,139	94,742	11,630	3	0	3,342
Ukraine	89,275	122,420	57,700	173,945	16,138	4,346	31	1,802
Malaysia	71,812	168,041	121,481	3,417	25,755	0	0	0
Russia	3,001	69,960	37,793	84,992	8,066	37,636	4,475	44,945
Germany	5,563	22,982	24,232	23,985	23,922	92,646	78,883	22,374
Australia	9,091	72,439	36,132	9,107	5,052	37,421	8,385	24,352
South Africa	27,588	45,401	23,556	13,689	10,805	8,518	5,585	17,256
Austria	11,637	17,439	19,976	14,557	14,847	16,534	6,652	26,789
Romania	49,813	0	48,311	20,467	0	0	0	0
Brazil	2,855	2,033	4,160	7,858	13,112	42,227	28,659	25,021
Mexico	5,277	15,958	7,390	5,475	13,946	28,504	4,024	17,948
Belgium	13,994	14,130	14,341	7,764	5,494	9,422	4,789	5,798
France	4,858	4,707	5,472	1,799	4,366	16,383	12,874	3,825
Czech Republic	18,919	18,259	1,390	473	0	0	0	0
Finland	0	524	41	2,142	11,822	19,773	14,715	4,458
All other	22,863	48,181	28,628	23,677	27,567	32,562	12,384	18,473
Total	667,895	1,094,032	905,504	747,504	326,732	524,461	272,879	305,524
<b>Value (1,000 dollars)</b>								
Canada	162,836	185,591	172,634	260,421	91,241	144,894	71,557	83,517
Thailand	68,872	120,853	144,442	99,624	12,672	3	0	2,316
Ukraine	64,765	81,432	40,885	182,276	17,197	3,428	52	1,508
Malaysia	41,240	84,048	74,807	3,862	24,403	0	0	0
Russia	1,766	42,572	25,236	95,098	7,452	24,193	2,673	33,900
Germany	9,001	27,954	35,897	41,481	44,297	106,535	82,628	36,507
Australia	5,769	45,820	24,975	8,077	4,764	25,619	5,238	18,219
South Africa	20,926	32,350	20,656	12,771	7,788	5,445	3,386	13,617
Austria	14,397	19,107	23,850	22,957	19,238	18,923	7,360	30,075
Romania	31,292	0	35,887	20,406	0	0	0	0
Brazil	3,677	2,197	4,359	10,271	10,428	26,112	16,254	19,239
Mexico	5,187	9,730	6,755	6,236	9,687	20,680	3,385	14,545
Belgium	13,520	13,282	11,921	11,690	7,926	15,505	8,187	9,727
France	3,929	5,004	6,970	2,966	6,625	15,752	11,316	4,612
Czech Republic	9,546	11,945	1,362	344	0	0	0	0
Finland	0	216	68	2,804	9,915	15,329	10,701	4,061
All other	30,056	45,406	34,872	38,951	34,331	36,519	14,283	26,904
Total	486,779	727,509	665,576	820,235	307,965	458,937	237,021	298,748

Table continued on next page.

**Table IV-2 – Continued**

**CTL plate: U.S. imports from leading nonsubject sources, 2005-10, January-June 2010, and January-June 2011**

Source	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Unit value (dollars per short ton)</b>								
Canada	\$771	\$763	\$702	\$1,004	\$680	\$812	\$783	\$937
Thailand	573	530	630	1,052	1,090	961		693
Ukraine	725	665	709	1,048	1,066	789	1,680	837
Malaysia	574	500	616	1,130	948	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Russia	588	609	668	1,119	924	643	597	754
Germany	1,618	1,216	1,481	1,729	1,852	1,150	1,047	1,632
Australia	635	633	691	887	943	685	625	748
South Africa	759	713	877	933	721	639	606	789
Austria	1,237	1,096	1,194	1,577	1,296	1,144	1,106	1,123
Romania	628	( <sup>1</sup> )	743	997	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Brazil	1,288	1,081	1,048	1,307	795	618	567	769
Mexico	983	610	914	1,139	695	726	841	810
Belgium	966	940	831	1,506	1,443	1,646	1,709	1,678
France	809	1,063	1,274	1,648	1,517	961	879	1,206
Czech Republic	505	654	980	728	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Finland	( <sup>1</sup> )	412	1,663	1,309	839	775	727	911
All other	1,315	942	1,218	1,645	1,245	1,122	1,153	1,456
Total	729	665	735	1,097	943	875	869	978

<sup>1</sup> Not applicable.

Note.—The totals shown do not correspond to the "other sources" line in table IV-1 because official Commerce statistics in table IV-1 have been adjusted to include micro-alloy steel plate.

Note.— The countries for which countervailing and/or antidumping duty orders were revoked since 2005 include Belgium, Brazil, Finland, France, Germany, Mexico, and Romania. The volumes of CTL plate imports from other countries for which countervailing and/or antidumping duty orders were below the levels presented in this table.

Source: Compiled from official Commerce statistics.

## U.S. IMPORTERS' IMPORTS SUBSEQUENT TO JUNE 30, 2011

The Commission requested importers to indicate whether they had imported or arranged for the importation of CTL plate from subject countries for delivery after June 30, 2011. \*\*\*, reported arranging for subject imports. \*\*\* reported arranging for \*\*\* short tons of CTL plate from Korea for July-September 2011. In addition, \*\*\* reported arranging for \*\*\* short tons of CTL plate from \*\*\* for July-September 2011. Additionally, \*\*\* reported arranging for an estimated \*\*\* short tons and \*\*\* short tons from \*\*\* for October-December 2011 and January-March 2012, respectively.<sup>7</sup> Import licenses were issued for 14,371 short tons of carbon and alloy CTL plate from Korea in October 2011.<sup>8</sup> This compares to average imports from Korea during the first nine months of 2011 of 5,350 short tons per month.<sup>9</sup>

## U.S. IMPORTERS' INVENTORIES

Table IV-3 presents data for inventories of U.S. imports of CTL plate from subject countries and all other sources held in the United States. Inventories of imports from subject countries are limited to inventories from \*\*\* which were held by \*\*\*.<sup>10</sup>

**Table IV-3**  
**CTL plate: U.S. importers' end-of-period inventories of imports, by source, 2005-10, January-June 2010, and January-June 2011**

\* \* \* \* \*

## 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.

For the purpose of its original determinations, the Commission cumulated imports from France, India, Indonesia, Italy, Japan, and Korea.<sup>11</sup> For the purpose of its first five-year review determinations, the Commission cumulated imports from India, Indonesia, Italy, Japan, and Korea.<sup>12</sup>

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<sup>7</sup> \*\*\* reported arranging for \*\*\* short tons of CTL plate from Japan for July-September 2011. \*\*\* reported that its 2011 imports of CTL plate \*\*\* and therefore are not imports for consumption.

<sup>8</sup> U.S. Department of Commerce, Import Administration.

<sup>9</sup> Ibid.

<sup>10</sup> Inventories of imports from Japan were \*\*\*.

<sup>11</sup> *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Invs. Nos. 701-TA-387-391 (Final) and 731-TA-816-821 (Final)*, USITC Publication 3273, January 2000, pp. 14-15.

<sup>12</sup> *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Invs. Nos. 701-TA-388-391 and 731-TA-816-821 (Reviews)*, USITC Publication 3816, November 2005, pp. 9-10.

## Fungibility

As shown in table IV-4, more than one-half (\*\*\*) percent) of CTL plate commercial shipments by U.S. producers are in the less than one inch category. The same holds true for the CTL plate commercial shipments by the industries in Japan and \*\*\* (\*\*\*) percent and \*\*\* percent, respectively), whereas commercial shipments by the sole responding producer in \*\*\* were \*\*\* among the less than one inch category and the one inch but less than four inch category. With respect to reported U.S. imports, \*\*\* imports from Japan were in the less than one inch category while \*\*\* percent of imports from Korea were in the greater than or equal to four inch category.

**Table IV-4**  
**CTL plate: U.S. producers' commercial shipments and U.S. importers' imports, by thickness, 2010**

Item	U.S.	India	Indonesia	Italy	Japan	Korea
<b>Quantity (short tons)</b>						
< 1.00"	3,376,581	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***
≥ 1.00" but < 4.00"	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***
≥ 4.00"	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***
<b>Average unit value (per short ton)</b>						
< 1.00"	\$714	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	\$***	\$***
≥ 1.00" but < 4.00"	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***
≥ 4.00"	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***
<b>Quantity share (percent)</b>						
< 1.00"	65.8	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***
≥ 1.00" but < 4.00"	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***
≥ 4.00"	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***
<sup>1</sup> Not applicable. Note.— ***.						
Source: Compiled from data submitted in response to Commission questionnaires.						



## Geographic Markets

As noted previously, CTL plate produced in the United States is shipped nationwide. During 2005 through June 2011, the top Customs district for imports from India was Houston-Galveston, TX, while for imports from Indonesia it was Seattle, WA and for imports from Italy was Detroit, MI. The top two Customs districts for Japan were Savannah, GA and New Orleans, LA. The top three Customs districts for Korea<sup>13</sup> were Houston-Galveston, TX; Los Angeles, CA; and New Orleans, LA. Additional information on geographic markets may be found in Part II of this report.

## Presence in the Market

Table IV-5 presents data on the monthly entries of U.S. imports of CTL plate, by source, during January 2005- June 2011. Imports from Italy, Korea,<sup>14</sup> and all other sources were present in every month of the period for which data were collected. Imports from subject country, India, were present in each year, but present less than half of each year from 2008 to 2010. Imports from subject country, Indonesia, were present sporadically from 2005-08 before exiting the market completely. The last entry of CTL plate from Indonesia was in October 2008.

**Table IV-5**  
**CTL plate: U.S. imports, monthly entries into the United States, by sources, January 2005-June 2011**

Country	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
India	12	12	11	5	3	3	3	2
Indonesia	11	3	8	2	0	0	0	0
Italy <sup>1</sup>	12	12	12	12	12	12	6	6
Japan	***	***	***	***	***	***	***	***
Korea <sup>2</sup>	12	12	12	12	12	12	6	6
All others	12	12	12	12	12	12	6	6

<sup>1</sup> The import volumes present in each month range from: 22 short tons to 3,554 short tons in 2005; 14 short tons to 432 short tons in 2006; 7 short tons to 2,159 short tons in 2007; 5 short tons to 53 short tons in 2008; 7 short tons to 4,561 short tons in 2009; 26 short tons to 192 short tons in 2010; and 33 short tons to 121 short tons in January-June 2011. In most months, U.S. imports from Italy were less than 100 short tons. Monthly U.S. imports from Italy exceeded 100 short tons 7 times in 2005, 3 times in 2006, 3 times in 2007, 1 time in 2009, 2 times in 2010, and 1 time in January-June 2011.

<sup>2</sup> Includes nonsubject imports from POSCO.

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

## THE INDUSTRY IN INDIA

### Overview

One major producer, Steel Authority of India, Ltd. (“SAIL”), provided questionnaire data for the original investigations. In the first reviews, SAIL submitted a letter which stated its decision “to waive our right to participate in the Sunset Review by US Authorities including the USITC.” The Commission

<sup>13</sup> Imports from Korea include nonsubject imports from POSCO.

<sup>14</sup> Imports from Korea include nonsubject imports from POSCO.

has not received a questionnaire response from a firm in India during the second reviews.<sup>15</sup> Table IV-6 presents data on Indian producers' mill locations, capacity, and share of capacity for 2010.

**Table IV-6**  
**CTL plate: Indian producers' primary mill locations, capacity, and share of 2010 Indian capacity**

Producer name	Location(s)	Capacity (short tons)	Share of capacity (percent)
Essar Steel	Hazira	***	***
Jindal Steel & Power Ltd.	Raigarh	***	***
Monnet Ispat & Energy	MI Raigarh	***	***
JSW Steel	Vasind	***	***
SAIL	Bhilai and Rourkela	***	***
Welspun PCMD	Anjar	***	***
Total		***	100.0
Source: ***.			

### CTL Plate Operations

After the imposition of the antidumping and countervailing duty orders on India, U.S. imports of CTL plate from India shrunk more than threefold from 1999 to 2000. In 2003, there were no imports of CTL plate into the United States from India. During January 2005 through June 2011, U.S. imports from India have been limited. Imports of CTL plate from India were highest in 2006 (6,542 short tons).

Table IV-7 presents data on India's CTL plate capacity, production, and exports for 2005-10.

**Table IV-7**  
**CTL plate: India's capacity, production, and exports, 2005-10**

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
<b>Quantity (short tons)</b>						
Capacity	***	***	***	***	***	***
Production	***	***	***	***	***	***
Exports	143,205	474,218	532,648	564,135	541,948	511,707
<sup>1</sup> Not available.  Note.— *** data were published in metric tons which were converted to short tons using a conversion factor of 1.1023. Note.— Global Trade Atlas data were published in kilograms which were converted to short tons using a conversion factor of 2.2046.  Source: *** and Global Trade Atlas data.						

<sup>15</sup> \*\*\*. Email from \*\*\*, August 11, 2011.

Table IV-8 presents data on India's CTL plate exports by top 10 markets for 2005-10.

**Table IV-8**  
**CTL plate: Exports from India, by top 10 markets, 2005-10**

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
<b>Quantity (short tons)</b>						
Italy	22,031	97,998	91,943	63,232	77,518	88,128
United Arab Emirates	7,799	52,222	61,195	115,443	44,268	55,584
Iran	204	6,324	4,026	1,161	38,561	27,486
Sri Lanka	14,555	27,458	18,463	15,422	14,681	26,986
United States	5,841	30,782	4,515	3,687	14,274	24,287
Belgium	2,013	6,119	27,285	25,490	24,008	18,426
Spain	15,630	33,141	28,496	33,840	21,900	17,277
Saudi Arabia	1,237	20,452	10,473	24,884	8,865	16,492
Tanzania	367	2,453	4,571	1,222	15,682	16,087
Kenya	1,650	9,374	13,502	12,654	17,897	15,187
All other	71,880	187,895	268,178	267,097	264,294	205,768
Total	143,205	474,218	532,648	564,135	541,948	511,707
Note.— Original data were published in kilograms which were converted to short tons using a conversion factor of 2.2046.						
Source: Global Trade Atlas data (HTS: 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7210.90, 7211.13, 7211.14, 7211.90, 7212.40, 7212.50).						

Since 2003, producers in India have been subject to antidumping duties in Thailand on their exports of hot-rolled steel not in coils (which includes CTL plate). Since June 2009, producers in India have been subject to a 12 percent general tariff rate in Brazil on their exports of hot-rolled plate and heavy plate. Lastly, it has been reported that a producer in Taiwan is considering filing an antidumping duty action against steel plate imports from India.<sup>16</sup>

## THE INDUSTRY IN INDONESIA

### Overview

Three producers, Gunawan, Jaya Pari, and PT Krakatau Steel (“Krakatau”), provided questionnaire responses for the original investigations. In the first reviews, no CTL plate producer in Indonesia responded. At this time, the Commission has received an incomplete questionnaire response from \*\*\*. Table IV-9 presents data on Indonesian producers’ mill locations, capacity, and share of capacity for 2010.

<sup>16</sup> ArcelorMittal’s prehearing brief, p. 49.

**Table IV-9****CTL plate: Indonesian producers' primary mill locations, capacity, and share of 2010 Indonesian capacity**

Producer name	Location(s)	Capacity (short tons)	Share of capacity (percent)
Guawan Dianjaya Steel	Tandes, Surabaya	***	***
Gunung Raja Paksi	Citibung Bekasi	***	***
Jaya Pari Steel Corp.	Tandes Surabaya	***	***
Total		***	100.0
Note.- Krakatau is not identified in this table because it produces CTL plate on a hot strip mill.			
Source: ***.			

**CTL Plate Operations**

Krakatau reported that its overall production capacity in 2009 and 2010 was \*\*\* short tons, respectively. These levels appear to reflect hot-strip mill capacity, not limited to CTL plate production. Krakatau stated that it does not intend to export CTL plate to the United States.

After the imposition of the antidumping and countervailing duty orders on CTL plate from Indonesia, U.S. imports from Indonesia dropped to zero for three of the first five years for which data were collected. During January 2005 through June 2011, U.S. imports from Indonesia have been limited. Imports of CTL plate from Indonesia were highest in 2005 and 2007 (2,682 and 1,661 short tons, respectively).

Table IV-10 presents data on Indonesia's CTL plate capacity, production, and exports for 2005-10.

**Table IV-10****CTL plate: Indonesia's capacity, production, shipments, and inventories, 2005-10**

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
<b>Quantity (short tons)</b>						
Capacity	***	***	***	***	***	***
Production	***	***	***	***	***	***
Exports	390,345	733,505	781,171	794,233	504,012	449,502
<sup>1</sup> Not available.						
Note.- *** data were published in metric tons which were converted to short tons using a conversion factor of 1.1023.						
Note.- Global Trade Atlas data were published in kilograms which were converted to short tons using a conversion factor of 2.2046.						
Source: *** and Global Trade Atlas data.						

Table IV-11 presents data on Indonesia's CTL plate exports by top 10 markets for 2005-10.

**Table IV-11**  
**CTL plate: Exports from Indonesia, by top 10 markets, 2005-10**

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
<b>Quantity (short tons)</b>						
Singapore	40,116	97,482	187,186	186,705	133,897	179,807
Malaysia	41,049	28,380	74,403	66,796	86,836	61,279
Australia	21,002	53,778	67,376	136,881	35,517	49,802
Vietnam	35,215	48,000	73,256	113,453	72,867	44,040
Netherlands	61,130	129,136	94,455	60,177	47,277	35,090
United Arab Emirates	25,363	80,890	61,501	87,070	22,217	20,891
Bahrain	0	11,708	3,798	0	602	12,810
Oman	0	0	0	0	7,914	11,192
Saudi Arabia	11,565	52,582	29,773	5,221	24,900	7,770
India	667	925	14,326	8,290	25,678	6,088
All other	154,239	230,623	175,098	129,641	46,307	20,735
Total	390,345	733,505	781,171	794,233	504,012	449,502
Note.— Original data were published in kilograms which were converted to short tons using a conversion factor of 2.2046.						
Source: Global Trade Atlas data (HTS: 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7210.90, 7211.13, 7211.14, 7211.90, 7212.40, 7212.50).						

Since 2003, producers in Indonesia have been subject to antidumping duties in Thailand on their exports of hot-rolled steel not in coils (which includes CTL plate). Since June 2009, producers in Indonesia have been subject to a 12 percent general tariff rate in Brazil on their exports of hot-rolled plate and heavy plate.<sup>17</sup>

## THE INDUSTRY IN ITALY

### Overview

Two major producers, ILVA and Palini e Bertoli, SpA ("Palini"), provided questionnaire data for the original investigations. In the first reviews one Italian firm, Palini, provided data on its Italian operations. The same firm has provided data in response to the Commission questionnaires in the current reviews. Palini believes it accounts for approximately \*\*\* percent of current Italian production of CTL plate.<sup>18</sup> Table IV-12 presents data on Italian producers' mill locations, capacity, and share of capacity for 2010.

<sup>17</sup> ArcelorMittal's prehearing brief, p. 49.

<sup>18</sup> Palini's foreign producer questionnaire response.

**Table IV-12**

**CTL plate: Italian producers' primary mill locations, capacity, and share of 2010 Italian capacity**

Producer name	Location(s)	Capacity (short tons)	Share of capacity (percent)
Ferriera Valsider	Vallese di Oppeano	***	***
Ilva	Taranto	***	***
Marcegaglia	San Giorgio di Nogaro	***	***
Palini e Bertoli	San Giorgio di Nogaro	***	***
Trametal	San Giorgio di Nogaro	***	***
Verona Steel	Vallese di Oppeano	***	***
Total		***	100.0
Source: ***.			

### CTL Plate Operations

Table IV-13 presents data on Italy's CTL plate capacity, production and exports for 2005-10. The largest known Italian producer is ILVA. According to a published source, ILVA's capacity accounts for \*\*\* percent of Italy's total capacity.<sup>19</sup> ILVA is not subject to the antidumping duty order on CTL plate from Italy and is subject to a subsidy margin of less than three percent.<sup>20</sup> Metinvest Holding is the owner of two Italian producers, Ferriera Valsider and Trametal. Metinvest Holding's capacity accounts for \*\*\* percent of Italy's total capacity.<sup>21</sup>

**Table IV-13**

**CTL plate: Italy's capacity, production, shipments, and inventories, 2005-10**

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
<b>Quantity (short tons)</b>						
Capacity	***	***	***	***	***	***
Production	***	***	***	***	***	***
Exports	1,383,655	1,712,448	2,052,634	1,982,463	1,533,235	1,904,112
<sup>1</sup> Not available.						
Note.— Original data were published in metric tons which were converted to short tons using a conversion factor of 1.1023.						
Source: *** and Global Trade Atlas data.						

<sup>19</sup> \*\*\*.

<sup>20</sup> See, e.g., *Certain Cut-to-Length Carbon-Quality Steel Plate from India, Indonesia, Italy, Japan, and Korea; Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 76 FR 12322, March 7, 2011.

<sup>21</sup> \*\*\*. Metinvest Holding's Italian operations \*\*\* to the United States; however, its operations in Ukraine \*\*\* to the United States. Compiled from proprietary Customs data.

Table IV-14 presents data on Italy's CTL plate exports by top ten markets for 2005-10. Italian Producer, Palini, stated that all Italian producers are focused on serving the European Union.<sup>22</sup> Table IV-14 is consistent with this characterization.

**Table IV-14**  
**CTL plate: Exports from Italy, by top 10 markets, 2005-10**

Item	Calendar year					
	2005	2006	2007	2008	2009	2010
<b>Quantity (short tons)</b>						
Germany	308,815	413,582	522,669	526,763	313,639	425,782
France	215,921	257,782	334,785	295,398	219,070	302,231
Turkey	37,597	106,287	72,255	90,270	112,006	192,255
Austria	120,413	142,879	194,181	163,966	109,973	149,067
Spain	200,897	150,368	148,998	76,373	114,588	109,648
Slovenia	48,463	59,518	71,106	68,996	67,808	71,356
Poland	29,051	38,822	75,878	65,067	35,225	66,485
Switzerland	41,069	46,439	59,022	56,063	42,338	58,134
Hungary	13,187	15,579	39,536	43,070	38,115	50,626
Egypt	35,302	32,175	25,328	42,782	31,890	47,587
All other	332,940	449,019	508,877	553,716	448,583	430,939
Total	1,383,655	1,712,448	2,052,634	1,982,463	1,533,235	1,904,112
Note.— Original data were published in metric tons which were converted to short tons using a conversion factor of 1.1023.						
Source: Global Trade Atlas data (HTS: 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7210.90, 7211.13, 7211.14, 7211.90, 7212.40, 7212.50).						

Since June 2009, producers in Italy have been subject to a 12 percent general tariff rate in Brazil on their exports of hot-rolled plate and heavy plate.<sup>23</sup>

Table IV-15 presents data provided by Palini concerning its CTL plate operations in Italy during the period for which data were collected. Palini primarily supplies its home market and exports to the \*\*\*. Exports to the \*\*\* accounted for approximately \*\*\* of Palini's production throughout the period for which data were collected and were \*\*\* percent higher in 2010 than in 2005.

As stated above in the Cumulation section, Palini's commercial shipments from \*\*\* were split equally (\*\*% percent and \*\*% percent) among the less than one inch category and the one inch but less than four inch category.

<sup>22</sup> Palini's prehearing brief, p. 13.

<sup>23</sup> ArcelorMittal's prehearing brief, p. 49.



**Table IV-15****CTL plate: Palini's Italian capacity, production, shipments, and inventories, 2005-10, January-June 2010, and January-June 2011**

\* \* \* \* \*

**THE INDUSTRY IN JAPAN****Overview**

Five firms, accounting for an estimated 90 percent of Japanese production of CTL plate in 1998, provided data in response to the Commission's questionnaire in the original investigations: Kawasaki, Kobe, Nippon, NKK, and Sumitomo.<sup>24</sup> In the first reviews, no Japanese producers responded to the Commission's questionnaire. Four companies provided data in response to Commission questionnaires in the current reviews: JFE (formed from a merger of former NKK and former Kawasaki), Kobe, Nippon, and Sumitomo. These firms are believed to account for a substantial portion of current Japanese production of CTL plate.<sup>25</sup> Presented in table IV-16 is a list of the responding Japanese producers of CTL plate, each company's primary mill location(s), and share of reported Japanese production of CTL plate in 2010.

**Table IV-16****CTL plate: Japanese producers' primary mill locations, capacity, production, and share of 2010 reported Japanese production**

<b>Producer name</b>	<b>Location(s)</b>	<b>Capacity (short tons)</b>	<b>Production (short tons)</b>	<b>Share of production (percent)</b>
JFE	Keihin, Kurashiki, Fukuyama	***	***	***
Kobe	Kakogawa	***	***	***
Nippon	Nagoya, Kimitsu, Oita	***	***	***
Sumitomo	Kashima	***	***	***
Total		15,830,132	14,578,790	100.0
Source: Compiled from data submitted in response to Commission questionnaires.				

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<sup>24</sup> *Staff Report*, INV-X-004 (January 4, 2000), p. VII-11.

<sup>25</sup> Staff compared the Japanese producers that responded to the Commission's questionnaires to those producers identified by the steel analysts at \*\*\*. *See* \*\*\*. According to this comparison, the four responding Japanese producers accounted for \*\*\* percent of reversing plate mill and Steckel plate mill capacity in Japan in 2010. The remaining Japanese capacity is attributed by \*\*\* to Chubu Steel Plate, Nakayama Steel Works, and Tokyo Steel.

## CTL Plate Operations

Table IV-17 presents the responding Japanese producers of CTL plate concerning their CTL plate operations in Japan during the review period.

According to a published source, the effects on steel plate production of the tragic Tohoku Pacific earthquake and tsunami on March 11, 2011, have not been as severe as first thought. According to this source, Japanese apparent consumption increased marginally in the second quarter while net exports decreased by approximately three percent with further decreases forecasted which suggests that transport infrastructure was affected to a greater degree than steel production.<sup>26</sup>

Parties were asked to comment on the effects of the earthquake and tsunami that struck Japan on March 11, 2011. All parties agreed that the earthquake and tsunami did not significantly affect Japanese production of CTL plate.<sup>27</sup> Japanese producers stated that reconstruction of the affected areas is expected to result in increased demand for CTL plate (in particular construction-related end uses, such as buildings, bridges, tanks, and replacement of other damaged infrastructure).<sup>28</sup> Domestic interested party, Nucor, cited news articles from April and July 2011 that indicated that there will not be an increase in demand resulting from the earthquake and tsunami.<sup>29</sup>

Since 2003, producers in Japan have been subject to antidumping duties in Thailand on their exports of hot-rolled steel not in coils (which includes CTL plate). Since June 2009, producers in Japan have been subject to a 12 percent general tariff rate in Brazil on their exports of hot-rolled plate and heavy plate.<sup>30</sup>

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<sup>26</sup> \*\*\*.

<sup>27</sup> Japanese producers' posthearing brief, questions p. 9; Nucor's posthearing brief, questions, p. 21;

<sup>28</sup> Japanese producers' posthearing brief, questions p. 9

<sup>29</sup> Nucor's posthearing brief, questions p. 21.

<sup>30</sup> ArcelorMittal's prehearing brief, p. 49.

Table IV-17

CTL plate: Japanese capacity, production, shipments, and inventories, 2005-10, January-June 2010, and January-June 2011

Item	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Quantity (short tons)</b>								
Capacity	14,284,710	14,346,555	14,751,047	15,178,268	15,762,938	15,830,132	7,742,416	7,388,792
Production	13,669,211	13,726,901	14,465,213	15,338,972	13,153,314	14,578,790	7,151,940	7,214,922
End of period inventories	542,199	492,997	452,984	447,624	470,388	532,633	510,548	557,588
Shipments: Internal consumption	917,985	1,241,760	1,238,399	1,275,176	1,136,585	1,487,185	686,850	550,420
Commercial home market shipments	9,571,405	9,515,532	10,130,636	10,615,555	8,272,181	8,821,322	4,312,111	4,318,553
Exports: United States	***	***	***	***	***	***	***	***
European Union	***	***	***	***	***	***	***	***
Asia	2,799,970	2,756,399	2,887,778	3,146,978	3,488,010	3,735,321	1,901,161	2,075,918
All other markets	***	***	***	***	***	***	***	***
Total exports	2,960,846	2,988,811	3,098,191	3,405,602	3,710,984	4,188,638	2,104,819	2,302,995
Total shipments	13,450,236	13,746,103	14,467,226	15,296,333	13,119,750	14,497,145	7,103,780	7,171,968
<b>Value (\$1,000)</b>								
Commercial shipments: Home market	5,020,291	5,165,453	5,639,870	8,571,314	7,383,963	7,245,493	3,299,403	3,943,125
Exports to-- United States	***	***	***	***	***	***	***	***
European Union	***	***	***	***	***	***	***	***
Asia	1,881,440	1,793,546	1,938,958	3,081,346	2,785,543	2,619,070	1,264,015	1,652,934
All other markets	***	***	***	***	***	***	***	***
Total exports	2,022,111	1,983,800	2,147,532	3,401,988	2,953,255	2,986,104	1,420,016	1,872,580
Total shipments	7,042,402	7,149,253	7,787,402	11,973,302	10,337,218	10,231,597	4,719,419	5,815,705

Table continued on next page.

Table IV-17--Continued

CTL plate: Japanese capacity, production, shipments, and inventories, 2005-10, January-June 2010, and January-June 2011

Item	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
<b>Average unit values (dollars per short ton)</b>								
Commercial shipments: Home market	525	543	557	807	893	821	765	913
Exports to-- United States	***	***	***	***	***	***	***	***
European Union	***	***	***	***	***	***	***	***
Asia	672	651	671	979	799	701	665	796
All other markets	***	***	***	***	***	***	***	***
Total exports	683	664	693	999	796	713	675	813
Total shipments	562	572	589	854	863	786	735	878
<b>Ratios and shares (percent)</b>								
Capacity utilization	95.7	95.7	98.1	101.1	83.4	92.1	92.4	97.6
Inventories to production	4.0	3.6	3.1	2.9	3.6	3.7	3.6	3.9
Inventories to total shipments	4.0	3.6	3.1	2.9	3.6	3.7	3.6	3.9
Share of total quantity of: Internal consumption	6.8	9.0	8.6	8.3	8.7	10.3	9.7	7.7
Home market	71.2	69.2	70.0	69.4	63.1	60.8	60.7	60.2
Exports to-- United States	***	***	***	***	***	***	***	***
European Union	***	***	***	***	***	***	***	***
Asia	20.8	20.1	20.0	20.6	26.6	25.8	26.8	28.9
All other markets	***	***	***	***	***	***	***	***
Total exports	22.0	21.7	21.4	22.3	28.3	28.9	29.6	32.1
<sup>1</sup> Not applicable.								
Source: Compiled from data submitted in response to Commission questionnaires.								

## Alternative and Downstream Products

As shown in table IV-18, the majority of the four responding Japanese producers' overall capacity was devoted to CTL plate.

**Table IV-18**

**CTL plate: Japanese producers' capacity, production, and capacity utilization for alternative and downstream products, 2005-10, January-June 2010, and January-June 2011**

Item	Quantity (short tons)							
	Calendar year						January-June	
	2005	2006	2007	2008	2009	2010	2010	2011
Overall production capacity	14,400,271	14,499,508	14,892,959	15,325,008	15,893,180	15,923,339	7,623,169	7,463,881
Production of: CTL plate	13,580,011	13,621,101	14,344,313	15,188,772	13,102,014	14,459,790	7,107,340	7,142,922
Alloy steel plate	***	***	***	***	***	***	***	***
Hot-rolled sheet and strip	0	0	0	0	0	0	0	0
Hot-rolled plate in coils	0	0	0	0	0	0	0	0
Other	***	***	***	***	***	***	***	***
Total	13,817,472	13,894,854	14,625,108	15,500,312	13,294,856	14,684,397	7,202,994	7,294,210
Capacity utilization	96.0	95.8	98.2	101.1	83.7	92.2	94.5	97.7

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

Table IV-19 presents Japanese export shipments by end use for 2005-10. The largest end use for CTL plate produced in Japan for export is shipbuilding, representing approximately two-thirds of Japanese exports of CTL plate. For additional details on the shipbuilding industry, see the "Shipbuilding" section which appears later in this chapter.

**Table IV-19**

**CTL plate: Japanese producers' export shipments by end use, 2005-10**

\* \* \* \* \*

## THE INDUSTRY IN KOREA

### Overview

During the original investigations there were reportedly two producers, POSCO<sup>31</sup> and Dongkuk of CTL plate in Korea. In the first reviews, no Korean producers responded to the Commission's questionnaire. One company provided data in response to Commission questionnaires in the current reviews: Dongkuk. This firm is believed to account for a substantial portion of subject Korean

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<sup>31</sup> POSCO received *de minimis* margins and has never been subject to the orders.

production of CTL plate.<sup>32</sup> Table IV-20 presents data on Korean producers' mill locations, capacity, and share of capacity for 2010.

**Table IV-20**  
**CTL plate: Korean producers' primary mill locations, capacity, and share of 2010 Korean capacity**

Producer name	Location(s)	Capacity (short tons)	Share of capacity (percent)
Dongkuk Steel Mill	Dangjin and Pohang	***	***
Hyundai Steel	Dangjin	***	***
Korea Iron & Steel Co. <sup>1</sup>	Changwon	***	***
Subtotal		***	***
POSCO	Gwangyang and Pohang	***	***
Total		***	100.0
<sup>1</sup> Reportedly produces wide flat bar which is within the scope of these reviews, rather than reversing mill or Steckel mill plate. Source: ***.			

### CTL Plate Operations

Table IV-21 presents data provided by Dongkuk concerning its CTL plate operations in Korea during the review period.<sup>33</sup> Dongkuk has increased overall capacity during the period for which data were collected. Dongkuk \*\*\*. Production decreased from 2005 to 2006, but increased from 2006 to 2008. Production decreased slightly in 2009, but recovered fully in 2010 to levels \*\*\* percent higher than in 2005. Home market shipments accounted for over \*\*\* percent of Dongkuk's total shipments during the period for which data were collected. Dongkuk's exports of CTL plate are primarily directed toward Asia, specifically \*\*\*.

Since 2003, producers in Korea have been subject to antidumping duties in Thailand on their exports of hot-rolled steel not in coils (which includes CTL plate). Since June 2009, producers in Korea have been subject to a 12 percent general tariff rate in Brazil on their exports of hot-rolled plate and heavy

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<sup>32</sup> Staff compared the Korean producers that responded to the Commission's questionnaires to those producers identified by the steel analysts at \*\*\*. *See* \*\*\*. According to this comparison, the one responding Korean producer accounted for \*\*\* percent of reversing plate mill capacity in Korea in 2010. The remaining Korean capacity is attributed by \*\*\* to Hyundai Steel (\*\*\* percent), Korea Iron & Steel Co. ("KISCO") (\*\*\* percent), and POSCO (\*\*\* percent). POSCO is not subject to the orders at issue. The capacity reported for Hyundai Steel represents only the 2010 effective capacity of Hyundai's new mill, which started up during 2010. The mill has a total annual capacity of 1.5 million metric tons (1.7 million short tons). In addition, Hyundai is building a second plate mill doubling its capacity to 3 million metric tons (3.3 million short tons). Finally, Hyundai has announced that it will upgrade its first mill, increasing its capacity by 500 thousand metric tons and bringing its total capacity to 3.5 million metric tons (3.9 million short tons) after 2013. AMM, "Hyundai Steel outlines plan to double capacity at Dangjin" June 29, 2011. At the hearing, Dongkuk stated that KISCO is not a producer of CTL plate. Hearing transcript, p. 175 (Winton). According to KISCO's website it makes products that are within the scope of these reviews (e.g., wide flat bar). [http://www.ekosco.com/english/product2\\_4.html](http://www.ekosco.com/english/product2_4.html), retrieved November 8, 2011. *See also*, Nucor's posthearing brief, exh. 17.

<sup>33</sup> Dongkuk did not report producing alternative and/or downstream products utilizing the same equipment, machinery, and workers.

plate. Additionally, in August 2010, Brazil initiated an antidumping duty investigation on heavy plates from Korea which is still ongoing.<sup>34</sup>

**Table IV-21**

**CTL plate: Dongkuk’s Korean capacity, production, shipments, and inventories, 2005-10, January-June 2010, and January-June 2011**

\* \* \* \* \*

## GLOBAL MARKET

### Production and Capacity

Worldwide reversing and Steckel plate mill capacity is concentrated in four regions (from greatest to smallest): China, Asia (except China), Europe, and North America. Table IV-22 presents rated capacities of reversing and Steckel plate mill facilities and planned increases or decreases, by region (in 1,000 short tons).

**Table IV-22**

**CTL plate: Global and regional total reversing and Steckel plate mill capacity, 2011, and planned changes, 2012-14**

\* \* \* \* \*

Global production of reversing mill plate has grown in recent years, primarily due to production in China. Despite a decrease in production in 2009 corresponding to the economic decline in that year, production increased in 2010, reaching an all-time record level, driven by growth primarily in China. Data compiled by \*\*\* on historical, current, and projected global production of reversing mill plate are presented in tables IV-23 and IV-24.

**Table IV-23**

**CTL plate: Global and regional production of reversing mill plate, 2007-10**

\* \* \* \* \*

**Table IV-24**

**CTL plate: Forecast of global and regional production of reversing mill plate, 2011-15**

\* \* \* \* \*

### Consumption

Global consumption of reversing mill plate generally increased over the period for which data are available, despite a sharp overall decline in 2009. Certain markets, however, expanded in 2009 - namely China, but also the Commonwealth of Independent States, India, and Indonesia. Data compiled by \*\*\* on current and forecasted global consumption of reversing mill plate are presented in tables IV-25 and IV-26. During 2007-10, consumption increased by \*\*\* percent, despite a setback in consumption during the economic recession of 2008-09. Most of the increase occurred in East and Southeast Asia, primarily in China. Global consumption is forecasted to continue to increase during 2011-15, with growth in all regions and the greatest consumption increase in China.

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<sup>34</sup> ArcelorMittal’s prehearing brief, pp. 49-50.



**Table IV-25**

**CTL plate: Global and regional apparent consumption of reversing mill plate, 2007-10**

\* \* \* \* \*

**Table IV-26**

**CTL plate: Forecast of global and regional consumption of reversing mill plate, 2011-15**

\* \* \* \* \*

### **Shipbuilding**

The demand for shipbuilding is an indicator of demand for CTL plate, particularly in Asia. Shipbuilding is a primary end use for CTL plate produced in Japan and Korea.<sup>35</sup> The three largest countries in which shipbuilding occurs are Japan, Korea, and China, which represented 92 percent of world shipbuilding deliveries in 2010.<sup>36</sup>

As seen in figure IV-1, there has been a large increase in new ship construction, with global orders for new shipbuilding more than doubling between 2005 and 2008. New orders for shipbuilding based on global totals began to fall starting in 2009 but remained above their 2005 levels.<sup>37</sup>

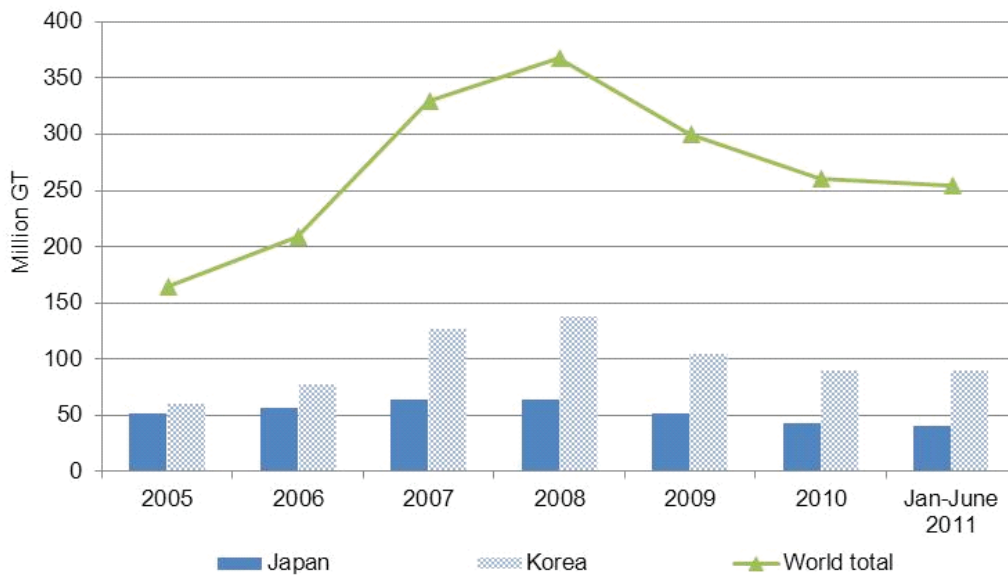
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<sup>35</sup> As stated above, shipbuilding is the single largest end use of CTL plate produced in Japan. Korea received 51 percent of the global new orders during January-September 2011. ArcelorMittal's posthearing brief, exhibit 5.

<sup>36</sup> ArcelorMittal's posthearing brief, exhibit 9, p.3.

<sup>37</sup> By June 2011, the world order book for shipbuilding increased 55 percent since 2005; orders increased in Korea by 50 percent and orders in Japan fell 21 percent during the same period. ArcelorMittal's posthearing brief, exhibit 9, p. 7.

**Figure IV-1**  
**Shipbuilding order book: New shipbuilding orders in Japan, Korea, and world total, 2005-10 and January-June 2011**



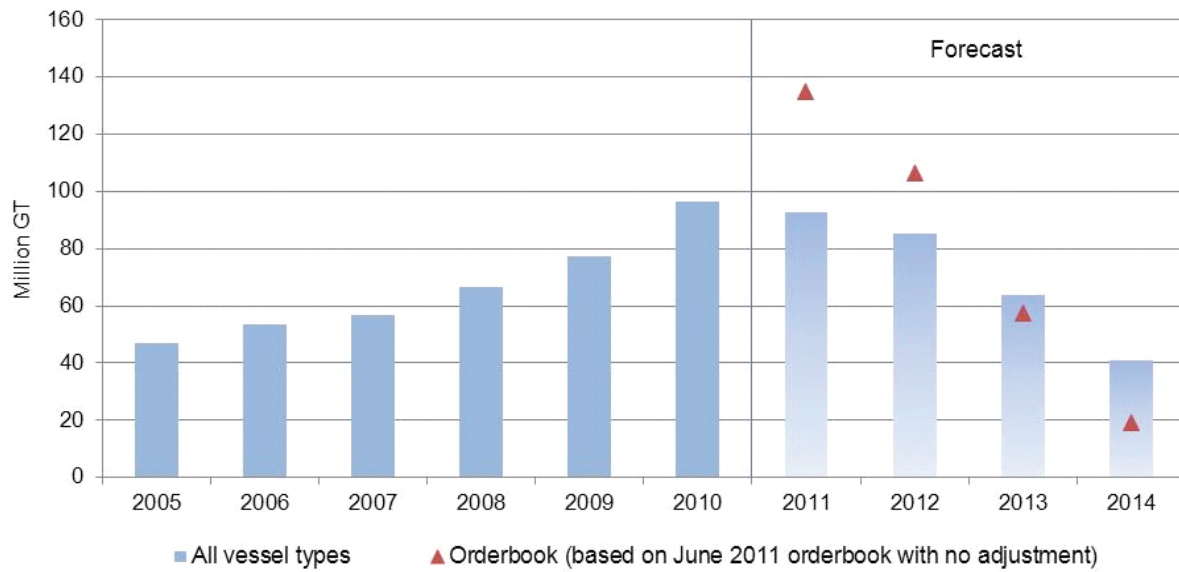
Source: ArcelorMittal's posthearing brief, exhibit 9, p. 7.

Domestic interested parties believe that the shipbuilding industry is declining.<sup>38</sup> As seen in figure IV-2, based on the present order book, completed new ship construction has begun to fall, and by 2014 it is forecasted to fall below 2005 levels.

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<sup>38</sup> Hearing transcript, pp. 12, 28, 68-71, 73-81 (Schagrin, Mosaluk, Price, Breckheimer, Rosenthal, Cannon, Morici).

**Figure IV-2**  
**Shipbuilding construction worldwide: Actual delivery and estimated delivery of shipbuilding, based on present order book, 2005-11 and 2011-14 (forecasted)**



Source: ArcelorMittal’s posthearing brief, exhibit 9, p. 33.

Japanese respondents believe that due to the large backlog of orders (as noted previously in figure IV-1), demand for CTL plate used in the shipbuilding industry will continue to remain strong.<sup>39</sup> \*\*\*.

**Figure IV-3**  
**Consumption of CTL plate for shipbuilding, by quantity, 2007-10 and 2011-14 (forecasted)**

\* \* \* \* \*

<sup>39</sup> Japanese producers’ prehearing brief, pp. 2, 17 and hearing transcript, pp. 173-174, 204-205 (Wood).

## Foreign Demand

U.S. producers, importers, purchasers, and foreign producers were asked how demand for CTL plate had changed outside the United States since 2005, as well as how they anticipate demand to change. Their responses are summarized in table IV-27 and are discussed below.

**Table IV-27**

**CTL plate: U.S. producer, importer, purchaser, and foreign producer responses regarding the demand for CTL plate outside the United States**

	Increase	No change	Decrease	Fluctuate
<b>Demand since 2005</b>				
U.S. producers	1	0	0	8
Importers	5	3	1	7
Purchasers	9	2	1	12
Italian producers (home market)	***	***	***	***
Korean producers (home market)	***	***	***	***
Japanese producers (home market)	***	***	***	***
Foreign producers (other markets)	6	0	0	0
<b>Anticipated demand changes</b>				
U.S. producers	2	0	0	7
Importers	10	2	0	3
Purchasers	13	1	0	13
Italian producers (home market)	***	***	***	***
Korean producers (home market)	***	***	***	***
Japanese producers (home market)	***	***	***	***
Foreign producers (other markets)	6	0	0	0
Source: Compiled from data submitted in response to Commission questionnaires.				

### *Overall foreign demand trends*

The majority of U.S. producers, importers and purchasers reported that foreign demand for CTL plate has either fluctuated or increased since 2005. The majority of firms reported the economic recession as the principal factor for the fluctuating demand. Two producers reported that infrastructure development in other countries has led to an increased demand. Six importers and four purchasers reported that demand has increased in emerging economies, such as Brazil, China, India, and other regions of Asia, due to increased infrastructure investment. Foreign producers were asked how demand has changed in foreign markets excluding their home market. \*\*\* responding foreign producers reported that demand has increased in other foreign markets. \*\*\* reported that demand has increased in South East Asia as well as the Middle East. \*\*\* reported that demand in Asia has been consistently strong since 2005 and the impact of the financial crisis on the demand for CTL plate has been limited.

U.S. producers, importers, and foreign producers were asked if they anticipate any change in demand for CTL plate outside the United States. The majority of U.S. producers, importers and purchasers anticipate increased or fluctuated foreign demand. Firms expect foreign demand to fluctuate during the recovery from the global recession. \*\*\* responding foreign producers anticipate that demand will increase in other foreign markets. \*\*\* reported that the demand for CTL plate will also continue to strengthen, particularly in China and other Asian markets, due to the growing demand in the energy sector.

### ***Demand trends in Italy***

\*\*\* reported that demand in the European Union has remained unchanged since 2005. \*\*\* anticipates that CTL plate consumption in the European market will remain stable in the near future.<sup>40</sup> Importer \*\*\* “believes that consumption in the European market will be stable in the near future, it expects continued growth in Turkey, North Africa, and the Middle East.”

### ***Demand trends in Japan***

Two Japanese foreign producers reported fluctuating demand. \*\*\* reported that demand for CTL plate in Japan had increased from 2005 to 2008 based on the strong production of shipbuildings, but due to the financial crisis domestic demand fell in 2009 and has been recovering in 2010. The majority of Japanese producers expect demand to remain unchanged in Japan. \*\*\* anticipates that in 2011 and 2012 demand in Japan will remain at the same levels as that in 2010. \*\*\* anticipates fluctuating demand, stating the although Japan has begun to recover from the financial crisis, the recovery is limited and the long-term trends are not yet clear.<sup>41</sup>

### ***Demand trends in Korea***

\*\*\* reported that there has been an enormous increase in demand for CTL plate in Korea and other Asian markets due to the booming demand in the shipbuilding industry and for the production of oil rigs and marine structures. \*\*\* anticipates that the demand for the shipbuilding, oil plant, and marine structure in Korea and other Asian markets will continuously increase for the foreseeable future.<sup>42</sup>

## **Prices**

Published price data are available from several reputable sources, although often such data are available by subscription only and cannot be reproduced without consent of their publisher. These data, however, are collected based on different product categories, timing, and commercial considerations, and so may not be directly comparable with each other. Moreover, such data are distinct from the pricing data presented in Part V of this report, which are collected directly from U.S. producers and U.S. importers according to precise product definitions.

Average world prices and country- and region-specific monthly transaction prices, as compiled by Management Engineering & Production Services (“MEPS”), are presented in figure IV-4 and table

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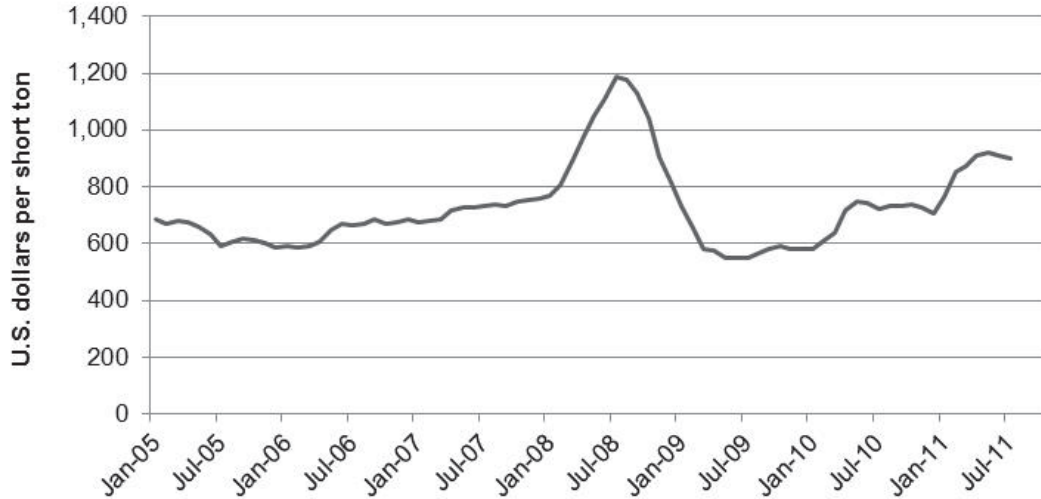
<sup>40</sup> Plate industry analysts reported that while the Italian commercial plate market is flat due to the current economic situation, the higher grade material for wind power as well as for the oil and gas industry are performing well. AMUSA’s posthearing brief, exhibit 12, *Steel Business Briefing*, October 17, 2011. \*\*\*

<sup>41</sup> \*\*\*.

<sup>42</sup> Steel analysts expect that demand in Korea will lag behind other major consumers in Asia in 2012, with a forecasted 3.6 percent increase in apparent consumption, below the regional average of 7.2 percent. \*\*\*.

IV-28. As the data show, the country- and region-specific monthly transaction prices follow roughly the same trends as the average world prices.

**Figure IV-4**  
**Average world prices for hot-rolled plate, January 2005 - July 2011**



Source: Compiled from data published by MEPS, found at <http://www.meps.co.uk/World%20Carbon%20Price.htm>.

**Table IV-28**  
**CTL plate: Prices for hot-rolled plates, by selected country, and by month, January 2005-October 2011**

\* \* \* \* \*

\*\*\* is another source of price data. \*\*\* compiles country- and region-specific pricing data, as shown in table IV-29.

**Table IV-29**  
**CTL plate: Spot prices for CTL plate, by selected country or region, and by month, January 2005-October 2011**

\* \* \* \* \*

## PART V: PRICING AND RELATED INFORMATION

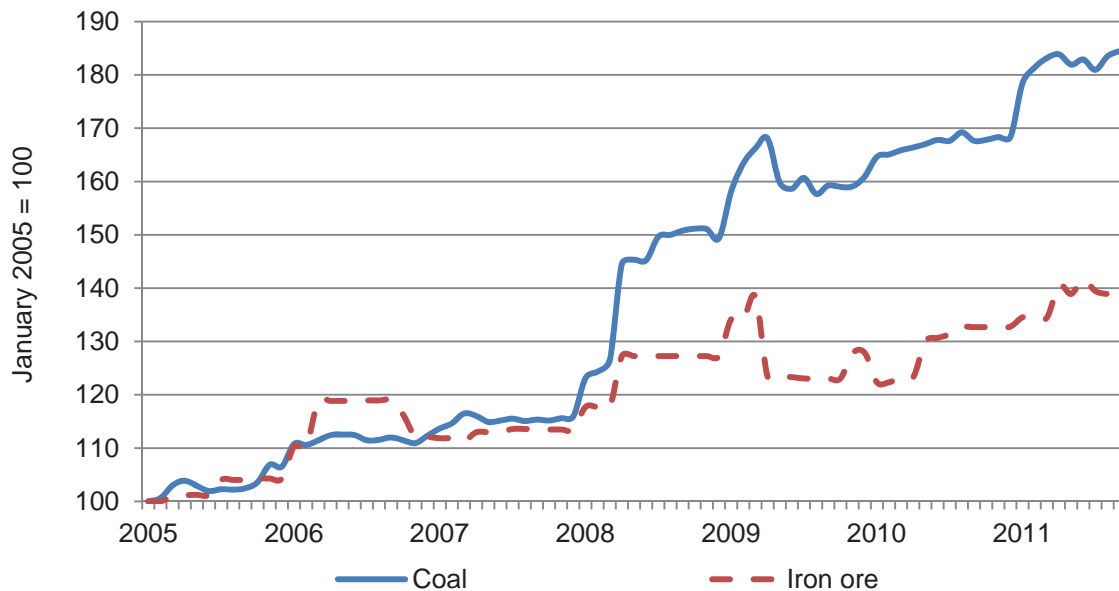
### FACTORS AFFECTING PRICES

#### Raw Material Costs

Raw materials constitute a substantial portion of the final costs of CTL plate. As discussed in greater detail in *Part III* of this report, raw material costs accounted for a weighted-average 61.3 percent of the total costs of goods sold during the period for which data were collected. The principal raw material inputs used to produce CTL plate are iron ore, coal, and steel scrap. Public data show that prices of iron ore and coal remained relatively stable during 2005-07 but began to rise in 2008, with coal prices increasing by 83 percent and iron ore increasing by 42 percent between January 2005 and June 2011 (figure V-1). During that period, the price of iron and steel scrap increased by 107 percent, with prices fluctuating between 2005-07 before rising steeply, then declining sharply in 2008, and steadily increasing since 2009 (figure V-2).

**Figure V-1**

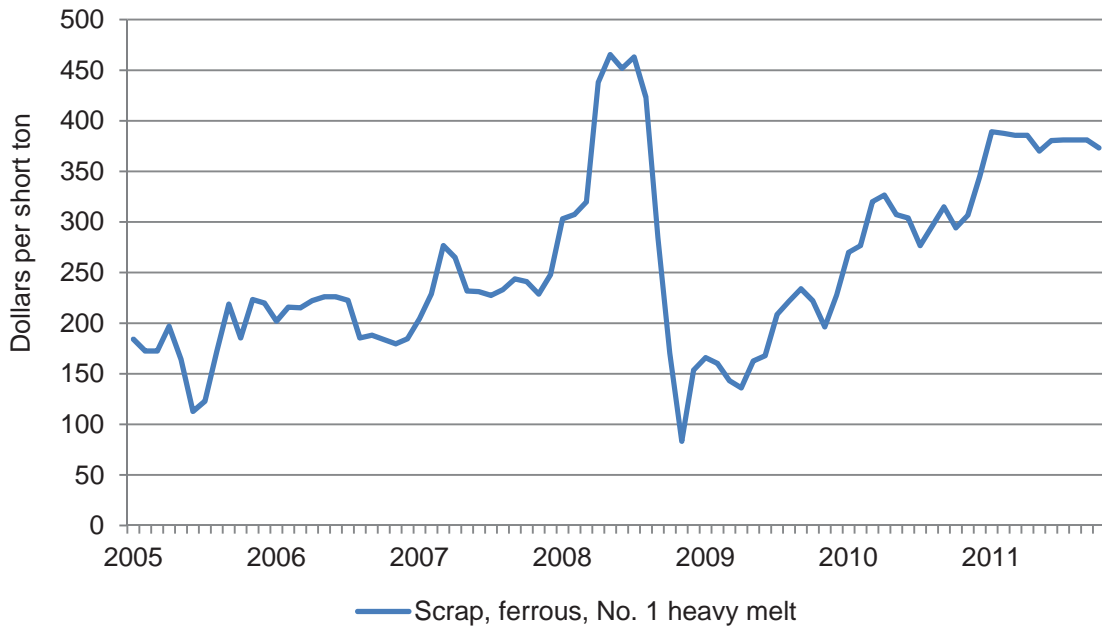
**Material costs: Producer price indexes of iron ore and coal by months, January 2005-September 2011**



Source: U.S. Bureau of Labor Statistics, <http://data.bls.gov/cgi-bin/srgate>, retrieved September 20, 2011.



**Figure V-2**  
**Material costs: Consumer prices of iron and steel scrap by months, January 2005-October 2011**



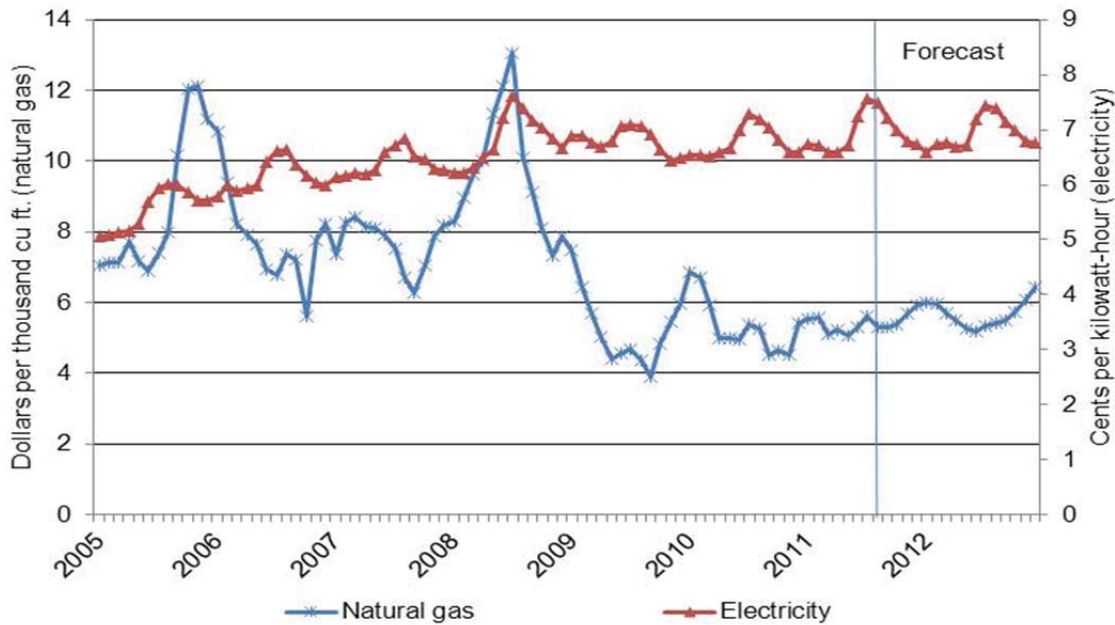
Source: American Metal Market, retrieved November 9, 2011.

Energy costs are another important factor in CTL plate production. Available data indicate that annual average industrial prices of electricity (per kilowatt hour) general increased from 5.07 cents in January 2005 to 7.25 cents in June 2010 (figure V-3).<sup>1</sup> 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 levels. The EIA forecasts that prices for electricity and natural gas will not vary appreciably from 2010 levels in 2011 and 2012.<sup>2</sup>

<sup>1</sup> 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.

<sup>2</sup> Short Term Energy Outlook, Energy Information Administration, retrieved from [www.eia.doe.gov](http://www.eia.doe.gov), October 26, 2011.

**Figure V-3**  
**Industrial natural gas and electricity: Monthly prices, January 2005-September 2011 and October 2011-December 2012 (forecast)**



Source: *Short Term Energy Outlook*, Energy Information Administration, retrieved from [www.eia.doe.gov](http://www.eia.doe.gov), October 26, 2011.

### 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. Five of six responding producers reported using raw material surcharges and energy surcharges. Producers reported that during 2005, scrap prices increased dramatically and so they implemented a raw material surcharge. Increases in scrap prices during mid-2008, 2010, as well as January 2011 to the present also prompted a raw material surcharge. Both responding subject importers reported that they have not implemented any surcharges or price escalation clauses since 2005.

### U.S. Inland Transportation Costs

The majority of producers (10 of 12) and half of responding importers (5 of 10) indicated that their firms generally arrange for transportation to customers' locations. U.S. producers reported that U.S. inland transportation costs for CTL plate ranged from 3 to 6 percent of the delivered price. Two responding importers of CTL plate reported that U.S. inland transportation costs of CTL plate ranged from 7 to 18 percent. Ten producers and four importers reported their share of sales by specified distance categories. U.S. producers' and importers' weighted-average U.S. shipment shares of domestic and imported CTL plate by specified distance categories from their U.S. shipping locations are shown in the following tabulation.

Distances shipped	Shares of U.S. shipments (percent)	
	U.S.-produced	Imported <sup>1</sup>
Within 100 miles	20.3	***
101 to 1,000 miles	71.1	***
Over 1,000 miles	8.5	***
<sup>1</sup> Two other importers provided information on their shipping distances but did not import CTL plate during 2010 such that they were not able to provide data for this tabulation. They both reported shipping the majority of their sales in distances of 101 to 1,000 miles.		
Source: Compiled from data submitted in response to Commission questionnaires.		

## PRICING PRACTICES

### Pricing Methods

Petitioners reported that prices for the majority of the CTL plate market are based on a bulk commodity-grade product, in which extras for grades, thickness, chemistries, and other specifications are then added into the base price. These extra costs are separate from surcharges.<sup>3</sup> The majority of firms (9 of 12 producers and 10 of 14 importers) quote prices of CTL plate on an f.o.b. basis with the remaining firms quoting prices on a delivered basis. Producers' sales terms are generally 0.5/10 net 30 days, and importers are generally net 30 days. Ten producers and 11 importers reported selling CTL plate on a transaction-by-transaction basis, five producers and three importers reported selling through contracts, two producers and two importers reported using set price lists, and one importer reported "other."<sup>4</sup>

### Sales Terms and Discounts

Four producers reported offering both quantity discounts and annual total volume discounts, one producer reported offering only quantity discounts, one producer reported offering only annual total volume discounts, and two producers reported offering early payment discounts. The remaining 4 of 12 producers reported they do not offer any discounts. The majority of importers (10 of 12) reported that they do not have any discount policies. Two importers reported offering quantity discounts, and one reported offering annual total volume discounts.

### Contract vs. Spot Sales

CTL plate is most commonly sold on a spot basis. Eleven U.S. producers and seven importers reported their 2010 U.S. commercial shipments of CTL plate by type of sale; their shipment shares, based on quantity, are shown in table V-1.

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<sup>3</sup> Hearing transcript, pp. 102-103 (Moskaluk and Biegalski).

<sup>4</sup> \*\*\* reported that the price of Offshore Grade TMCP is determined by the end user or consumer project specifications and mill qualification requirements.

**Table V-1**

**CTL plate: U.S. producers' and importers' U.S. commercial shipments by type of sale, 2010**

Type of sale	Shares of 2010 U.S. commercial shipments ( <i>percent</i> )	
	U.S. producers	Importers <sup>1</sup>
Spot	69.6	98.9
Short-term contracts	28.4	0.6
Long-term contracts	2.0	0.6
Total	100.0	100.0

<sup>1</sup> Four additional importers (\*\*\*) provided information on their sales but did not import CTL plate during 2010, such that they were not able to provide data for this table. \*\*\* reported selling on a spot basis, and \*\*\* reported selling primarily via short-term contracts.

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

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

Two producers reported that their long-term contracts typically ranged from one to three years, and seven producers reported that their short-term contracts ranged from 90 days to one year. The majority of producers reported that both their long-term and short-term contracts can be renegotiated. Six producers reported that both price and quantity are initially fixed. Five producers reported that contracts generally do not contain meet-or-release provisions. Two importers reported that their contracts cannot be renegotiated, fix both price and quantity, and generally do not contain meet-or-release provisions.

**PRICE DATA**

The Commission requested U.S. producers and importers provide quarterly data for the total quantity and f.o.b. value of the following CTL plate products shipped to unrelated U.S. customers during January 2005-June 2011.

**Product 1.**—Hot-rolled carbon-quality plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 0.50" through 0.99" in thickness.

**Product 2.**-- Hot-rolled carbon-quality plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 1.00" through 2.00" in thickness.

**Product 3.**-- Hot-rolled carbon-quality plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 4.00" through 6.00" in thickness.

**Product 4.** -- Hot-rolled carbon-quality plate, API-2H Grade 50, normalized, sheared edge, not cleaned or oiled, in cut lengths, over 72" through 150" in width, 0.375" through 3.00" in thickness.

**Product 5.** -- Hot-rolled carbon-quality plate, ASTM A-516 Grade 70 normalized, sheared edge, not cleaned or oiled, in cut lengths, over 48" in width, 0.50" through 3.00" in thickness.

**Product 6.**-- Hot-rolled wide flat bar, in free-cutting grades, in cut lengths, 6" through 12" in width, 0.25" through 2" in thickness.

Eight producers and two importers provided price data. Six producers (\*\*\*) provided price data for product 1; six producers (\*\*\*) provided price data for product 2; four producers (\*\*\*) provided price data for product 3; two producers (\*\*\*) provided price data for product 4; five producers (\*\*\*) provided price data for product 5; and two producers (\*\*\*) provided price data for product 6. Importer \*\*\* provided price data for products 1-3 and importer \*\*\* provided price data for products 2-3. By quantity, pricing data by responding firms accounted for approximately 12.5 percent of U.S. producers' commercial shipments during January 2005-June 2011, \*\*\* percent of reported U.S. commercial shipments of imports from Italy, and \*\*\* percent of reported U.S. commercial shipments of imports from Korea.

### Price Trends

As show in tables V-2 through V-7 and in figures V-4 through V-9, weighted-average f.o.b. sale prices of all U.S.-produced CTL plate products fluctuated but increased substantially from their 2005 levels. Overall, prices of all U.S.-produced CTL plate fell by 40 to 57 percent between the third quarter of 2008 and the third quarter of 2009. Beginning in 2010, prices of all U.S.-produced CTL plate have generally increased through the second quarter of 2011.<sup>5</sup>

Domestic prices for products 1 and 2 remained relatively stable from 2005-07 and then spiked during April-December 2008. Prices then fell to below 2005 levels during April 2009-March 2010 before increasing through the first half of 2011.

Domestic prices for product 3 gradually increased with a small peak in the fourth quarter of 2006 and a much larger peak during fourth quarter of 2008. Prices for product 3 then began to fall through January-March 2011 before increasing through the second quarter of 2011.

Domestic prices for products 4 and 5 steadily increased from 2005, peaking in the fourth quarter of 2008, before falling until the fourth quarter of 2009. Prices then increased through the first half of 2011.

Domestic prices for product 6 began to increase in 2005, peaking once in the third quarter of 2005 and again in the third quarter of 2008. Prices for product 6 then fell until the first quarter of 2010 before increasing through the first half of 2011.

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<sup>5</sup> Plate industry analysts reported that since the second quarter of 2011, domestic prices for CTL plate have fallen due to purchasers' uncertain economic outlook and underpriced imports. U.S. plate prices for mid-sized shipments have continued to fall from \$1,120 per ton during the second quarter of 2011, to \$1,000 per ton during mid-September 2011, and to between \$940 and \$945 per ton during early-November 2011. Prices have continued to decrease despite stable orders and shipment levels. Prices are not anticipated to increase until 2012. AMM, *Steel Plate Prices Slide on Import Pressure*, November 4, 2011; and AMM, *Steel Plate Tags Soften Despite Steady Demand*, September 26, 2011. According to plate industry analysts, U.S. imports of plate have begun to decrease due to the falling domestic plate prices. In October 2011 when domestic prices for plate were estimated at \$990 per ton, imported plate ranged from \$850 to \$880 for medium plate and \$900 to \$1,000 for heavy plate. AMM, *Plate Imports Lose Steam, Domestic Tags Soften*, October 13, 2011.

Table V-2

CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 1,<sup>1</sup> and margins of underselling/(overselling), by quarters, January 2005-June 2011

Period	United States		Korea		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)
<b>2005:</b>					
January-March	\$700.01	39,820	\$***	***	***
April-June	***	***	***	***	***
July-September	676.32	34,787	***	***	***
October-December	692.77	44,106	***	***	***
<b>2006:</b>					
January-March	698.87	49,408	***	***	***
April-June	730.35	62,629	***	***	***
July-September	756.97	51,674	***	***	***
October-December	764.76	31,588	***	***	***
<b>2007:</b>					
January-March	736.80	35,872	***	***	***
April-June	759.30	33,369	***	***	***
July-September	747.52	40,245	***	***	***
October-December	723.37	41,800	***	***	***
<b>2008:</b>					
January-March	763.13	46,736	***	***	***
April-June	940.13	53,045	***	***	***
July-September	1,222.70	67,757	***	***	***
October-December	***	***	***	***	***
<b>2009:</b>					
January-March	743.36	27,967	***	***	***
April-June	***	***	***	***	***
July-September	558.49	41,534	--	0	--
October-December	***	***	--	0	--
<b>2010:</b>					
January-March	603.94	56,962	--	0	--
April-June	***	***	--	0	--
July-September	733.98	64,905	--	0	--
October-December	693.89	69,453	--	0	--
<b>2011:</b>					
January-March	800.46	77,376	--	0	--
April-June	947.74	66,253	--	0	--

<sup>1</sup> Product 1.--Hot-rolled carbon-quality plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 0.50" though 0.99" in thickness.

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

**Table V-3**

**CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 2,<sup>1</sup> and margins of underselling/(overselling), by quarters, January 2005-June 2011**

Period	United States		Italy			Korea		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
<b>2005:</b>								
January-March	\$729.67	40,704	--	0	--	\$***	***	***
April-June	727.85	37,731	--	0	--	***	***	***
July-September	699.38	35,884	--	0	--	***	***	***
October-December	720.84	50,971	--	0	--	***	***	***
<b>2006:</b>								
January-March	717.91	62,777	--	0	--	***	***	***
April-June	747.83	65,690	--	0	--	***	***	***
July-September	783.72	54,078	--	0	--	***	***	***
October-December	777.96	43,130	--	0	--	***	***	***
<b>2007:</b>								
January-March	753.74	46,720	--	0	--	***	***	***
April-June	769.59	48,983	--	0	--	***	***	***
July-September	745.13	53,945	--	0	--	***	***	***
October-December	719.72	52,347	--	0	--	***	***	***
<b>2008:</b>								
January-March	758.61	68,203	--	0	--	***	***	***
April-June	948.27	69,882	--	0	--	***	***	***
July-September	1,260.19	61,973	--	0	--	***	***	***
October-December	1,227.46	18,402	--	0	--	***	***	***
<b>2009:</b>								
January-March	739.75	14,951	\$***	***	***	***	***	***
April-June	547.16	13,006	--	0	--	***	***	***
July-September	547.31	22,928	--	0	--	--	0	--
October-December	591.89	18,224	--	0	--	***	***	***
<b>2010:</b>								
January-March	627.32	32,444	--	0	--	--	0	--
April-June	747.84	41,740	--	0	--	--	0	--
July-September	760.25	40,031	--	0	--	--	0	--
October-December	711.95	44,123	--	0	--	***	***	***
<b>2011:</b>								
January-March	***	***	--	0	--	--	0	--
April-June	***	***	--	0	--	--	0	--

<sup>1</sup> Product 2.--Hot-rolled carbon-quality plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 1.00" through 2.00" in thickness.

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



Table V-4

CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 3,<sup>1</sup> and margins of underselling/(overselling), by quarters, January 2005-June 2011

Period	United States		Italy			Korea		
	Price (per short ton)	Quantity (short tons)	Price (per short ton)	Quantity (short tons)	Margin (percent)	Price (per short ton)	Quantity (short tons)	Margin (percent)
<b>2005:</b>								
January-March	\$814.03	7,874	--	0	--	--	0	--
April-June	829.26	11,408	--	0	--	--	0	--
July-September	840.43	7,195	--	0	--	\$***	***	***
October-December	***	***	--	0	--	***	***	***
<b>2006:</b>								
January-March	***	***	--	0	--	***	***	***
April-June	896.07	8,201	--	0	--	***	***	***
July-September	***	***	--	0	--	***	***	***
October-December	***	***	--	0	--	***	***	***
<b>2007:</b>								
January-March	***	***	--	0	--	***	***	***
April-June	***	***	--	0	--	***	***	***
July-September	***	***	--	0	--	***	***	***
October-December	***	***	--	0	--	***	***	***
<b>2008:</b>								
January-March	***	***	--	0	--	***	***	***
April-June	***	***	--	0	--	***	***	***
July-September	***	***	--	0	--	***	***	***
October-December	1,511.30	6,196	--	0	--	***	***	***
<b>2009:</b>								
January-March	1,155.74	3,584	\$***	***	***	***	***	***
April-June	854.87	3,678	--	0	--	***	***	***
July-September	862.77	6,159	--	0	--	--	0	--
October-December	844.72	4,890	--	0	--	***	***	***
<b>2010:</b>								
January-March	930.85	4,412	--	0	--	***	***	***
April-June	978.41	7,794	--	0	--	***	***	***
July-September	1,049.04	4,075	--	0	--	***	***	***
October-December	983.74	5,251	--	0	--	***	***	***
<b>2011:</b>								
January-March	1,133.22	6,261	--	0	--	***	***	***
April-June	1,313.83	6,914	--	0	--	***	***	***

<sup>1</sup> Product 3.--Hot-rolled carbon-quality plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 4.00" through 6.00" in thickness.

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

**Table V-5**  
**CTL plate: Weighted-average f.o.b. prices and quantities of domestic product 4,<sup>1</sup> by quarters, January 2005-June 2011**

Period	United States	
	Price (per short ton)	Quantity (short tons)
<b>2005:</b>		
January-March	\$***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2006:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2007:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2008:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2009:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2010:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2011:</b>		
January-March	***	***
April-June	***	***

<sup>1</sup> Product 4.--Hot-rolled carbon-quality plate, API-2H Grade 50, normalized, sheared edge, not cleaned or oiled, in cut lengths, over 72" through 150" in width, 0.375" through 3.00" in thickness.

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

**Table V-6**  
**CTL plate: Weighted-average f.o.b. prices and quantities of domestic product 5,<sup>1</sup> by quarters, January 2005-June 2011**

Period	United States	
	Price (per short ton)	Quantity (short tons)
<b>2005:</b>		
January-March	\$***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2006:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2007:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2008:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2009:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2010:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	946.99	11,214
<b>2011:</b>		
January-March	***	***
April-June	1,186.90	21,545

<sup>1</sup> Product 5.--Hot-rolled carbon-quality plate, ASTM A-516 Grade 70 normalized, sheared edge, not cleaned or oiled, in cut lengths, over 48" in width, 0.50" through 3.00" in thickness.

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

Table V-7

CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 6,<sup>1</sup> and margins of underselling, by quarters, January 2005-June 2011

Period	United States	
	Price (per short ton)	Quantity (short tons)
<b>2005:</b>		
January-March	\$***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2006:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2007:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2008:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2009:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2010:</b>		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
<b>2011:</b>		
January-March	***	***
April-June	***	***

<sup>1</sup> Product 6.--Hot-rolled wide flat bar, in free-cutting grades, in cut lengths, 6" through 12" in width, 0.25" through 2" in thickness.

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

**Figure V-4**  
**CTL plate: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported product 1, by quarters, January 2005-June 2011**

\* \* \* \* \*

**Figure V-5**  
**CTL plate: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported product 2, by quarters, January 2005-June 2011**

\* \* \* \* \*

**Figure V-6**  
**CTL plate: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported product 3, by quarters, January 2005-June 2011**

\* \* \* \* \*

**Figure V-7**  
**CTL plate: Weighted-average quarterly f.o.b. selling prices and quantities of domestic product 4, by quarters, January 2005-June 2011**

\* \* \* \* \*

**Figure V-8**  
**CTL plate: Weighted-average quarterly f.o.b. selling prices and quantities of domestic product 5, by quarters, January 2005-June 2011**

\* \* \* \* \*

**Figure V-9**  
**CTL plate: Weighted-average quarterly f.o.b. selling prices and quantities of domestic product 6, by quarters, January 2005-June 2011**

\* \* \* \* \*

**Table V-8**  
**CTL plate: Summary of weighted-average f.o.b. prices for products 1-6 from the United States, Italy, and Korea**

Item	Number of quarters	Low price (per short ton)	High price (per short ton)	Change in price <sup>1</sup> (percent)
<b>Product 1</b>				
United States	26	\$558.49	\$1,222.70	35.4
Korea	18	***	***	***
<b>Product 2</b>				
United States	26	547.16	1,260.19	***
Italy	1	***	***	--
Korea	20	***	***	***
<b>Product 3</b>				
United States	26	814.03	1,511.30	61.4
Italy	1	***	***	--
Korea	23	***	***	***
<b>Product 4</b>				
United States	26	***	***	***
<b>Product 5</b>				
United States	26	***	***	***
<b>Product 6</b>				
United States	26	***	***	***
<sup>1</sup> Percentage change from the first quarter in which price data were available to the last quarter in which price data were available, based on unrounded data.  Source: Compiled from data submitted in response to Commission questionnaires.				

The weighted-average f.o.b. sale prices for CTL plate imported from Korea generally followed the trends displayed by domestically produced CTL plate. However, prices for Korean-produced products 1-3 increased more steeply during the fourth quarter of 2008 and first quarter of 2009. For imported Italian products, only one quarter of data is available for product 2 and 3, so trends are not available.

The majority of purchasers reported that prices of domestically produced CTL plate has changed by the same amount as the prices of CTL plate imported from India, Indonesia, Italy, and Japan since 2005 (table V-9). For price comparisons between domestically produced CTL plate and CTL plate imported from Korea, 9 of 15 purchasers reported that prices have changed by the same amount, and 6 reported that U.S. prices have increased relative to the price of subject imports from Korea. The majority of purchasers indicated that prices of U.S.-produced CTL plate have changed by the same amount as prices of imports from nonsubject countries.

**Table V-9****CTL plate: Comparison of relative prices, by source, as reported by U.S. purchasers**

Country pair	Prices have changed by same amount	U.S. prices have increased relative to source	U.S. prices have decreased relative to source
U.S. vs. India	6	2	0
U.S. vs. Indonesia	5	1	0
U.S. vs. Italy	8	2	0
U.S. vs. Japan	8	1	0
U.S. vs. Korea	9	6	0
U.S. vs. nonsubject	19	6	0

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

### Price Comparisons

Margins of underselling and overselling for the period are presented by pricing product and by year in table V-10 below. The data show that prices of imports from Italy were lower than the U.S. producers' price in 1 of 2 quarterly comparisons (\*\*\*) , with an underselling margin of \*\*\* percent. The price of imports from Italy were higher than U.S. producers' prices in 1 quarterly comparison (\*\*\*) , with an overselling margin of \*\*\* percent. The data show that prices of imports from Korea were lower than U.S. producers' prices in 36 of 61 quarterly comparisons (\*\*\*) , with underselling margins ranging from 0.4 to 27.1 percent, and an average margin of 9.5 percent. Underselling occurred primarily in \*\*\*. The prices of imports from Korea were higher than U.S. producers' prices in 25 quarterly comparisons \*\*\*, with overselling margins ranging from (1.3) to (81.6) percent, and an average margin of (17.7) percent. Overselling primarily occurred during the economic downturn in 2009.



**Table V-10**  
**CTL plate: Summary of underselling/(overselling) by product and by year from Italy and Korea,**  
**January 2005-June 2011<sup>1</sup>**

Item	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
<b>By product:</b>						
Product 1	***	***	***	***	***	***
Product 2	***	***	***	***	***	***
Product 3	***	***	***	***	***	***
<b>By year:</b>						
2005	***	***	***	***	***	***
2006	***	***	***	***	***	***
2007	***	***	***	***	***	***
2008	***	***	***	***	***	***
2009	***	***	***	***	***	***
2010	***	***	***	***	***	***
2011	***	***	***	***	***	***
<b>By country:</b>						
Italy	1	***	***	1	***	***
Korea	36	0.4 to 27.1	9.5	25	(1.3) to (81.6)	(17.7)
Total	37	***	***	26	***	***

<sup>1</sup> In the original investigations, there were 181 possible price comparisons between U.S.-produced CTL plate and comparable imports from India, Indonesia, Italy, Japan, and Korea. In 128 of those, subject imports undersold the domestic product; in the remaining 53 instances, subject product oversold the domestic product. For India, there were 24 instances of underselling and 2 instances of overselling, with an average margin of underselling of 9.5 percent. For Indonesia, there were 39 instances of underselling and 0 instances of overselling, with an average margin of underselling of 13.1 percent. For Italy, there were 27 instances of underselling and 8 instances of overselling, with an average margin of underselling of 16.0 percent. For Japan, there were 15 instances of underselling and 25 instances of overselling, with an average margin of underselling of 7.9 percent. For Korea, there were 23 instances of underselling and 18 instances of overselling, with an average margin of underselling of 10.5 percent. In the first reviews, there were 70 possible price comparisons, in which subject imports undersold the domestic product in 55 possible price comparisons. There were no price data reported for imports from India. For Indonesia, there were two instances of underselling and 0 instances of overselling. For Italy, there were 8 instances of underselling and 2 instances of overselling. For Japan, there was 1 instance of underselling and 5 instances of overselling. For Korea, there were 44 instances of underselling and 8 instances of overselling.

<sup>2</sup> Not applicable.

Source: Compiled from data submitted in response to Commission questionnaires, *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-387-391 and 731-TA-816-821 (Final)*, USITC Publication 3273, January 2000 and *Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Inv. Nos. 701-TA-387-391 and 731-TA-816-821 (Review)*, USITC Publication 3816, November 2005.

**APPENDIX A**  
***FEDERAL REGISTER* NOTICES**



the information specified below to the Commission;<sup>1</sup> to be assured of consideration, the deadline for responses is December 1, 2010. Comments on the adequacy of responses may be filed with the Commission by January 14, 2011. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

**DATES:** *Effective Date:* November 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>). 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 February 10, 2000, the Department of Commerce (“Commerce”) issued countervailing duty orders on imports of CTL carbon steel plate from India, Indonesia, Italy, and Korea (65 FR 6587) and antidumping duty orders on imports of CTL carbon steel plate from India, Indonesia, Italy, Japan, and Korea (65 FR 6585). Following five-year reviews by Commerce and the Commission, effective December 6, 2005, Commerce issued a continuation of the countervailing duty orders on CTL carbon steel plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on CTL carbon steel plate from India, Indonesia, Italy, Japan, and Korea (70 FR 72607). The Commission

is now conducting second reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

*Definitions.*—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The *Subject Countries* in these reviews are India, Indonesia, Italy, Japan, and Korea.

(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 and its full first five-year review determinations, the Commission defined the *Domestic Like Product* as all domestically produced CTL steel plate that corresponds to Commerce's scope description, including grade X–70 plate, micro-alloy steel plate, and plate cut from coils.

(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 and its full first five-year review determinations, the Commission defined the *Domestic Industry* as all producers of CTL steel plate, whether toll producers, integrated producers, or processors.

(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

**INTERNATIONAL TRADE COMMISSION**

[Investigations Nos. 701–TA–388–391 and 731–TA–817–821 (Second Review)]

**Cut-To-Length Carbon Steel Plate From India, Indonesia, Italy, Japan, and Korea**

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of a five-year review concerning the countervailing duty orders on cut-to-length (“CTL”) carbon steel plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on CTL carbon steel plate from India, Indonesia, Italy, Japan, and Korea.

**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 CTL carbon steel plate from India, Indonesia, Italy, and Korea and the antidumping duty orders on CTL carbon steel plate from India, Indonesia, Italy, Japan, and Korea 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

<sup>1</sup> No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 11–5–229, 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.

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 December 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 January 14, 2011. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

**Inability to provide requested information.**—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination 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*, 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 the *Subject Country* accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country*; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country*.

(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: October 26, 2010.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 2010-27441 Filed 10-29-10; 8:45 am]

**BILLING CODE 7020-02-P**

<sup>1</sup> No response to this request for information is required if a currently valid Office of Management

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:* November 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 and Constitution Avenue, NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

**SUPPLEMENTARY INFORMATION:**

**Background**

The Department’s procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department’s conduct of Sunset Reviews is set forth in the Department’s Policy Bulletin 98.3—*Policies Regarding the Conduct of Five-Year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998).

**Initiation of Review**

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping and countervailing duty orders:

**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

DOC case No.	ITC case No.	Country	Product	Department contact
A–533–817 .....	731–TA–817 .....	India .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482–4136.
A–560–805 .....	731–TA–818 .....	Indonesia .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482–4136.
A–475–826 .....	731–TA–819 .....	Italy .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482–4136.
A–588–847 .....	731–TA–820 .....	Japan .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482–4136.
A–580–836 .....	731–TA–821 .....	South Korea .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482–4136.
A–475–703 .....	731–TA–385 .....	Italy .....	Certain Cut-to-Length Carbon-Quality Steel Plate (3rd Review).	David Goldberger (202) 482–4136.
A–588–707 .....	731–TA–386 .....	Japan .....	Granular Polytetrafluoroethylene (3rd Review).	David Goldberger (202) 482–4136.
A–588–866 .....	731–TA–1090 .....	Japan .....	Superalloy Degassed Chromium .....	Dana Mermelstein (202) 482–1391.
A–570–827 .....	731–TA–669 .....	PRC .....	Cased Pencils (3rd Review) .....	David Goldberger (202) 482–4136.
A–570–804 .....	731–TA–464 .....	PRC .....	Sparklers (3rd Review) .....	Jennifer Moats (202) 482–5047.
A–533–809 .....	731–TA–639 .....	India .....	Forged Stainless Steel Flanges (3rd Review).	Dana Mermelstein (202) 482–1391.



DOC case No.	ITC case No.	Country	Product	Department contact
A-583-821 .....	731-TA-640 .....	Taiwan .....	Forged Stainless Steel Flanges (3rd Review).	Dana Mermelstein (202) 482-1391.
C-533-818 .....	701-TA-388 .....	India .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482-4136.
C-560-806 .....	701-TA-389 .....	Indonesia .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482-4136.
C-475-827 .....	701-TA-390 .....	Italy .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482-4136.
C-580-837 .....	701-TA-391 .....	South Korea .....	Certain Cut-to-Length Carbon-Quality Steel Plate (2nd Review).	David Goldberger (202) 482-4136.

### 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(c), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304-306.

### Information Required From Interested Parties

Domestic interested parties defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b)) wishing to participate in a Sunset Review must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19

CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the order without further review. See 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements. Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews.<sup>1</sup> Please consult the Department's regulations at 19 CFR part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218 (c).

Dated: October 27, 2010.

**Susan H. Kuhbach,**

*Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.*

[FR Doc. 2010-27522 Filed 10-29-10; 8:45 am]

**BILLING CODE 3510-DS-P**

<sup>1</sup> In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests to extend that five-day deadline based upon a showing of good cause.

**INTERNATIONAL TRADE  
COMMISSION**

**[Investigation Nos. 701-TA-388-391 and  
731-TA-817-821 (Second Review)]**

**Cut-to-Length Carbon Steel Plate From  
India, Indonesia, Italy, Japan and  
Korea**

**AGENCY:** United States International  
Trade Commission.

**ACTION:** Notice of Commission  
determination to conduct full five-year  
reviews concerning the countervailing  
duty orders on cut-to-length carbon steel  
plate from India, Indonesia, Italy, and  
Korea and the antidumping duty orders  
on cut-to-length carbon steel plate from  
India, Indonesia, Italy, Japan, and Korea.

**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 cut-to-length carbon steel  
plate from India, Indonesia, Italy, and  
Korea and the antidumping duty orders  
on cut-to-length carbon steel plate from  
India, Indonesia, Italy, Japan, and Korea  
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:* February 4, 2011.

**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  
this review may be viewed on the  
Commission's electronic docket (EDIS)  
at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:** On  
February 4, 2011, 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 67108, November 1, 2010) was  
adequate, and that the respondent  
interested party group responses with  
respect to Italy, Japan, and Korea were  
adequate and decided to conduct full  
reviews with respect to the antidumping  
duty orders concerning cut-to-length  
carbon steel plate from Italy, Japan, and  
Korea, and the countervailing duty  
orders concerning cut-to-length carbon  
steel plate from Italy and Korea. The  
Commission found that the respondent  
interested party group responses with  
respect to India and Indonesia were  
inadequate. However, the Commission  
determined to conduct full reviews  
concerning subject imports from India  
and Indonesia to promote  
administrative efficiency in light of its  
decision to conduct full reviews with  
respect to subject imports from Italy,  
Japan, and Korea. A record of the  
Commissioners' votes, the  
Commission's statement on adequacy,  
and any individual Commissioner's  
statements will be available from the  
Office of the Secretary and at the  
Commission's Web site.

**Authority:** These reviews are being  
conducted under authority of title VII of the  
Tariff Act of 1930; this notice is published  
pursuant to section 207.62 of the  
Commission's rules.

By order of the Commission.

Issued: February 10, 2011.

**William R. Bishop,**

*Hearings and Meetings Coordinator.*

[FR Doc. 2011-3337 Filed 2-14-11; 8:45 am]

**BILLING CODE P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-533-817, A-560-805, A-475-826, A-588-847, A-580-836]**

**Certain Cut-to-Length Carbon-Quality Steel Plate From India, Indonesia, Italy, Japan, and the Republic of Korea; Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On December 1, 2010, the Department of Commerce (the Department) initiated the second sunset reviews of the antidumping duty orders on certain cut-to-length carbon-quality steel plate (CTL Plate) from India, Indonesia, Italy, Japan, and the Republic of Korea, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). The Department has conducted expedited (120-day) sunset reviews for these orders pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2). As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping.

**FOR FURTHER INFORMATION CONTACT:** David Goldberger or Gemal Brangman, 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) 482-4136 and (202) 482-3773, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On December 1, 2010, the Department published the notice of initiation of the second sunset reviews of the antidumping duty orders on CTL Plate from India, Indonesia, Italy, Japan, and the Republic of Korea, pursuant to section 751(c) of the Act. *See Initiation of Five-Year ("Sunset") Review*, 75 FR 74685 (December 1, 2010).

The Department received notices of intent to participate from the following domestic parties within the deadline specified in 19 CFR 351.218(d)(1)(i): ArcelorMittal Steel USA Inc., Evraz Claymont Steel, Evraz Oregon Steel Mills, Nucor Corporation, and SSAB

N.A.D (collectively "the domestic interested parties"). These parties claimed interested party status under section 771(9)(C) of the Act and 19 CFR 351.102(b), as domestic manufacturers and producers of the domestic like product.

The Department received complete (collective) 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 CTL Plate from India, Indonesia, Italy, Japan, and the Republic of Korea.

**Scope of the Orders**

The products covered under the CTL Plate antidumping duty orders are certain hot-rolled carbon-quality steel: (1) Universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, and of a nominal or actual thickness of not less than 4 mm, which are cut-to-length (not in coils) and without patterns in relief, of iron or non-alloy-quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils). Steel products to be included in the scope of the orders are of rectangular, square, circular or other shape and of rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non-metallic substances are included within the scope. Also, specifically included in the scope of the orders are high strength, low alloy (HSLA) steels. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Steel products to be included in the scope, regardless of Harmonized Tariff Schedule of the United States (HTSUS) definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements, (2) the

<sup>11</sup> A party named or added to temporary denial order as a related person may appeal its inclusion as a related person, but not the underlying basis for the issuance of the TDO. See Section 766.23(c).

carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of the orders unless otherwise specifically excluded. The following products are specifically excluded from the orders: (1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion-resistant steels (*i.e.*, USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.

Regarding the scope of the order for Japan, the following additional exclusions apply with respect to abrasion-resistant steels: NK-EH-360 (NK Everhard 360) and NK-EH-500 (NK Everhard 500). NK-EH-360 has the following specifications: (a) Physical Properties: Thickness ranging from 6–50 mm, Brinell Hardness: 361 min.; (b) Heat Treatment: controlled heat treatment; and (c) Chemical Composition (percent weight): C: 0.20 max., Si: 0.55 max., Mn: 1.60 max., P: 0.030 max., S: 0.030 max., Cr: 0.40 max., Ti: 0.005–0.020, B: 0.004 max. NK-EH-500 has the following specifications: (a) Physical Properties: Thickness ranging from 6–50 mm, Brinell Hardness: 477 min.; (b) Heat Treatment: Controlled heat treatment; and (c) Chemical Composition (percent weight): C: 0.35 max., Si: 0.55 max., Mn: 1.60 max., P: 0.030 max., S: 0.030 max., Cr: 0.80 max., Ti: 0.005–0.020, B: 0.004 max.

The merchandise subject to the orders is currently classifiable in the HTSUS under subheadings: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000,

7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by the 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 Certain Cut-To-Length Carbon-Quality Steel Plate from India, Indonesia, Italy, Japan, and the Republic of Korea” from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration (Decision Memo), which is hereby adopted by, and issued concurrently with, 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/fjn>. 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 CTL Plate from India, Indonesia, Italy, Japan, and the Republic of Korea would be likely to lead to continuation or recurrence of dumping at the rates listed below:

<i>Exporter/manufacturer</i>	<i>Margin percentage</i>
India:	
Steel Authority of India, Ltd ..	42.39
All Others .....	42.39
Indonesia:	
PT Gunawan Dianjaya/PT Jaya Pari Steel Corporation .....	50.80
PT Krakatau Steel .....	52.42
All Others .....	50.80
Italy:	
Palini and Bertoli S.p.A .....	7.64
All Others .....	7.64
Japan:	

<i>Exporter/manufacturer</i>	<i>Margin percentage</i>
Kawasaki Steel Corporation	9.46
Kobe Steel, Ltd .....	59.12
Nippon Steel Corporation .....	59.12
NKK Corporation .....	59.12
Sumitomo Metal Industries, Ltd .....	59.12
All Others .....	9.46
Republic of Korea:	
Dongkuk Steel Mill Co., Ltd ..	2.98
All Others .....	2.98

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: March 1, 2011.

**Ronald K. Lorentzen,**  
*Deputy Assistant Secretary for Import Administration.*

[FR Doc. 2011–5125 Filed 3–4–11; 8:45 am]

**BILLING CODE 3510-DS-P**



Department”) initiated the second sunset reviews of the countervailing duty (“CVD”) orders on certain cut-to-length carbon-quality steel plate from India, Indonesia, Italy, and the Republic of Korea (“Korea”) pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). On the basis of notices of intent to participate and adequate substantive responses filed on behalf of the domestic interested parties and inadequate response from respondent interested parties (in these cases, no response), the Department conducted expedited sunset reviews of these CVD orders pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B). As a result of these sunset reviews, the Department finds that revocation of the CVD orders would be likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the “Final Results of Reviews” section of this notice.

**DATES:** *Effective Date:* March 8, 2011.

**FOR FURTHER INFORMATION CONTACT:** Eric Greynolds, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-6071.

**SUPPLEMENTARY INFORMATION:**

**Background**

On November 1, 2010, the Department initiated a sunset review of the CVD orders on certain cut-to-length carbon-quality steel plate from India, Indonesia, Italy, and Korea pursuant to section 751(c) of the Act. *See Initiation of Five-Year (“Sunset”) Review*, 75 FR 67082 (November 1, 2010). The Department received a notice of intent to participate in each of these reviews from the following domestic interested parties: Nucor Corporation, ArcelorMittal USA, Evraz NA Claymont, Evraz NA Oregon Steel Mills, and SSAB N.A.D. (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 section 771(9)(C) of the Act.

The Department received adequate substantive responses 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 these proceedings. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2),

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[C-533-818; C-560-806; C-475-827; C-580-837]

**Certain Cut-to-Length Carbon-Quality Steel Plate From India, Indonesia, Italy, and the Republic of Korea: Final Results of Expedited Sunset Review**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** On November 1, 2010, the Department of Commerce (“the

the Department conducted expedited reviews of these CVD orders.

### Scope of the Orders

The products covered by the countervailing duty orders are certain hot-rolled carbon-quality steel: (1) Universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, and of a nominal or actual thickness of not less than 4 mm, which are cut-to-length (not in coils) and without patterns in relief), of iron or non-alloy-quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils).

Steel products to be included in the scope are of rectangular, square, circular or other shape and of rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been “worked after rolling”)—for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non-metallic substances are included within the scope. Also, specifically included in the scope are high strength, low alloy (“HSLA”) steels. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Steel products to be included in the scope, regardless of Harmonized Tariff Schedule of the United States (“HTSUS”) definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope unless otherwise specifically

excluded. The following products are specifically excluded from the orders: (1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion-resistant steels (*i.e.*, USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel. The merchandise subject to the orders is currently classifiable in the HTSUS under subheadings: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to the orders is dispositive.

### Analysis of Comments Received

All issues raised in these reviews are addressed in the Issues and Decision Memorandum (“Decision Memorandum”) from Gary Taverman, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration, dated concurrent with and hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the Central Records Unit, room 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.

### Final Results of Reviews

The Department determines that revocation of the CVD orders would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

Producers/Exporters	Net counter available subsidy (percent)
<i>India:</i>	
Steel Authority of India (“SAIL”) .....	12.82
All other producers/manufacturers/exporters .....	12.82
<i>Indonesia:</i>	
P.T. Krakatau Steel .....	47.71
All Others <sup>1</sup> .....	15.90
<i>Italy:</i>	
ILVA S.p.A. ....	2.38
All Others <sup>2</sup> .....	2.38
<i>Korea:</i>	
Dongkuk Steel Mill, Ltd. ....	1.38
All others <sup>3</sup> .....	1.38

<sup>1</sup>P.T. Gunawan Steel and P.T. Jaya Pari were excluded from the order on the basis of a *de minimis* net subsidy. See *Notice of Amended Final Determinations: Certain Cut-To-Length Carbon-Quality Steel Plate From India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate From France, India, Indonesia, Italy, and the Republic of Korea*, 65 FR 6587 (February 10, 2000) (“CVD Order”).

<sup>2</sup>Palini & Bertol were excluded from the order on the basis of a *de minimis* net subsidy. See *CVD Order*.

<sup>3</sup>Pohang Iron & Steel Co., Ltd. was excluded from the order on the basis of a *de minimis* net subsidy. See *CVD Order*.

### 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: March 1, 2011.

**Ronald K. Lorentzen,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. 2011-5220 Filed 3-7-11; 8:45 am]

BILLING CODE 3510-DS-P

**INTERNATIONAL TRADE  
COMMISSION**

[Investigation Nos. 701-TA-388-391 and  
731-TA-817-821 (Second Review)]

**Cut-to-Length Carbon Steel Plate From  
India, Indonesia, Italy, Japan, and  
Korea; Scheduling of Full Five-Year  
Reviews Concerning the  
Countervailing Duty Orders and  
Antidumping Duty Orders on Cut-to-  
Length Carbon Steel Plate From India,  
Indonesia, Italy, Japan, and Korea**

**AGENCY:** United States International  
Trade Commission.

**ACTION:** Notice.

**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 cut-to-length carbon steel plate from India, Indonesia, Italy, and Korea and/or therevocation of the antidumping duty orders on cut-to-length carbon steel plate from India, Indonesia, Italy, Japan, and Korea would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B). For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** *Effective Date:* April 18, 2011.

**FOR FURTHER INFORMATION CONTACT:**  
Angela M. W. Newell (202-708-5409),  
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 February 4, 2011,  
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 (76 FR 8772, February 15, 2011). 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 September 28, 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 October 20, 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 October 12, 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 October 17, 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 October 11, 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 October 31, 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 October 31, 2011. On November 22, 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 November 29, 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 Fed. Reg. 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on

Electronic Filing Procedures, 67 Fed. Reg. 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: April 18, 2011.

**James R. Holbein,**

*Acting Secretary to the Commission.*

[FR Doc. 2011-9783 Filed 4-21-11; 8:45 am]

**BILLING CODE 7020-02-P**

**FOR FURTHER INFORMATION CONTACT:**

Angela M. W. Newell (202-708-5409),  
Office of Investigations, U.S.  
International Trade Commission, 500 E  
Street SW., Washington, DC 20436.  
Hearing-impaired persons can obtain  
information on this matter by contacting  
the Commission's TDD terminal on 202-  
205-1810. Persons with mobility  
impairments who will need special  
assistance in gaining access to the  
Commission should contact the Office  
of the Secretary at 202-205-2000.  
General information concerning the  
Commission may also be obtained by  
accessing its internet server (<http://www.usitc.gov>). The public record for  
this proceeding may be viewed on the  
Commission's electronic docket (EDIS)  
at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:** On April  
18, 2011, the Commission established a  
schedule for the conduct of the subject  
five-year reviews (76 FR 22725, April  
22, 2011). Due to scheduling conflicts,  
the Commission is issuing a revised  
schedule.

Specifically, the Commission will  
hold its hearing on October 19, 2011,  
beginning at 10 a.m. Posthearing briefs  
will be due on October 28, 2011.

For further information concerning  
this proceeding see the Commission's  
notice cited above and the  
Commission's Rules of Practice and  
Procedure, part 201, subparts A through  
E (19 CFR part 201), and part 207,  
subparts A and F (19 CFR part 207).

**Authority:** This proceeding is being  
conducted under authority of title VII of the  
Tariff Act of 1930; this notice is published  
pursuant to section 207.62 of the  
Commission's rules.

By order of the Commission.  
Issued: September 8, 2011.

**James R. Holbein,**

*Secretary to the Commission.*

[FR Doc. 2011-23438 Filed 9-13-11; 8:45 am]

**BILLING CODE 7020-02-P**

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**INTERNATIONAL TRADE  
COMMISSION**

[Investigation Nos. 701-TA-388-391 and  
731-TA-817-821 ;Second Review]

**Cut-to-Length Carbon-Quality Steel  
Plate From India, Indonesia, Italy,  
Japan, and Korea; Revised schedule  
for the subject reviews.**

**AGENCY:** United States International  
Trade Commission.

**ACTION:** Notice.

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**DATES:** *Effective Date:* September 7,  
2011.



## EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

*Cut-To-Length Carbon Steel Plate from India, Indonesia, Italy, Japan, and Korea*  
Inv. Nos. 701-TA-388-391 and 731-TA-817-821 (Second Review)

On February 4, 2011, 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 from five domestic producers that account for a significant percentage of domestic production of cut-to-length carbon steel plate (“CTL plate”).<sup>1</sup> The Commission found the individual response of each of the five domestic CTL plate producers, which contained company-specific data, adequate. With respect to the orders concerning CTL plate from India, Indonesia, Italy, Japan, and Korea, the Commission determined that the domestic interested party group response was adequate.

The Commission also received an adequate individual response concerning the countervailing duty and antidumping duty orders on CTL plate from Italy filed by Evraz Palini e Bertoli S.p.a., a producer of the subject merchandise in Italy. The Commission also received adequate individual responses concerning the antidumping duty order on CTL plate from Japan filed by JFE Steel Corporation, Nippon Steel Corporation, and Sumitomo Metal Industries, Ltd., producers of the subject merchandise in Japan. With respect to the review of the countervailing duty and antidumping duty orders on CTL plate from Korea, the Commission received an adequate response filed by Dongkuk Steel Mill Co., Ltd., a producer of the subject merchandise in Korea.

The Commission found that the respondent interested party group responses were adequate with respect to the orders on CTL plate from Italy, Japan, and Korea because respondents from each of these countries accounted for a significant share of the production of subject merchandise in their respective countries.

Because the group and individual responses from both domestic interested parties and respondent interested parties were adequate in the reviews of the orders concerning CTL plate from Italy, Japan, and Korea, the Commission determined to conduct full reviews in these proceedings.

The Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from India and Indonesia, and therefore determined that the respondent interested party group responses for those countries were not adequate. The Commission nevertheless voted to conduct full reviews concerning subject imports from India and Indonesia to promote administrative efficiency in light of the Commission’s determination to conduct full reviews of the other orders in these grouped reviews.

A record of the Commissioners’ votes is available from the Office of the Secretary and on the Commission’s website (<http://www.usitc.gov>).

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<sup>1</sup> These producers are ArcelorMittal USA; Nucor Corp.; SSAB North America Division; Evraz NA Oregon Steel Mills; and Evraz NA Claymont.



**APPENDIX B**  
**HEARING WITNESSES**





## CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

**Subject:** Cut-to-Length Carbon-Quality Steel Plate from India, Indonesia, Italy, Japan, and Korea

**Inv. Nos.:** 701-TA-388-391 and 731-TA-817-821 (Second Review)

**Date and Time:** October 19, 2011 - 10:00 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, D.C.

### OPENING STATEMENTS:

In Support of Continuation of Orders (**Roger B. Schagrin**,  
Schagrin Associates)

In Opposition to Continuation of Orders (**Donald Harrison**,  
Gibson, Dunn & Crutcher LLP)

### **In Support of the Continuation of the Antidumping and Countervailing Duty Orders:**

Wiley Rein LLP  
Washington, D.C.  
on behalf of

Nucor Corporation

**Rick Blume**, General Manager, Commercial, Nucor  
Steelmaking Group

**Jeff Whiteman**, Sales Manager, Hertford County,  
Nucor Corporation

**Michael D. Siegal**, Chairman and Chief Executive  
Officer, Olympic Steel

**In Support of the Continuation of  
the Antidumping and Countervailing  
Duty Orders (continued):**

**Denise Beavers**, Nucor Tuscaloosa Production  
Team Member

**Dr. Peter Morici**, Professor of International Business,  
University of Maryland

**Alan H. Price** )  
**Christopher B. Weld** ) – OF COUNSEL  
**Daniel B. Pickard** )

Schagrin Associates  
Washington, D.C.  
on behalf of

SSAB N.A.D., Evraz  
Oregon Steel Mills  
Evraz Claymont Steel

**Jeffrey Moskaluk**, Vice President and CCO, SSAB  
Americas Division

**Glenn Gilmore**, Manager of International Trade, SSAB  
Americas Division

**Kent Thies**, Director, Business Development, Evraz Inc. NA

**Tom Ballou**, Vice President of Purchasing, O’Neal Steel

**Roger B. Schagrin** )  
 ) – OF COUNSEL  
**John W. Bohn** )

**In Support of the Continuation of  
the Antidumping and Countervailing  
Duty Orders (continued):**

Kelley Drye & Warren LLP  
Washington, D.C.  
on behalf of

ArcelorMittal USA LLC

**Jack P. Biegalski**, Director of Plates, Product Control;  
Sales and Marketing, ArcelorMittal USA, LLC

**Jeffrey Unruh**, Product Manager, Plates,  
ArcelorMittal USA, LLC

**Mark Breckheimer**, President, Heavy Carbon Group,  
Klockner Metals U.S. (formerly, Namasco)

**Peter Trinidad**, Vice President, USW Local 6787,  
United Steelworkers of America, AFL-CIO/CLC

**Paul C. Rosenthal** )  
**Kathleen W. Cannon** ) – OF COUNSEL  
**R. Alan Luberda** )



**In Opposition to the Continuation of  
the Antidumping and Countervailing  
Duty Orders (continued):**

Gibson, Dunn & Crutcher LLP  
Washington, D.C.  
on behalf of

JFE Steel Corporation  
Kobe Steel, Ltd.  
Nippon Steel Corporation  
Sumitomo Metal Industries, Ltd.

**Takeo Aoyama**, General Manager, Chicago Office,  
Nippon Steel U.S.A.

**Jin Kato**, President, Sumitomo Metal USA Inc.

**Donald Harrison** )  
 ) – OF COUNSEL  
**J. Christopher Wood** )

Cassidy Levy Kent (USA) LLP  
Washington, D.C.

and

Law Office of Jeffrey M. Winton  
Washington, D.C.  
on behalf of

Dongkuk Steel Mill Co., Ltd. (“DSM”)

**B. Alekzander Sellers** )  
**Andrea Y. Kwong** ) – OF COUNSEL  
**Jeffrey M. Winton** )

**REBUTTAL/CLOSING REMARKS:**

In Support of Continuation of Orders (**Alan H. Price**, Wiley Rein LLP,  
**Roger B. Schagrin**, Schagrin Associates, **Paul C. Rosenthal**, Kelley  
Drye & Warren LLP )

In Opposition to Continuation of Orders (**Jeffrey M. Winton**, Law Office of Jeffrey M. Winton;  
**J. Christopher Wood**, Gibson, Dunn & Crutcher LLP)



**APPENDIX C**  
**SUMMARY DATA**





**Table C-1**  
**CTL plate: Summary data concerning the U.S. market, 2005-10, January-June 2010, and January-June 2011**

(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	January-June		2005-10	2005-06	2006-07	2007-08	2008-09	2009-10	Jan.-June 2010-11	
<b>U.S. consumption quantity:</b>																
Amount	6,845,135	8,378,675	7,963,203	7,988,590	4,367,759	5,929,950	2,951,537	3,496,761	-13.4	22.4	-5.0	0.3	-45.3	35.8	18.5	
Producers' share (1)	88.4	84.0	87.1	89.7	91.8	90.7	90.3	90.4	2.3	-4.4	3.1	2.6	2.1	-1.1	0.0	
Importers' share (1):																
India	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	-0.0	-0.0	-0.0	0.0	
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	-0.0	0.0	0.0	
Italy	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.0	0.1	-0.1	-0.0	
Japan	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Korea (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Korea (POSCO)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Subtotal (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Total imports	11.6	16.0	12.9	10.3	8.2	9.3	9.7	9.6	-2.3	4.4	-3.1	-2.6	-2.1	1.1	-0.0	
<b>U.S. consumption value:</b>																
Amount	4,945,623	6,236,381	6,154,644	7,964,733	3,042,185	4,444,155	2,145,372	3,181,742	-10.1	26.1	-1.3	29.4	-61.8	46.1	48.3	
Producers' share (1)	88.3	85.7	87.6	88.7	88.9	89.1	88.4	89.7	0.9	-2.6	1.9	1.1	0.2	0.2	1.3	
Importers' share (1):																
India	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.0	-0.1	-0.0	0.0	-0.0	0.0	
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0	-0.0	0.0	0.0	
Italy	0.2	0.0	0.1	0.0	0.2	0.1	0.1	0.0	-0.1	-0.1	0.0	-0.1	0.2	-0.2	-0.0	
Japan	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Korea (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Korea (POSCO)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Subtotal (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Total imports	11.7	14.3	12.4	11.3	11.1	10.9	11.6	10.3	-0.9	2.6	-1.9	-1.1	-0.2	-0.2	-1.3	
<b>U.S. imports from:</b>																
<b>India:</b>																
Quantity	3,856	6,542	1,167	310	165	32	32	316	-99.2	69.7	-82.2	-73.4	-46.9	-80.8	900.8	
Value	3,913	4,358	1,146	466	298	55	55	625	-98.6	11.4	-73.7	-59.3	-36.2	-81.4	1,030.3	
Unit value	\$1,015	\$666	\$982	\$1,504	\$1,808	\$1,754	\$1,754	\$1,981	72.9	-34.4	47.5	53.1	20.2	-3.0	12.9	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>Indonesia:</b>																
Quantity	2,682	41	1,661	97	0	0	0	0	-100.0	-98.5	3,979.9	-94.2	-100.0	(2)	(2)	
Value	1,817	37	985	128	0	0	0	0	-100.0	-98.0	2,557.0	-87.0	-100.0	(2)	(2)	
Unit value	\$678	\$910	\$593	\$1,320	(2)	(2)	(2)	(2)	(2)	34.3	-34.9	122.7	(2)	(2)	(2)	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>Italy:</b>																
Quantity	9,215	1,212	3,814	337	4,904	718	429	428	-92.2	-86.9	214.7	-91.2	1,354.4	-85.4	-0.1	
Value	8,939	2,206	4,395	1,277	6,402	2,369	1,414	1,121	-73.5	-75.3	99.2	-70.9	401.2	-63.0	-20.7	
Unit value	\$970	\$1,821	\$1,152	\$3,789	\$1,306	\$3,299	\$3,298	\$2,616	240.1	87.7	-36.7	228.8	-65.5	152.6	-20.7	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>Japan:</b>																
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>Korea (subject):</b>																
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>Subtotal (subject):</b>																
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>Korea (POSCO):</b>																
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>All other sources:</b>																
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>Subtotal (nonsubject):</b>																
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	
<b>All sources:</b>																
Quantity	795,303	1,341,814	1,026,836	824,357	357,850	551,029	285,027	336,175	-30.7	68.7	-23.5	-19.7	-56.6	54.0	17.9	
Value	578,824	894,023	762,476	903,018	337,604	482,282	247,941	326,263	-16.7	54.5	-14.7	18.4	-62.6	42.9	31.6	
Unit value	\$728	\$666	\$743	\$1,095	\$943	\$875	\$870	\$971	20.3	-8.5	11.4	47.5	-13.9	-7.2	11.6	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***	

Table continued on next page.

Table C-1--Continued  
 CTL plate: Summary data concerning the U.S. market, 2005-10, January-June 2010, and January-June 2011

Item	(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)										Period changes				
	Reported data														
	2005	2006	2007	2008	2009	2010	January-June		2005-10	2005-06	2006-07	2007-08	2008-09	2009-10	Jan.-June 2010-11
U.S. producers':															
Average capacity quantity	8,352,058	9,078,900	9,102,852	9,539,225	9,597,673	9,624,269	4,776,796	4,860,735	15.2	8.7	0.3	4.8	0.6	0.3	1.8
Production quantity	6,526,649	7,708,588	7,684,039	7,748,767	4,566,875	6,075,718	3,046,421	3,603,811	-6.9	18.1	-0.3	0.8	-41.1	33.0	18.3
Capacity utilization (1)	78.1	84.9	84.4	81.2	47.6	63.1	63.8	74.1	-15.0	6.8	-0.5	-3.2	-33.6	15.5	10.4
U.S. shipments:															
Quantity	6,049,832	7,036,861	6,936,367	7,164,233	4,009,909	5,378,921	2,666,510	3,160,586	-11.1	16.3	-1.4	3.3	-44.0	34.1	18.5
Value	4,366,799	5,342,358	5,392,168	7,061,715	2,704,581	3,961,873	1,897,431	2,855,479	-9.3	22.3	0.9	31.0	-61.7	46.5	50.5
Unit value	\$722	\$759	\$777	\$986	\$674	\$737	\$712	\$903	2.0	5.2	2.4	26.8	-31.6	9.2	27.0
Export shipments:															
Quantity	475,310	592,291	730,366	707,143	555,217	641,408	337,393	353,978	34.9	24.6	23.3	-3.2	-21.5	15.5	4.9
Value	352,874	444,497	573,188	623,933	357,896	441,022	210,533	307,991	25.0	26.0	29.0	8.9	-42.6	23.2	46.3
Unit value	\$742	\$750	\$785	\$882	\$645	\$688	\$624	\$870	-7.4	1.1	4.6	12.4	-26.9	6.7	39.4
Ending inventory quantity	312,040	372,483	400,324	265,647	258,456	324,243	353,993	423,459	3.9	19.4	7.5	-33.6	-2.7	25.5	19.6
Inventories/total shipments (1)	4.8	4.9	5.2	3.4	5.7	5.4	5.9	6.0	0.6	0.1	0.3	-1.8	2.3	-0.3	0.1
Production workers	3,647	3,763	3,870	3,958	3,110	3,339	3,300	3,875	-8.4	3.2	2.8	2.3	-21.4	7.4	17.4
Hours worked (1,000s)	7,451	7,711	7,916	8,020	5,654	6,466	3,374	4,351	-13.2	3.5	2.7	1.3	-29.5	14.4	29.0
Wages paid (\$1,000s)	218,529	250,913	269,187	290,004	191,575	217,688	103,430	135,108	-0.4	14.8	7.3	7.7	-33.9	13.6	30.6
Hourly wages	\$29.33	\$32.54	\$34.01	\$36.16	\$33.88	\$33.67	\$30.66	\$31.05	14.8	10.9	4.5	6.3	-6.3	-0.6	1.3
Productivity (tons/1,000 hours)	792.9	900.8	883.0	882.2	741.0	857.2	825.4	757.5	8.1	13.6	-2.0	-0.1	-16.0	15.7	-8.2
Unit labor costs	\$36.99	\$36.12	\$38.51	\$40.99	\$45.73	\$39.28	\$37.14	\$40.99	6.2	-2.4	6.6	6.4	11.6	-14.1	10.4
Net sales:															
Quantity	6,151,120	7,224,223	7,267,293	7,416,533	4,371,914	5,819,533	2,881,800	3,363,750	-5.4	17.4	0.6	2.1	-41.1	33.1	16.7
Value	4,471,661	5,505,206	5,721,813	7,295,978	2,927,804	4,255,177	2,011,853	3,036,857	-4.8	23.1	3.9	27.5	-59.9	45.3	50.9
Unit value	\$727	\$762	\$787	\$984	\$670	\$731	\$698	\$903	0.6	4.8	3.3	24.9	-31.9	9.2	29.3
Cost of goods sold (COGS)	3,310,754	3,949,257	4,320,178	5,635,232	2,996,898	4,063,711	1,956,624	2,638,669	22.7	19.3	9.4	30.4	-46.8	35.6	34.9
Gross profit or (loss)	1,160,907	1,555,949	1,401,635	1,660,746	(69,094)	191,466	55,229	398,188	-83.5	34.0	-9.9	18.5	(2)	(2)	621.0
SG&A expenses	122,903	145,640	209,455	169,821	105,503	125,933	59,569	78,930	2.5	18.5	43.8	-18.9	-37.9	19.4	32.5
Operating income or (loss)	1,038,004	1,410,309	1,192,180	1,490,925	(174,597)	65,533	(4,340)	319,258	-93.7	35.9	-15.5	25.1	(2)	(2)	(2)
Capital expenditures	82,146	117,180	136,899	99,951	80,851	177,273	84,159	95,442	115.8	42.6	16.8	-27.0	-19.1	119.3	13.4
Unit COGS	\$538	\$547	\$594	\$760	\$685	\$698	\$679	\$784	29.7	1.6	8.7	27.8	-9.8	1.9	15.5
Unit SG&A expenses	\$20	\$20	\$29	\$23	\$24	\$22	\$21	\$23	8.3	0.9	43.0	-20.6	5.4	-10.3	13.5
Unit operating income or (loss)	\$169	\$195	\$164	\$201	(\$40)	\$11	(\$2)	\$95	-93.3	15.7	-16.0	22.5	(2)	(2)	(2)
COGS/sales (1)	74.0	71.7	75.5	77.2	102.4	95.5	97.3	86.9	21.5	-2.3	3.8	1.7	25.1	-6.9	-10.4
Operating income or (loss)/sales (1)	23.2	25.6	20.8	20.4	(6.0)	1.5	(0.2)	10.5	-21.7	2.4	-4.8	-0.4	-26.4	7.5	10.7

(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 totals shown. Unit values and shares are calculated from the unrounded figures.

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

**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**



**U.S. PRODUCERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION OF THE ANTIDUMPING DUTY ORDERS**

Describe the significance of the existing countervailing duty and/or antidumping duty orders covering imports of CTL plate from India, Indonesia, Italy, Japan, and/or Korea in terms of its effect on your firm's production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. You may wish to compare your firm's operations before and after the imposition of the orders.

\* \* \* \* \*

**U.S. PRODUCERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION OF THE ANTIDUMPING DUTY ORDERS**

Would your firm anticipate any changes in its production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of CTL plate in the future if the countervailing duty and/ or antidumping duty orders on CTL plate from India, Indonesia, Italy, Japan, and/or Korea were to be revoked?

\* \* \* \* \*

**U.S. IMPORTERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS**

Describe the significance of the existing countervailing duty and antidumping duty orders covering imports of CTL plate from India, Indonesia, Italy, Japan, and Korea in terms of its effect on your firm's imports, U.S. shipments of imports, and inventories. You may wish to compare your firm's operations before and after the imposition of the orders.

\* \* \* \* \*

**U.S. IMPORTERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION OF THE ANTIDUMPING DUTY ORDERS**

Would your firm anticipate any changes in its imports, U.S. shipments of imports, or inventories of CTL plate in the future if the countervailing duty and antidumping duty orders on CTL plate from India, Indonesia, Italy, Japan, and Korea were to be revoked?

\* \* \* \* \*

**U.S. PURCHASERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION OF THE ANTIDUMPING DUTY ORDERS**

What do you think will be the likely effects of any revocation of the subject countervailing duty and antidumping duty orders for imports of CTL plate from India, Indonesia, Italy, Japan, and/or Korea on your firm's activities?

\* \* \* \* \*

**U.S. PURCHASERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION OF THE ANTIDUMPING DUTY ORDERS**

What do you think will be the likely effects of any revocation of the subject countervailing duty and antidumping duty orders for imports of CTL plate from India, Indonesia, Italy, Japan, and/or Korea on the U.S. market as a whole?

\* \* \* \* \*

**FOREIGN PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS**

Describe the significance of the existing countervailing duty and antidumping duty orders covering imports of CTL plate from India, Indonesia, Italy, Japan, and Korea in terms of its effect on your firm's production capacity, production, home market shipments, exports to the United States and other markets, and inventories. You may wish to compare your firm's operations before and after the imposition of the orders.

\* \* \* \* \*

**FOREIGN PRODUCERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION OF THE ANTIDUMPING DUTY ORDERS**

Would your firm anticipate any changes in its production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of CTL plate in the future if the countervailing duty and antidumping duty orders on CTL plate from India, Indonesia, Italy, Japan, and Korea were to be revoked?

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